

## **APPENDIX 4: KITIKMEOT ECONOMIC DEVELOPMENT COMMISSION**

Excerpted from Lewis, Mike, and Sandy Lockhart, *CED in the High Arctic: Progress and Prospects* (Centre for Community Enterprise, 1999).

## **CHAPTER THREE**

### **KITIKMEOT ECONOMIC DEVELOPMENT COMMISSION**

Kitikmeot region, the western extension of Nunavut, is the smallest of the regions in terms of size, number of communities, and population. Cambridge Bay, the regional centre, lies over 1500 km from Iqaluit. Kitikmeot region's population of approximately 4500 (90% of whom are Inuit) lives in seven communities. Two communities, Cambridge Bay and Coppermine, make up 50% of the population. The population is growing rapidly and is very young, 60% being under 25 years of age.

Kitikmeot Economic Development Commission (known as Kitikmeot CEDO until 1995) is owned by the Kitikmeot Inuit Association (KIA), the political and policy arm of the Kitikmeot Inuit. Under the Nunavut Final Agreement, the KIA is designated as the central organization in the region, charged with implementing the Agreement. A third key organization at the regional level is the Kitikmeot Development Corporation (KDC). Wholly-owned by the KIA, KDC is the vehicle for generating profitable businesses at the regional level on behalf of the Kitikmeot Inuit.

#### **Going to the Communities**

Supported by Sinnaq, Kitikmeot CEDO (KCEDO) was early out of the starting gate in undertaking a process consistent with the original ITC vision and plan to involve community members... "thus ensuring that the Inuit at the community level have a direct sense of ownership and control over the process" (1990). In the latter part of 1991, having selected a board and a staff person and completed some short-term operational planning, KCEDO went out to talk to the people about their needs and aspirations for their communities.

Ninety-nine people were surveyed across the six communities. This may not seem like a lot of folks in a southern context, but given there were at the time only 2360 people over the age of 15, 99 respondents represent over 4% of the entire adult Inuit population. Heads of households, carvers, business owners, and a range of individuals were interviewed.<sup>1</sup>

The attitudes reflected in the results are revealing. Inuit business ownership was favoured, but not if that meant the exclusion of non-Inuit from jobs. Sharing of community wealth and an increased community role in business development was a common theme. But respondents did not want individual enterprise discouraged. Indeed, were a business to fail, they wanted the owner to be encouraged to try again. Men and women should have equal access to jobs. Development should be slow and controlled, working in harmony with nature.

The community needs identified by the survey were not surprising: housing; better access to supplies for building, carving, and travelling (e.g., snowmobiles); financial services (there were no banks in any of the communities); and increased office space. In terms of skills, respondents emphasized the building trades, hairstyling, and a local economic development officer. Respondents also expressed a strong desire for a variety of training courses, the priorities being business, building trades, hunter and guide, and sewing and craft production training.

In terms of business opportunities, the survey highlighted services (restaurants, hotels, clothing) and renewable resource based activities (making traditional clothing/carving, fishing, fish and meat processing, a tannery and sports hunting). People also generally favoured tourism, but not non-renewable resource development (oil, gas, and mining).

In summary, the people's message was that development should be slow. It needed to be controlled and consistent with traditional values and maintaining a harmonious relationship with the environment. Renewable resources, tourism, and the retail service sector were the priorities. Finally, people said *the primary development objective should be the creation of better jobs with higher wages*. A significant aspiration, especially since the survey also indicated that 1297 new jobs would be needed in these remote villages by 2002 if unemployment was to be brought down to 16% (NWT average).<sup>2</sup>

Two other messages came out strong and clear.

The first was a stream of severe criticism of ED&T. The regional economic development officer was said to do little to encourage economic development and to lack professional training and experience. Local control over government programs was non-existent. Government programs were not understood and inaccessible. The fact that government social assistance was easier to access than economic development programs was seen to be ruining the future for young people in the communities.

The second message was one of overwhelming support for the CEDO concept and the expansion of its role and responsibilities in the years ahead. This was coupled with advice that the KCEDO should work with local development committees and boards.

These community messages became the basis for the KIA and Kitikmeot CEDO to organize a meeting with the Government Leader in May 1992. Armed with a strong community mandate, the KIA and KCEDO pushed to have ED&T resources devolved to KCEDO, rather than to the communities, as GNWT's "Reshaping Northern Government" policy dictated. The Government Leader's conditional approval, on the condition (in part) of broad community support for a regional delivery structure, prompted a second round of consultation (see below, pp. 33).

The ITC working group apparently got it right - people in the communities wanted involvement and more local influence. But how was this to be realized?

### **The Clarification of the Renewable Resource Agenda**

In cooperation with the KIA, KCEDO organized in early 1993 a territory-wide workshop on one of the priorities identified in the 1991/92 survey:<sup>3</sup> How was local involvement in harvesting, processing, distribution, management, and marketing of renewable resources going to increase? How could Inuit develop a sustainable, renewable resource-based economy that would provide employment and income to the burgeoning Inuit younger generation?

The delegates' discussion of these issues came to turn around four specific questions. How can Inuit develop the fisheries to provide maximum employment and income? What are the export market opportunities for the full range of species? What opportunities exist for the development of land-based renewable resources? How can Inuit establish a

system of intersettlement trade so Inuit can have access to country food without compromising sustainable management of these resources?

For four intense days, delegates defined opportunities and barriers to those opportunities. They elaborated the critical issues that had to be address to advance a realistic renewable resource development agenda. They detailed both the advantages and the disadvantages that derived from the remoteness, the geography, and the demographics of their region. A considerable number of constraints to development were identified: the burden that transportation costs imposed on both production and marketing; the lack of financial institutions; issues of communications and coordination; inadequate focus and financing for research and development; poorly developed physical and marketing infrastructure to support renewable resource industries; regulations out of sync with arctic realities; and stove-pipe government administrative patterns.

