



Aboriginal Participation in Major
Resources Development
Opportunities
Lessons Learned from the North

Summary Report
September 2012



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The Public Policy Forum is an independent, not-for-profit organization dedicated to improving the quality of government in Canada through enhanced dialogue among the public, private and voluntary sectors. The Forum's members, drawn from business, federal, provincial and territorial governments, the voluntary sector and organized labour, share a belief that an efficient and effective public service is important in ensuring Canada's competitiveness abroad and quality of life at home.

Established in 1987, the Forum has earned a reputation as a trusted, nonpartisan facilitator, capable of bringing together a wide range of stakeholders in productive dialogue. Its research program provides a neutral base to inform collective decision making. By promoting information sharing and greater links between governments and other sectors, the Forum helps ensure public policy in our country is dynamic, coordinated and responsive to future challenges and opportunities.

© 2012, Public Policy Forum
1405-130 Albert St.
Ottawa, ON K1P 5G4
Tel: (613) 238-7160
Fax: (613) 238-7990
www.ppforum.ca
Author: Mary-Rose Brown

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Aboriginal Affairs and
Northern Development Canada

Affaires autochtones et
Développement du Nord Canada

Overview

On August 31st, 2012 Canada's Public Policy Forum convened a roundtable in partnership with Aboriginal Affairs and Northern Development Canada, in collaboration with the Canadian Northern Economic Development Agency, Natural Resources Canada and Human Resources and Skills Development Canada. The discussion explored lessons learned from the North in the context of Aboriginal participation in major resources development opportunities. A series of regional discussions is being held this spring and summer across Canada, engaging senior leaders from Canada's Aboriginal communities, the natural resources sector and governments. To date, roundtables have been convened in Ottawa (May 22nd) and Calgary (June 8th), Prince George (June 27th) and Toronto (August 21st).

The Yellowknife roundtable was hosted from 8:00 a.m. – 10:30 a.m. and was moderated by Julie Cafley, Vice-President of the Public Policy Forum. Drummer Paul Andrew offered a song and prayer of best wishes from the community of Tulita.

A research paper prepared by Aboriginal Affairs and Northern Development Canada, provided context for the discussion (copy attached).

Niels Kristensen, President and COO, Diavik Mine, discussed the development of important business relationships between Diavik and local Aboriginal communities, formed through regular engagement and strong partnerships.

Patrick Borbey, President of the Canadian Northern Economic Development Agency spoke about the unique elements of resource development in the North, including the existence of modern treaties, a higher proportion of settled land claims, the ongoing process of devolution, and significant infrastructure gaps.

James Kinney, Chief Financial Officer, Inuvialuit Corporate Group, spoke about the importance of timely access to capital for Aboriginal communities undertaking business development.

Peter Vician, Deputy Minister, Industry, Tourism and Investment, Government of Northwest Territories, provided summary remarks at the close of the discussion.

A complete list of roundtable participants and the meeting agenda are included as appendices to this report. This meeting took place under the *Public Policy Forum Rule*, whereby all comments are made on a not-for-attribution basis.

Overview of Themes

The theme, *Lessons Learned from the North*, reflected the growing number of best practices and success stories in Northern Canada. Advancements made by industry, Aboriginal communities, and governments in the north can provide important lessons to jurisdictions in the south. A number of key factors discussed at the roundtable demonstrate the ways that set apart development in the North. These include: settling a greater proportion of land claims; ongoing process of devolution of powers; regulatory regimes and co-management of resources; and a more positive environment for partnerships and engagement.

Promoting Aboriginal Entrepreneurship and Business Development

Participants demonstrated a strong commitment to partnerships and community. In many cases such as in the Tâîchô region, industry, governments, and local communities' willingness to work collaboratively and through mutually trusting relationships is what has allowed for the development of the Aboriginal business community.

A list of over 50 Aboriginal businesses was illuminated the extensive business development that has taken place in Northwest Territories and Nunavut. One participant reflected on the role of sub-contracting from industry to Aboriginal businesses as an important way to align the interests of all parties. This develops a stable stream of benefits from the project to community, while also allowing the active participation of communities in the environmental and social performance of projects. Knowledge transfer from community to community can also facilitate Aboriginal entrepreneurship and business development. This builds business acumen in communities with little or no experience working with industry, while also contributing to the development of trust between communities and industry.

Building Relationships with Industry

For entrepreneurship and business development to flourish in Aboriginal communities a number of key conditions are needed, from stable social and health systems, to education and access to capital. Participants noted the important contributions that can be made by industry to complement much of the work governments and communities themselves are doing in these areas. For example, some companies operating in the North have developed operational readiness plans to assess what a community needs to be ready to participate in a development opportunity. Further, formal arrangements such as socioeconomic agreements have proven to be useful tools for enshrining mutual goals into development plans.

A number of examples in the North demonstrate the mutual spirit of collaboration found in Aboriginal communities and industry. In these examples, Aboriginal communities have been interested in pursuing development yet the main barrier is capacity. Again, as will be explored below, the key to success in these examples has been the ability of industry and governments to work collaboratively with Aboriginal communities to develop the necessary capacity for deeper engagement in the form of Aboriginal business development and community development. Developing assessments of where a community is today, and where it wants to go, can help to ensure the long-term realization of objectives and channel current opportunities into long-term benefits.

