



CAFN Our Economy – Dádu shä`w ule du

## **Community Economic Development Plan**

12 December 2012

Accepted by Chief and Council June 2013

## Table of Contents

<b>A. Introduction to the plan .....</b>	<b>1</b>
<b>B. Where are we now? Themes from the community research.....</b>	<b>7</b>
<b>C. Where do we want to go? .....</b>	<b>13</b>
<b>Community Vision .....</b>	<b>13</b>
<b>Potential sectors for development.....</b>	<b>14</b>
<b>Economic development priorities .....</b>	<b>16</b>
<b>Economic development challenges .....</b>	<b>17</b>
<b>D. How will we get there? .....</b>	<b>18</b>
<b>Economic and policy factors.....</b>	<b>18</b>
<b>CAFN Community benefit template .....</b>	<b>20</b>
<b>Monitoring our progress .....</b>	<b>23</b>
<b>APPENDIX: CAFN Community Economic Development Planning Participants.....</b>	<b>24</b>
<b>APPENDIX: Glossary .....</b>	<b>25</b>



## A. Introduction to the plan

This draft CAFN community economic development plan presents the results of the community economic development planning work undertaken between April and September 2012 by the CAFN Economic Development Branch.

Community views on economic development were garnered through a series of structured conversations with CAFN Citizens in the communities of Takhini, Champagne, Haines Junction and Whitehorse as well as an on-line and paper survey. The research was led by Vector Research, an independent economic research consultancy based in Whitehorse, Yukon.

This draft plan is a synthesis, or bringing together, of input received from more than 140 CAFN Citizens. The plan proposes a way forward for Champagne and Aishihik First Nations to move further along the path of self-reliance by being able to pro-actively respond to economic development projects initiated by both CAFN Citizens and proponents external to CAFN.



Why entertain economic development in CAFN Traditional Territory now? CAFN is among a very small number of North American First Nations who enjoy, in the terminology of the Harvard Project, “de-facto” sovereignty.

This “de-facto” sovereignty is the direct result of signing a comprehensive land claims package in 1995 which gave CAFN ownership of land, access to a wide array of governance powers as well as tax and fiscal powers. Even with the foundation for economic development in place, why now? Let’s look at CAFN’s dependency ratio...