Nevertheless, the participants emerged with a plan of action.

- To develop a communication and transportation strategy for all four NWT regions - Inuvialuit, Kitikmeot, Baffin, and Keewatin.
- With respect to fisheries - to conduct a market study and an inventory of species, to undertake research and training in alternative fishing methods, and to establish a marketing agency.
- With respect to export markets - to increase the marketing of musk ox, shrimp, turbot, caribou, whitefish, and char.
- With respect to intersettlement trade - to incorporate such trade with the hunters organizations, to identify sources of funding, to assess infrastructure needs, and to facilitate training to build organizational capacity in support of intersettlement trade.
- With respect to land-based resources - to coordinate studies being done by the Hunter and Trappers Associations, to facilitate harvest research as a first step towards maintaining accurate wildlife inventories, and to redirect research and development investments from national organizations to the regional and community levels.

They also recommended the establishment of a pan-Inuit steering group to direct and monitor these actions.

With the conclusion of the conference, KCEDO had completed an initial step to address an issue critical to its communities. To do so it stepped outside its region to include all the other Inuit-dominated regions in the Arctic. What it faced, as it was to face many times in the years ahead, were some fundamental challenges:

How does a CEDO address community priorities that, by their very nature, require an organization of resources, capacity, and partnerships at a regional and territory level, if action is to effective? Similarly, how does a CEDO, with its limited resources, ensure community involvement and sense of ownership of actions which only become meaningful within a context of actions on a much broader front? Finally, how does a CEDO take comprehensive and strategic action, when its "corporate neighbours" are by and large, bureaucratic government agencies and other institutions with narrow mandates and managers who don't even live in the region?

## **An Economic Delivery Model for the Kitikmeot Region**

The Government Leader's response to KIA and KCEDO in May 1992 committed the Kitikmeot leadership to addressing this fundamental challenge. Another round of consultations was necessary and a model that addressed the strategic integration of resources had to be defined.

In late 1992 and early 1993, utilizing the services of RT and Associates Ltd., KCEDO headed back to each of the communities for two rounds of interviews over a 5-month period. The results brought into focus a vision that, at least from a Kitikmeot Inuit perspective, could guide the organization and management of economic development services.

Although a range of government people were interviewed, the heart of the work was the wide-ranging discussions with 94 community, business, and political leaders who lived and worked in Kitikmeot communities. Before exploring their comments, however, let's review some of the key things going on in 1992 and 1993.

1. The SCONE report of 1988, with its strident advocacy of a more integrated approach to economic development and *real* decision-making power at the community and regional levels, was still a reference point .
2. The government response to the SCONE report, entitled "Building Community Strengths: A Community Based Approach" (1990) generally left the people in Kitikmeot feeling short changed.<sup>4</sup> Programs and services under the strategy were still seen as being too centralized; "control and decision making are treasured commodities which are closely guarded by senior officials in Headquarters (Yellowknife)."
3. By 1991, with costs going up and revenues going down, the GNWT created a new strategy referred to as "Strength at Two Levels." The basic message was that cost reduction would be achieved through devolution of delivery responsibilities to communities.
4. In 1992 Sinnaq had released its comprehensive analysis of economic development in the North as a patchwork of fractured mandates and stovepipe delivery systems which were ineffective and unaccountable.
5. Settlement of the Nunavut Final Agreement was close at hand. The communities were in the process of ratifying the agreement through a Nunavut-wide vote. The Kitikmeot Inuit Association was about to enter a new phase as the designation implementation organization for the region. With this would come power and resources unavailable to Inuit before.

It is in this context that the 1992/93 community consultations fanned to life a debate that had smoldered throughout the region. Communities addressed five key questions.

- What were the community views regarding ED&T services, strategies, and initiatives?
- How satisfied were people with current programs and services?
- How accountable were ED&T staff?

- What was the community philosophy with regard to economic and tourism development?
- What did people think of three options for program and service delivery: the status quo, devolution of service delivery to municipal governments, or devolution to a regionally-controlled economic development commission?

The final report, published in November 1993, makes for interesting reading.<sup>5</sup> An outstanding feature is the level of frustration and dissatisfaction expressed at the consultations. People were mad and believed that ED&T had to be changed. Again and again they charged that ED&T was accountable only to Yellowknife. ED&T had a control philosophy, not a development philosophy, was focused on sectoral development and disregarded individual and community needs and opportunities. The criticism is strident and unapologetic with respect to the first three questions. Clearly the status quo was an option for nobody!

With respect to development philosophy, the communities comments reflect a consensus very much in line with aspects of the SCONE report. Gjoa Haven said it well for the small communities: "Economic development in Gjoa Haven needs to orient its strategies, policies and programs towards broader development goals." The only yardstick of success has been creation of businesses....." a bias which leaves "many smaller scale economic development opportunities that would benefit other non-business segments of the community ignored. In short, people of the community feel that there are natural and physical limitations to the amount of business development that can occur in any small northern community and that for economic development to be targeted properly it must recognize this structural reality."

Other communities added that what was needed was a "proactive philosophy," a "can do" attitude, and that this was absent in ED&T staff. We don't want a "gatekeeper mentality" was a common theme.

Since the status quo was clearly not an option, the question came down to what people favoured. The report from each community clearly favoured the regional approach, with one proviso: every community but one clearly stated that service delivery through a regional structure had to be accompanied by a close working relationship with the local economic development officer. Where there was none, an EDO should be put in place.