Regulatory Regime

The Northwest Territories is notable for the many bodies that have responsibility for regulation, in contrast with some jurisdictions which have moved to a unified regulatory system. Despite this, a number of formal and informal arrangements allow regulatory bodies such as the Northwest Territories Water Board work collaboratively to share information and provide technical support both among the community of regulators as well as with Aboriginal communities. Knowledge of and confidence in regulatory regimes is an important factor in Aboriginal communities' decision-making power, by enabling informed decisions based on trust.

The ongoing process of devolution in the North is also a factor that sets the Northern experience apart. Devolution in Yukon and Nunavut is seen as a positive experience that has allowed for greater self-determination, as well as simpler regulatory processes.

Settling Land Claims

Companies and Aboriginal communities in the North have benefited from a greater degree of certainty in negotiations based on a relatively higher proportion of settled land claims. Land claims are a vehicle for consultation; in contrast, negotiations or engagement in areas facing unsettled land claims may only take place in formal legal settings. This may be due to a lack of certainty as to when a community should be consulted as companies explore areas affected by unsettled claims. However, a number of communities have still benefited from the settlement of other claims as some industry leaders have taken to signing MOUs outlining roles and responsibilities in the absence of settled claims.

Increasing Access to Education and Training

Participants highlighted the need for training programs and educational opportunities. It was noted that over the past 10-15 years of operations, a number of jobs have been created, and have often been filled through training programs offered by industry to Aboriginal communities, which is a positive development. However, as the industry matures, educational opportunities will become increasingly important. Given the potential for growth in Northern communities, especially in major centres, there is a need to provide education and training to move beyond the entry-level and mine-related positions, so that the spin-off opportunities generated by greater economic opportunity in the North can also be taken advantage of. This could mean increasing opportunities for distance education, or building on existing partnerships with industry to broaden the types of training and education offered. A pan-Northern education and training strategy is currently being developed among governments, academic institutions, the private sector and local communities in the North. This is a positive development that has the potential to increase collaboration and deliver innovative education and training opportunities.

Expanding Infrastructure

Infrastructure is a key challenge in the North, especially access to energy; additionally, roads and telecommunications remain a priority in a number of locations. A number of current and ongoing infrastructure investments highlighted included: the Mackenzie Valley Fibre Optic Project and the Mackenzie Valley Highway. However increasing transportation networks, telecommunications and energy remain priorities.

Financing

Access to financing is an important way to ensure current opportunities deliver long-term benefits. A number of Aboriginal communities have successfully become equity partners in projects, which is seen as the best possible outcome. However, securing an equity stake in a project rests on the community's ability to gain access to capital. Governments could commit to providing seed funding to help communities secure equity positions; this could be done through the provision of small loans or start-up capital.

Case Studies

Tâîchô Region/ Tâîchô Investment Corporation

Negotiations over land claims the Tâîchô region land claims began in the early 1990s. At the same time, a number of major mines were being opened; this led the communities in the Tâîchô region to actively start discussing business opportunities. The confluence of early development and land claim settlement meant that industry had to engage with local communities.

Key partnerships from both government and industry have developed over time, to deliver everything from skills development and training to business development advice, which allowed Aboriginal businesses to flourish. The main vehicle for this is the Tâîchô Investment Corporation, which owns a number of businesses and operates several joint venture partnerships with other groups and companies.

At the same time, the community has also made it clear that respect for the environment and for traditional lifestyles remains a priority. As a result, the relationships of trust are the foundations of a collaborative environment marked by a high level of engagement between mine and community leadership.

Leadership from the TIC noted some key factors in success, including: being organized and ready for participation when opportunities arise; understanding clearly the impacts of development; setting goals for development; ; how devolution and self-government will impact a community's participation in opportunities; and, developing mutually supportive relationships with industry.

Akaitcho Business Development Corporation

The Akaitcho Business Development Corporation, another example of community-driven leadership, provides opportunities for business development and entrepreneurship to the Yellowknife Dene First Nation. The Corporation administers financial assistance as well as technical assistance and support for the development of Aboriginal businesses and entrepreneurs. Positive relationships with industry have been important for business development to Akaitcho clients. For example, the Chamber of Mines and the Akaitcho BDC have signed a Memorandum of Understanding dedicated to exploring ways to work with industry.

Actionable Recommendations

Participants in the roundtable made a number of actionable recommendations, summarized below.

Access to capital: Aboriginal communities need access to capital in order to gain equity positions in projects. Governments could provide seed funding, for example in the form of low-interest loans, to secure financing.

Knowledge transfer: community-to-community transfer of knowledge should be facilitated, to share best practices and expertise gained by communities with experience in working with industry and in major projects.

Sub-contract business opportunities: Industry in the North has taken a step forward by looking to Aboriginal businesses and entrepreneurs to not only fill company positions, but also to act as

suppliers. Hiving off opportunities to sub-contract work to independent Aboriginal businesses, both growing and established, is another meaningful way for participation to be extended to Aboriginal communities.