However, the Hamlet Council in Gjoa Haven and the local Kinqunik Society were adamantly opposed to all organizational options except a full and complete transfer of responsibility and control to the Hamlet Council. The mayor illustrates the point:

"Although there may be some value in general discussions about our problems on a regional basis, we feel that very little will be gained by counting on a regional board or commission to make things better .... The people who elect us as their representatives expect us to make them our first priority and we would like the opportunity to try. We think that regional control would make that difficult."

The conclusions are by now self-evident. The study put the consensus this way:

"Within this system, most Kitikmeot Inuit and non-Inuit alike, feel that, with one exception - the Kitikmeot Regional CEDO - that current economic development programs and service providers are not accountable to people in the

communities and that for the most part, policies and programs do not fit with their particular economic circumstances.”

This led to the principal recommendation that “all GNWT and federal program delivery responsibility ... be devolved to ... a Regional Economic Development Commission which would have overall responsibility for delivering economic development programs.”

Kitikmeot CEDO had thrown down the gauntlet. In many ways, the principles of the document are consistent with the early policy prescriptions of the GNWT itself. However, it was clear that the communities had come up with a different approach. They were opting for a regional “model” that they would control through the board and through the “devolution” of certain functions to the community level. Would the GNWT loosen control? Kitikmeot leadership moved quickly to press their case.

(An interesting footnote to this Kitikmeot community consultation were several attempts on the part of ED&T to hire the two employees of Kitikmeot CEDO. Sometimes this was an approach by senior management. But the Minister himself, John Todd, made the CEDO manager an offer in the fall of 1993. It is intriguing to reflect on just why they might have been so anxious to get Kitikmeot staff back working with government.<sup>6</sup>)

In December 1993 the full report was sent to each of the MLAs in the GNWT Legislative Assembly. On March 4, 1994, KCEDO, along with key leadership of the KIA, KDC, and NTI met in Yellowknife with the Minister of Economic Development and Tourism (himself the MLA for Kivalliq region), the two MLAs for the Kitikmeot region, and other officials. The objective was to present the report and ask the Minister to support it. The Minister responded, “you don’t have the support of all your MLAs.” One MLA did not support the proposal, despite the unanimous support from the KIA and the near-unanimous support of the hamlet councils. This MLA, despite the two years of work it took to put the proposal together, said he could not support the Kitikmeot delegation until he gave John Todd time to see if the re-organization of his department would lead to improvements. Not surprisingly, this neat stratagem led John Todd to ask the Kitikmeot delegation to “give me six months.” If they did not feel the changes being implemented were improving the delivery of economic development programs and services, they should come and see him again.

The Kitikmeot delegation did not expect the proposed changes to work. But they did hope that the legislature would give a green light to their regional delivery model during the fall 1994 session.

### **Building a Strategic Approach to Regional Opportunities**

During these early years, aside from trying to influence the policy context in various ways, KCEDO was delivering a range of services. With only a staff of two (a manager and a development officer based in Taloyoak), it undertook a wide variety of training and support activities to the jobless and to entrepreneurs. In addition, KCEDO was integral to efforts to strengthen regional capacity and better position Inuit interests to take advantage of opportunities beyond the scope of any single community.

KCEDO organized and facilitated the establishment of community committees and the Pathways program Aboriginal Management Board in the region. It organized and managed a multi-year project, in conjunction with the University of Saskatchewan, to

design an economic model capable of assessing local and regional impacts of large scale natural resource projects such as mining. It assisted and/or managed several studies of regional business opportunities. It engaged in a range of negotiations aimed at advancing the interests of Inuit in the region, including EDA negotiations, establishing (with Sinaaq) an Aboriginal Capital Corporation, and setting up an Inuit Equity Fund. It worked with Arctic Cooperatives to try to launch community-based credit unions. In short, KCEDO has been as vitally active in improving the region's capacity and climate for economic development as it has been in serving in individual clients.

Perhaps the organization with which KCEDO has worked most closely in this regard is Kitikmeot Inuit Association's other wholly-owned, but for-profit entity, Kitikmeot Development Corporation. Together, these three organizations continue to represent an important regional capacity to advance Inuit community interests economically, socially, politically, and culturally.

The emergence in the early 1990s of a potentially huge mining and infrastructure development in the region of Coppermine and Bathurst Inlet created some major challenges for Kitikmeot Inuit organizations. Outside development could be on the agenda in a big way. On the one hand, the communities had significant concerns with respect to large-scale, fast-paced development schemes. They were not crazy about the prospect of mining either, as the community consultations indicated. On the other hand, jobs had to be created for a rapidly growing population of young people.

The writers are not privy to the debates that have gone on around these issues in the communities or at the regional level. What is clear, however, is that any organizational mandate that serves Inuit has to be ready to position their interests.

In June 1994, Kitikmeot CEDO and KDC organized a workshop to address the challenge that large-scale mining would pose to the regional population. It gathered together key people from the KIA, KDC, Nunasi (the birthright corporation owned by NTI), and KCEDO. In four days, delegates hammered out a series of policies specifically designed to prepare KDC to meet the challenge. The event had two major priorities. Firstly, a venture development policy and decision-making framework had to be built for the KDC. Secondly, it was necessary to learn more about negotiating and structuring joint ventures so as to insert Inuit economic, social, and environmental interests squarely into the middle of any large-scale resource development in the region.<sup>7</sup>

Although not the central actor and focus of this very timely workshop, KCEDO was an important and an active partner in its facilitation. The organization was playing a significant role in fostering a regional capacity that could be pro-active rather than merely re-active.

The KCEDO has played other roles in the mining sector as well. For example, it was active in all the negotiations with Metall Mining Canada Ltd, and organized the financial and technical resources necessary to conduct a solid negotiation. Another example is the work it did to conceptualize how to raise private financing for infrastructure development.

This initial work helped prepare the region's Inuit organizations to negotiate the first Inuit Impact Benefits Agreement, signed in September 1996 by the Kitikmeot Inuit Association (with support from the Kitikmeot CEDO and Kitikmeot Corporation) and Echo Bay Mines

Ltd. A relatively small gold mine, the proposed Ulu project was considered by the KIA to be an important starting point in setting the stage for future agreements. Although, as aforementioned, depressed gold prices have kept this mine from proceeding, there were some important principles established in this initial negotiation. KCEDO played an important role as a key partner throughout this process.

### **Building a Community Economic Development Strategy for the Kitikmeot Region**

On the heels of KCEDO's major attempt to influence the GNWT policy with regard to devolution in 1992/93, and with mining and GNWT capital spending looming, KCEDO initiated another two rounds of community consultations and economic analysis in 1994 and 1995. These came together in a report called the "Kitikmeot Community Economic Development Strategy" (May 1995) which included six companion reports, one for each of the Kitikmeot communities.<sup>8</sup>

This document was the first comprehensive analysis of two key sectors of the economy, mining and capital projects. (It also was the first relatively comprehensive picture of the condition of the Kitikmeot labour force.)

It goes into significant detail with respect to both the existing Lupin gold mine and the prospects for developing other mines. It also reviewed the exploration side of this business. Several opportunities were identified and analyzed with the aim of positioning Kitikmeot region businesses to maximize benefits and to position KDC for joint ventures.

With the advent of Nunavut just four years away, the capital project budget for Kitikmeot for the next five years was slated at \$72.6 million. Opportunities related to this capital project spending covered a wide range of new construction, renovation, water, sewage, fuel, and other recreational and land-based developments.

In both these sectors, the size of the developments created a classic dilemma. The scale of the projects by and large outstripped the financial capacity of existing businesses. Given the slowness and inefficiency of government lending and other financing supports, most of the opportunities would necessarily end up going to southerners. (This dilemma highlights the importance of joint ventures as a strategy for capturing of economic benefits for the communities and region. It also provides a clue as to why it is so important to rationalize the organization of government resources in relation to community and regional development. Without a more comprehensive, strategic, and coordinated approach, the region will capture few benefits, if any.)

But KCEDO in 1995 was still in the same position as it was in 1993 with respect to the GNWT. ED&T had devolved nothing to KCEDO. Apart from lobbying for EDOs, hamlet councils had no role in economic development. The stovepipe administration of economic development services and programs continued unabated. On the federal side, KCEDO had managed to develop a cooperative working relationship with Pathways because the program board was controlled by community representatives. Inuit organizations appeared to be collaborating and cooperating. But in the realms of the territorial and federal governments, fragmentation remained the rule.

With its two staff and a \$340,000 budget, KCEDO was clearly an activist and advocate in the midst of a complex array of externally-imposed institutions, agencies, and programs. In what must at times have seemed a futile attempt, KCEDO tried to introduce some

strategy and coherence to a confused set of overlapping mandates, jurisdictions, and self-interested organizations. But in 1995, it had apparently made little progress in breaking the log jam.

KCEDO's final plea in the strategy was for the formation of a Kitikmeot Economic Development Council - a means by which parties could work together to deal with the eternal mandate conflicts that were sabotaging strategic cooperation. The vision was for a results-oriented Council that could focus on solving problems and getting on with effective management of the economic development process.

### **A Snapshot of Activities & Results: The Fifth Year**

Fiscal year 1994/95 was the fifth and final one for CAEDS. KCEDO and the other two CEDOs (Kakivak and Sakku) were requested by Indian and Northern Affairs to prepare a report on the year's activities (see page following). Some previous attempts at documentation were sketchy at best. This report was prepared by the Nunavut CEDO with some outside assistance.<sup>9</sup>

Kitikmeot, the smallest region in terms of numbers of people, communities, and businesses, had the smallest budget of the three CEDOs. Yet it had the best performance in training and placement, new business starts, business expansions, and jobs created, as well as the highest leverage of finance into the region and the highest density of networking and developmental activities.

KCEDO's 16 business starts represented 21% of the entire base of existing businesses in the region. Six business expansions represented work with 8% of the regions businesses. These are impressive ratios.

These activities indicate that the KCEDO is interacting with a broad cross-section of the economy, both with small businesses at the community level and with larger opportunities at the regional level (where it worked closely with KDC). The range of tasks associated with carrying out these business activities is important to note:

- providing advice and recommendations to clients
- assisting them with their negotiations with banks, suppliers and creditors
- developing business plans and financial packages, all of which do not get captured in activity related reports.

Among the projects of note were KCEDO's efforts to assist communities in developing their own business service centres. During the year, three received technical assistance in feasibility studies and financing packages.

## 1994-95 - A Snapshot of KCEDO Budgets & Results

REVENUE		Number of Employees 2
INAC CAEDS contribution	\$342,151	1 General Manager
INAC (Other)	80,000	1 Economic Development
Other Funding	50,000	Officer serving 2 communities
<b>TOTAL REVENUE</b>	<b>\$472,151</b>	
EXPENDITURES		Number of Inquiries 220
Operations	\$290,000	
Training and Employment	0	
Business Support	130,000	
Contributions to Community based businesses	30,022	
<b>TOTAL EXPENDITURES</b>	<b>\$450,022</b>	

### Summary of Activities & Results

#### Training and Employment Activities

# training activities	5
# of people placed in training programs	32
# of people placed or continuing in employment after training	32

#### Business Support Activities

# of businesses in service area	76
# of businesses/clients assisted 94/95	36
# of new businesses started	16
# of jobs created by new businesses	42 (mix of seasonal, pt and fte)
# of existing businesses expanded	6
# of jobs created by business expansion	9

Resource Access Negotiations Projects      1 joint ventures related project

#### Other Activities

# of other activities KCEDO involved in	20
# of jobs support by these activities	17

Funds leveraged or expected to be leveraged      \$1.92 million

One of the reasons KCEDO appears to have been able to achieve such results with such limited resources is its development and use of a network of consultants and technical assistance providers. This approach brought specialized services to their clients on an "as needed" basis. When managed properly, such a strategy can provide greater flexibility and a means to achieve results more rapidly.