Training and education: successful training partnerships exist in the North between governments, industry, and Aboriginal communities. These programs, often established through MOUs, could serve as models for other communities and companies looking for skills development among potential employees. Further opportunities for post-secondary education are needed as industry in the North matures and the need for professionals (e.g. lawyers, financial professionals, doctors) increases.

Improve access to energy: vital infrastructure needs remain in the North. Access to energy remains a priority for many existing and potential projects.

The findings of the six regional roundtables, convened from May – August 2012, will form the basis of an outcomes report, to be published in October 2012.

Roundtables:

May 22, 2012	Ottawa, ON Host: Public Policy Forum
June 8, 2012	Calgary, AB Host: Shell Canada Theme: Labour Market Development
June 27, 2012	Prince George, BC Host: University of Northern British Columbia Theme: Community Readiness
August 21, 2012	Toronto, ON Host: Advocis Theme: Financial Literacy
August 21, 2012	Toronto, ON Host: RBC Theme: Financing
August 31, 2012	Yellowknife, NT Host: Diavik Mine Theme: Lessons Learned from the North



Appendix 1: Agenda

Aboriginal Participation in Major Resource Development Opportunities

August 31, 2012

Explorer Hotel
Katimavik Room – A
4825 49th Avenue
Yellowknife, NT

Agenda

8:00 a.m.	Opening Prayer <i>Paul Andrew, Tulita Drummer</i>
8:15 a.m.	Welcome <i>Julie Cafley, Vice President, Public Policy Forum</i> <i>Niels Kristensen, President & COO, Diavik Diamond Mines Inc.</i>
8:25 a.m.	Remarks <i>Patrick Borbey, President and CEO, Canadian Northern Economic Development Agency</i> <i>James Kinney, Chief Financial Officer, Inuvialuit Corporate Group</i>
8:40 a.m.	Roundtable Discussion
10:25 a.m.	Summary Remarks <i>Peter Vician, Deputy Minister of Industry, Tourism and Investment, Government of the Northwest Territories</i>
10:30 a.m.	Adjourn

Discussion Questions

The Yellowknife Roundtable will consider lessons learned from the North. This roundtable will explore differences in approach between North and South in terms of governance, regulatory regimes, land claims, business development and procurement opportunities. Specifically:

- What factors contribute to and impact Aboriginal participation in major resource development opportunities in the North, and are they unique to the North? How do governance, land claims and regulatory regimes advance Aboriginal participation?
- In addition to Impact Benefit Agreements and Socio-economic Partnership Agreements, what mechanisms are used in the North to advance Aboriginal participation in major projects? Do settled and unsettled land claims affect the approach when negotiating such agreements?
- How do negotiations of such agreements contribute to Aboriginal community readiness, capacity building, labour market and business development, and procurement opportunities?
- What best practices and lessons learned are maximizing Aboriginal participation and relationship-building in the North? Are there other players (e.g. territorial governments, colleges) that contribute to these successful partnerships?



Appendix 2: Participant List

Aboriginal Participation in Major Resource Development Opportunities

August 31, 2012

Explorer Hotel
Katimavik Room – A
4825 49th Avenue
Yellowknife, NT

Tulita Drummer	Patrick Borbey President Canadian Northern Economic Development Agency	Willard Hagen Chair Mackenzie Valley Land and Water Board
Peter Arrowmaker Chairman Denendeh Development Corporation	Mary-Rose Brown Research Associate Public Policy Forum	Susan Hammer, Client Relations, Native American Resources Partners
Jerry Asp Director Noront First Nations Advisory Board	Julie Cafley Vice President Public Policy Forum	Tom Hoefer Executive Director NWT & NU Chamber of Mines
Karen Barnes President Yukon College	Brian Chambers Northern Advisor, Strategy and Analysis National Energy Board	John Jurrius Chief Executive Officer and President Native American Resource Partners
Anne-Marie Beaton Head of Human Resources Ekati Diamond Mine	Allan Clarke Director General Aboriginal Affairs and Northern Development Canada	James Kinney Chief Financial Officer Inuvialuit Corporate Group
Danielle Belanger Senior Policy Manager Aboriginal Affairs and Northern Development Canada	Ron Daub Executive Director Vuntut Development Corporation	Niels Kristensen President Diavik Mine
Cathie Bolstad Director, External and Corporate Affairs – NWT De Beers Canada Inc	Hughie Graham President NWT Chamber of Commerce	George Mackenzie President Ticho Investment

Corey McLachlan
Acting Manager, Communities
and External Relations
Rio Tinto

Gary Merasty
Vice-President, Corporate
Social Responsibility
Cameco Corporation

Matthew Spence, Director
General, Aboriginal Affairs and
Northern Development
Canada

Zabey Nevitt
Executive Director
Mackenzie Valley Land and
Water Board

Malcolm Robb
Director of Minerals and
Petroleum Resources
Aboriginal Affairs and
Northern Development

Peter Vician
Deputy Minister, Industry,
Tourism and Investment
Government of Northwest
Territories



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