Interestingly, the KCEDO also carried the management responsibilities for the Nunavut-wide CEDO started in 1994. This is just one indicator of the critical importance the KCEDO attaches to activities focused on influencing development policy, networking, and coordination initiatives.

Training for capacity-building initiatives, like board training for regional and community-based development corporations, are another activity with crucial regional importance. There was also some modest collaboration with the Kakivak CEDO to develop a curriculum for the Nunavut Business Management Training project.

Planning and research activities focussed on developing a regional CED strategy and assisting KDC to develop a corporate and strategic plan. In addition, resources were secured to assist Kitikmeot Corporation in the promotion of their organization at a wide variety of trade shows and forums across Canada and the N.W.T. each year. This is particularly relevant to strategic networking aimed at identifying potential joint venture partners and developing relevant industry contacts. In addition, research and advocacy activities related to devolution of GNWT economic delivery services and working to correct funding inequities in the CAEDS program, occupied more time and energy.

And that was not all. KCEDO also undertook a number of other development-related tasks. We have already mentioned its role in the development of the Nunavut CEDO. KCEDO also participated in regional and funding-related committees, and secured resources to extend by another two years the contract for the economic development officer in Taloyoak and Pelly.

Given this degree of activity for such a small staff, it is hardly surprising that KCEDO was weak in its tracking and evaluation activity. (KCEDO itself identified the problem in its 1994/95 report summary.) Another obvious issue was the survival rate of the businesses being started. It is not difficult to imagine that post-start up support services could have been lacking.

Another potential weakness (and one directly related to an obvious strength) was KCEDO's dependence on its high-powered general manager, whose energy, commitment, and skills were critical to building such an effective CED organization in five years. What if he were to leave? It is well known in the field of CED that such talented development managers are in short supply. Was there a plan to ensure that succession would be successful?

## **The Second Five Years**

Since 1995 there has been a slow but steady progression on several fronts.

KCEDO, renamed Kitikmeot Economic Development Commission (KEDC) has allocated to management the additional business development resources derived from the land claim settlement. The Kitikmeot Corporation provides resources to KEDC to manage under the Kitikmeot Business Assistance Program. Loans up to \$25,000 and grants up to \$5000 are available to Inuit business people. KEDC also manages the Nunavut Sivummut Program, an up to \$3000 grant program created by NTI Inc for business-related development at the community level.<sup>10</sup>

Steady progress has been made in establishing Business Service Centres in Coppermine, Cambridge Bay, and Kugluktuk. Two more are being planned for other Kitikmeot communities.

KEDC has continued to play a key role in a range of Kitikmeot Corporation business initiatives. This teaming up of two organizations' scarce technical and management talent appears to be a key feature of KEDC and KC success. It has brought about more flexibility and capacity to take quick action, a greater depth of expertise, and stronger planning in human resource, organizational, and business development. KEDC has also acted as a key resource to KIA and KC in generating financial resources to plan and research larger opportunities.

The economic development office serving Taloyoak and Pelly has been maintained through the funding arrangement with the GNWT (perhaps the only concession ever realized, despite all the efforts to devolve services to the regional level).

KEDC's takeover of the Pathways program has provided the means to begin tailoring training investments more carefully. The pattern of automatic approvals to subsidize Arctic College programming was broken, making for a much more accountable and integrated investment of funds into community and regional development priorities. For example, projects covering a range sectors were financed in 1997-98. On-going investment in upgrading was supported. There were several projects directly concerned with increasing Inuit skills in renewable and service related business: guiding, sea kayaking (part of one community's pilot project in tourism), plumbing, fishplant worker upgrading, intensive internet training, heavy equipment operation and maintenance, office management and administration, and carpentry. Diverse projects related to mining have been supported as part of the effort to equip people with a range of technical skills associated with this industry. Traditional sewing and jewelry/metalwork training have also continued to be part of the mix. During the 1997/98 fiscal year, \$1.14 million was managed on this front.

There has also been youth initiatives to build life skills and work experience, in addition to career planning programming and supports which in 1998 amounted to \$375,000.

On the broader front of strategic networking and partnership building, KEDC has played several important roles since 1995. It has been a key partner in organizing and planning the 1998 Nunavut Mining Symposium held in Cambridge Bay. Almost 300 participants attended. KEDC has maintained a range of networking activities related to the mining industry, and so increased its contacts in and its understanding of this high-potential industry. Charlie Lyall, the KEDC president, has made several speeches throughout southern Canada at key industry forums.

In its capacity as manager of the Nunavut CEDO, KEDC has played an important part in all the pan-Nunavut efforts to support CEDO development and advance CEDO interests. It has represented, at different points in time, one or more Inuit Associations in various negotiations.

Apart from the on-going demand for assistance from clients and KC's business development efforts, KEDC's research portfolio has included the development and testing of a computerized Economic Model that would enable KC and KEDC to predict the economic impacts of major resource development projects in the Kitikmeot and

Nunavut. Both the federal and the territorial governments are asking if the information can be shared with them.

All these initiatives represent strategic moves to expand and consolidate the basis for Inuit to have a greater array of resources and capacity as they chart their economic future. It also represents the base from which the familiar problem of stovepipe delivery systems and fractured mandates can be attacked on a broader basis.

### **Moving Partnership Building to a New Level**

A common and consistent theme of KEDC's work has been the search for a means to integrate services and strategically focus community and regional economic development initiatives. Despite the frustration stemming from the failure to get ED&T to devolve resources, KEDC has persisted. As early as 1995 a regional economic development council had been advocated as a means to bring some rationality into the system. There is a marked consistency in KCEDO/KEDC efforts to create broadly-based means to facilitate communication, strategic initiatives, and management and coordination of economic development projects.

Finally, in mid-1998, all this work appeared to have the chance of coming to fruition. Kitikmeot Corporation and KEDC organized a meeting to discuss the merits of and begin planning for the development of a Kitikmeot Partnership.<sup>11</sup> In attendance were representatives from what is now the Department of Resources, Wildlife and Economic Development, the Department of Education, Culture and Employment, the KC, KIA, KEDC, and a number of representatives from the private mining sector (Mulco, BHP, and Kitikmeot Geological Ltd.).

Representatives agreed that a partnership was indeed timely. A number of major development activities are slated to commence over the next five years in terms of mining, DEW Line clean up, construction, tourism, and the advent of Nunavut government and the accelerating implementation of the Nunavut Land Claims Agreement. If benefits are to flow to the residents of the Kitikmeot region, a much more effective means of mobilizing and allocating resources is required.

Out of this meeting came a draft of the vision and goals for the Kitikmeot Partners. It reveals a clear intent to develop and implement a strategic approach to human resource development, business development, and regional policy advocacy.

#### Draft Vision of Kitikmeot Partners

The Kitikmeot Partners is non-political, action oriented, responsive and flexible partnership established to address both the needs of people in the Kitikmeot region and of the employers who operate in the region.

The Partnership will be a clearing house of information whereby there are databases of skills and education levels of the residents of Kitikmeot and labour market opportunities.

This Partnership will serve as a forum for discussions on potential and ongoing developments within the Kitikmeot region. As well, the Partnership will provide a forum where the stakeholders will share information and resources for the overall development of the region, a kind of "one stop shopping" for the employers of the region.

## Overall Goals

1. To focus on youth issues
2. To establish and expand the membership within the Partnership
3. To develop a communications strategy
4. To develop and overall comprehensive information package (database)
  - labour market demands (forecast)
  - skills, education levels
  - programs and services
  - funding sources
  - expertise
5. To develop overall plan to address the needs whether they be training or business opportunities
6. To influence policy so that it is relevant to the Kitikmeot Region, in both the public and private spheres
7. To promote regional developments

For each of the goals, specific objectives and related tasks were defined and the beginnings of an action plan put in place.

The process of putting together a new organization is always challenging. KEDC has played a key role in starting the process, but it will take time to unfold. A second meeting held in September 1998 nudged the process along further. A mission drafting group was struck; preparation for incorporation is underway. It remains to be seen whether this new infrastructure can be a means through which a more unified, strategic focusing of economic development resources can be achieved in the region. Clearly, KEDC is positioned to play its part in trying to make it so.

### **Comparing KEDC with the Characteristics of Best Practice CED Organizations**

To complete this chapter, we examine KEDC experience and development in terms of "best practice" in the field of community economic development. Pages 44-47 present a chart that summarizes our preliminary conclusions as to how KEDC stacks up against key best practice characteristics. Thereafter, we present a summary of our analysis of the results of a questionnaire completed by five key officials associated directly with KEDC.

<p><b>Criterion for Assessing Best Practices in CED Organizations</b></p>	<p><b>KEDC - Kitikmeot Economic Development Commission</b> - The comments in this table are based on a reading of the written record available to us for review. In the case of KEDC, this was extensive. It was supplemented by some e-mail communications that further clarified certain issues. Based on the extensive documentation base, and based on our understanding of best practices in the field of CED, we have a strong confidence in the results, even while recognizing that without more extensive field research, there will no doubt be qualifications that will come about when the narrative is reviewed by people close to the action.</p>
<p><b>1. Comprehensive Mind Set and Strategic Approach to Key Functions</b></p>	<p>From its inception KEDC has reflected a comprehensive orientation and a strategic approach to all the key functions. It has demonstrated time and again, whether it be through its advocacy, planning, institution building and networking, strategic cooperation with KIA and KC and delivery of services and resources to and with communities, that it is an organization that is well on its way to becoming a “best practice” CED organization.</p>
<p>- Planning &amp; Research Capacity relevant to Core Mission and Goals</p>	<p>This is a major strength of KEDC. Not only does it undertake research and planning as a serious commitment, its approach to these tasks over the years have reflected a capacity for focussing effort on planning and research that strategically advance the interests of the organization and the communities. The research effort over the years has had a logic to it, particularly in how each piece of work undertaken builds on the knowledge and advancements created by what has gone on before.</p>
<p>- Building Equity</p>	<p>KEDC has never directly been involved in owning businesses. It has always respected this mandate as belonging to KC on behalf of the KIA. However, it has played a key role in helping KC to be effective. The record is full of joint activities where KEDC has played a key planning, research, organizing and development role that has strengthened KC’s capacity to be more effective.</p> <p>With respect to its delivery of business development services aimed at Inuit entrepreneurs and community business, the performance of KEDC has been very good. This is reflected in actual business starts and expansions as well as a very good record in leveraging financing into the region for a variety of business projects. Its work with the communities to put in place Business Service Centres have added equity at the community level. With such a small staff, coupled with the breadth of KEDC activity, the results are actually quite remarkable.</p>

- Accessing Credit Resources	KEDC was a key part of the unsuccessful effort to get the credit union movement in Canada to help put in place community-based financial institutions. It worked to secure an ACC in the north and has managed the External Delivery Program of Aboriginal Business Canada on behalf of the Nunavut CEDO, which has been a source of credit and other types of business development assistance across the eastern Arctic. It also delivers credit directly on behalf of the birthright Inuit Organizations as part of claim implementation.
- Strategic Approach to Human Resource Development	<p>KEDC has organized and brokered training resources at several junctures targeted at increasing the capacity of Inuit organizations. This has included strategic planning, board development, and joint venture training, all of which have been successfully used to prepare the organization for current and looming challenges.</p> <p>In addition, KEDC has approached influencing, first indirectly and now directly, the delivery of the Pathways program. Since taking over its administration, the record indicates that the focus of training investments is becoming more closely linked to the region's opportunity structure.</p>
- Strategic Networking and Partnership Development	This is a major strength of KEDC which is well documented in the record. Whether at the regional, territorial, or national level or between public, private, and Inuit sectors of the northern economy, KEDC has been a proactive networker with a strategic agenda.
- Advocacy of and Leveraging of Infrastructure to strengthen Community Economies	KEDC has been actively concerned with building infrastructure at various levels. The Business Service Centres are one example. It has assisted KC in establishing internet capacity in the region through a subsidiary. It has conducted studies and been concerned with positioning KEDC, KC, and Inuit businesses to benefit from government infrastructure investments and potential infrastructure investments now contemplated for the mining industry.
<b>2. Clear Governance and Accountability Framework</b>	There is strong cohesiveness between the board and senior staff with a solid consensus around key priorities. Strong working relationships with both KIA and KC is facilitated by clear accountability to KIA on the part of KEDC and KIA and a strategic use of leadership resources across the three organizations. Reporting systems in KEDC are adequate and where they have been weak (mainly in tracking results), the problem has been recognized and steps being taken to improve. To this end they have worked with other CEDOs through the Nunavut CEDO to design and get an appropriate data base in place.

<p><b>3. Degree and Nature of Community Participation Patterns</b></p>	<p>Between 1991 and 1995 there were overall six rounds of community consultation. These interactions were structured to determine community interests in key areas related to mandate, model building, and strategy. The strategy work included the development of a CED strategy in each community. The record does not indicate if these types of consultations have persisted. However, the level of KEDC delivery of services has been steadily increasing and the nature of some projects, for example the business service centres, suggest a strong linkage is being maintained and that community participation around specific projects is being facilitated. What is not known is the extent to which KEDC has been successful in increasing community organizational capacity to be involved in planning and implementing development activities.</p>
<p><b>4. Competent use of and Leverage of Technical Assistance and other External Resources</b></p>	<p>KEDC has carried out its broad range of activities with a very small staff. This has been facilitated by its utilization of consultants, which are managed carefully by KEDC to do specific research, feasibility, business planning, or technical support work related to carrying out the KEDC mandate. This has been a key element in enabling KEDC, even with a small staff, to carry on the broader array of development work that has characterized this organization while still competently delivering a range of services.</p> <p>It has also engaged a wide variety of consultants, academics, etc. in strategic tasks aimed at increasing KEDC, KC, and Nunavut CEDO capacity to address priorities. The building an economic model to determine impacts in the region of resource development proposals is just one example of how KEDC has managed to access outside expertise to develop a tool which is not only useful for the task at hand, but also how it has strengthened the position of Kitikmeot Inuit to influence the development process.</p>
<p><b>5. Strength of Outcome Orientation Evident in Implementation of Functions, programs and tools</b></p>	<p>The record indicates a strong outcome orientation. Early on, KEDC demonstrated this by constantly badgering the governments for a more strategic, coordinated, and comprehensive approach to development in the region. The rationale was that outcomes would be improved if turf wars could be reduced and accountability for results improved if unified strategy could be put in place. This orientation appears to have persisted throughout KEDC's history.</p> <p>The tracking of outcomes to better determine the durability of results and to enhance organizational learning of what works and what doesn't, has not been that strong. However, our conclusion is that this has been more a capacity problem than an attitudinal one. KEDC has been committed to increasing the overall capacity of CEDOs to track results through the role it has played in the database project.</p> <p>What is most important about KEDC is its persistent interest in a strategic approach that maximizes and protects Inuit and community benefits, whatever the opportunity or development challenge. They are not content with "bean counting" the training weeks funded. Rather, they want to know how the investment fits with building the skills, attitudes, capacity, and resources necessary for greater economic self-reliance.</p>

<b>6. Leadership with Social Entrepreneurial Qualities</b>	<p>It is difficult to make comments on this due to the limited nature of the review. However, it is evident from the documentation that the entrepreneurial qualities of the general manager and the chair of the board are tremendous assets to KEDC. Indeed, the worry is that there may not be sufficient grooming of successors to take on the leadership they provide. Succession should be a concern that is addressed as strategically as other aspects of KEDC work. This is accentuated by the tremendously ambitious and challenging agenda KEDC has developed in a region that is facing both opportunities and potentially tremendous pressures from resource development activity. Best practice organizations have developed sufficient depth of leadership to manage leadership transition successfully. KEDC needs to look at itself and ask itself how it compares and if it is weak in this area, and then to build a plan to strategically broaden and deepen the leadership base over the next several years.</p>
--	---

### Comments Based on the Questionnaire Analysis

As noted in the beginning of this book, there was an original intention to carry out a series of interviews in person with a wide variety of people associated with each of the CEDOs as well as a number of government officials. Unfortunately, this did not happen. As a way of getting at least some primary data, the study team decided to carry forward a questionnaire that would be completed by key CEDO staff, board, and related organizational leadership.

The questionnaire (see Appendix One) was designed to draw out individual assessments of past and future priorities. The basic task was defined in the box below:

Each of the CEDOs in Nunavut have been on their own development path the last 8 years. Each organization has had different opportunities, challenges and priorities. Similarly, each organization will face new opportunities, challenges in the years ahead. Your perception of what these are could well mean that your CEDO changes its priorities from what they have been in the past.

For each of the categories outlined below, and any others you may wish to add. we would like you to answer two questions.

In terms of the PAST five years your CEDO has been providing Economic Development Services and investments in your region, on a scale of 1 (high) to 4 (low), how would you estimate each of the following activities in terms of your own organizational priorities?

In terms of the NEXT five years your CEDO will be involved in providing Economic Development Services and investments in your region, on a scale of 1 (high) to 4 (low), how would you estimate each of the following activities in terms of your own organizational priorities?

Respondents rated 54 different individual questions that were clustered around six major categories:

- new business and human resource development priorities
- sector priorities

- understanding of client preferences, and readiness for different types of ownership
- how the CEDO's own financial future would best be achieved
- what the key priorities were for the CEDO's own organizational growth and development.

While individual responses are interesting, the most useful analysis of the data that resulted came from the variance analysis undertaken. This was done to determine the degree of consensus or divergence with respect to organizational priorities expressed by the key staff and board officials of the CEDOs (and related organizations in some cases, e.g., the sister development corporation or Inuit association).

To the extent that there was a low variance, this would signify that there was a reasonably high degree of consensus. Generally speaking, this would indicate that the CEDO was clear about its mandate, that there was a shared vision, that strategic planning was sufficiently advanced and understood by the key players in the organization, and that communication and accountability patterns were healthy.

To the extent there was a high variance, this would signify that there was a lack of consensus or divergence between the key players. Generally speaking this would indicate that the CEDO was not clear about its collective vision, that strategic planning was weak, and there may be communication and accountability problems.

From a research perspective, this would provide some further indication as to whether the analysis of the documentation that we carried out was adequately supported by the attitudes of the key leadership (thus providing a check on the bias of the researcher).

In the case of Kitikmeot, the results were quite dramatic. There was an extremely low level of variance (0.2) across the full range of the questions. Only 6 of the 54 questions elicited responses that were above this extremely low average. This is a very impressive degree of consensus. It also is a strong, independent confirmation of our analysis based of the documentation.

### **Some Final Comments on the Kitikmeot Case**

KEDC has made significant progress since 1990. In our view, it is well on its way to emerging as a best practice organization in the field of CED in Canada.

One of the largest challenges KEDC faces in the next decade or more is whether it is prepared to manage the prospect of engaging in the mining sector without compromising its efforts in other spheres of development. In the early '90s there was a clear resistance in the communities to non-renewable resource development. On the other hand, there was an equally prominent concern regarding the high levels of unemployment. Mining is obviously a sector with potential economic benefits for some Inuit. However, it offers no long-term solution to the economic dilemma facing most Inuit communities.

Moving into an industrial framework in the high Arctic must involve balance: balance between industrial imperatives and community interests, between environmental fragility and economic necessity, between short-term benefits and long-term development. This balancing act requires ensuring that KEDC and its sister and parent organizations, along with the communities they are mandated to serve, are vigilant every step of the way. From a CED perspective, the Kitikmeot triumvirate (KIA, KC, and KEDC) must be

positioned to capture the full range of benefits from development - access to the profit stream, management influence, jobs, and training. From an long-term environmental and CED perspective, they must be thinking clearly about investment and re-investment strategies that foster the evolution of the tourism, arts, and renewable resource sectors as thriving, sustainable bases of economic activity. Mining means boom and bust - sooner or later, the ore runs out. It is imperative that this reality be front and centre in long-term planning.

Another major challenge is the broadening and deepening of the leadership base in the economic arena. CED is a field that requires a combination of community development, business development, and political management skills. It takes years to build the knowledge base and skills that provide the basis for effective development managers. The Kitikmeot organizations have a foundation of leadership. Now the challenge is to fill a whole house with leadership that can carry forward the struggle to build more self-reliant communities over the next decade.

The last comment we might offer is that *community engagement is the ultimate challenge*, if the development process is to be meaningful to the Kitikmeot Inuit over the long term. Without involvement, people end up feeling like the objects of other people's creation of history. Making people the subject of their own history is what CED is about at both a philosophical and a practical level. It is also a check on the fact that any organization can become self-interested, consumed by control and power. Development is ultimately evaluated by the quality of people's lives where they live. It is this basic perspective that demands a balanced approach to development which was advocated by the SCONE report over a decade ago.

---

### Chapter Three: Endnotes

<sup>1</sup> "Kitikmeot CEDO Survey of Community Economic Development Needs and Aspirations, Final Report," (RT and Associates, June 1992).

<sup>2</sup> *Ibid.*, 1.

<sup>3</sup> "Renewable Resources Conference - Planning for the Future: Challenges and Changes in the 90's, Cambridge Bay March 30-April 1, 1993."

<sup>4</sup> *Ibid.*, 1, pp. 14-15.

<sup>5</sup> "Kitikmeot Economic Development Delivery Models," (RT & Associates Ltd., November 1993).

<sup>6</sup> Private communication with Keith Peterson.

<sup>7</sup> "Planning Information and Recommendations from a Workshop Held between KIA and Kitikmeot Corporation," June 13-17, 1994. This event was organized by KCEDO and KC.

<sup>8</sup> "Kitikmeot CED Strategy" (RT & Associates Ltd., May 1995), 164 pp.

<sup>9</sup> "Nunavut Inuit CEDOs 1994-95 Report on Activities and Data, prepared by Nunavut CEDO in conjunction with Consilium, May 1995."

<sup>10</sup> "Report to Kitikmeot Inuit Association, Kugluktuk, NT October 6-8, 1998, by Charlie Lyall, President KEDC."

<sup>11</sup> "Kitimeot Partnership Planning Session, June 2 & 3, Kugluktuk, NT," Report prepared for KEDC by Consilium, June 29, 1998.