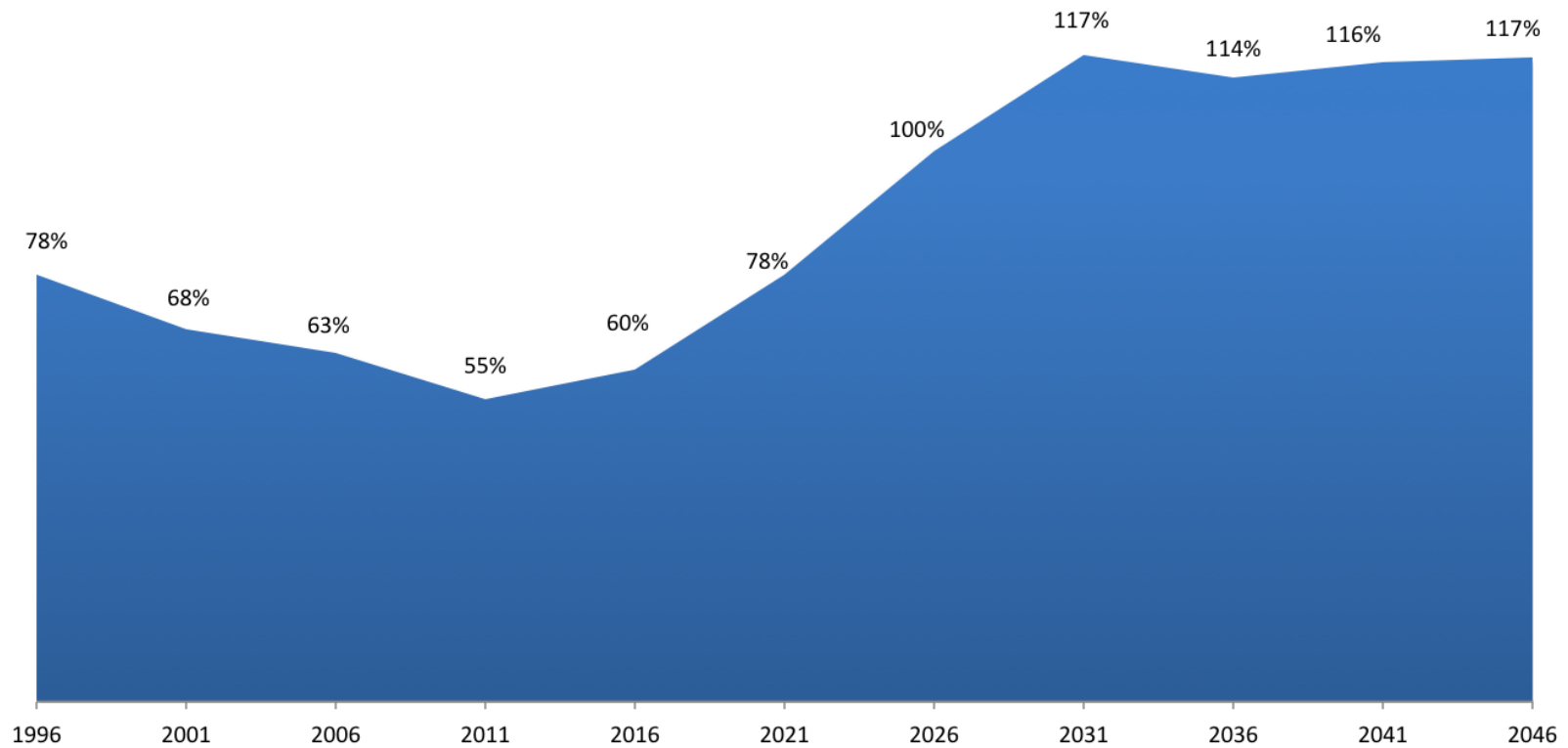
Dependency ratio: the number of people who are of working age (20 years old to 59 years old) compared to the number of people too young to work (younger than 20 years old) combined with the number of people who are retired (people 60+):

- In 2011, the CAFN dependency ratio is estimated at 55%. This means that for every one person younger than 20 or older than 60, there are two people of working age (20 to 59 years old).
- By 2026, the CAFN dependency ratio is forecast to be 100%. This means that for every one person younger than 20 or older than 60, there will be only one person of working age (20 to 59 years old).
- By way of comparison, Canada’s dependency ratio is expected to be 65% in 2021 and 71% in 2026.



# CAFN Dependency Ratio

Non-Working Age Population as a Proportion of the Working Age Population  
1996 to 2046 (Medium Growth Forecast)



Source: Calculated with population data prepared by CYFN Self-government Secretariat (rev. 30JUN12).

Note: Population figures are for CAFN Citizens resident in Canada.



CAFN Our Economy – Dádu shä`w ule du

This CAFN Community Economic Development Plan is founded on the sovereignty-based approach to economic development conceived by the Harvard Project on American Indian Development.

For community economic development to be successful, First Nations have to develop effective governing institutions of their own. To be effective, First Nation Governments must demonstrate they have:

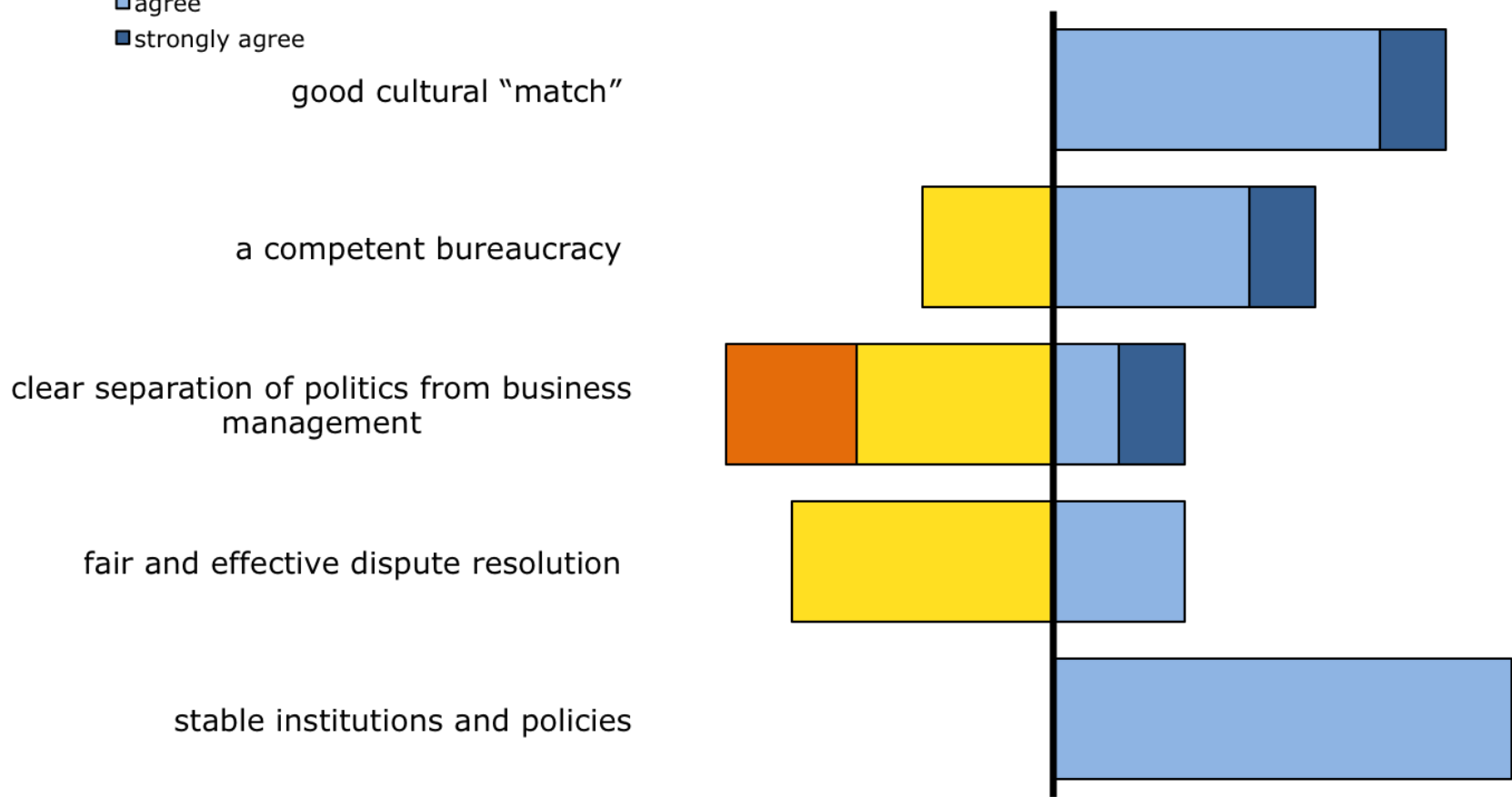
- stable institutions and policies
- fair and effective dispute resolution
- clear separation of politics from business management
- a competent bureaucracy
- good cultural “match”

To gauge where CAFN is at on effective governance, CAFN Chief and Council were asked, in the form of a short questionnaire, about the current effectiveness of CAFN governing institutions. The results are presented on the next page.



## Effectiveness of CAFN Governing Institutions Self-assessment by CAFN Chief and Council - April 2012

- disagree
- strongly disagree
- agree
- strongly agree



With Chief and Council better aware of their role in facilitating economic development, and where they need to focus *their* economic development efforts, the next step in the planning process was to engage CAFN Citizens in a series of conversations about economic development in CAFN Traditional Territory.

A core set of economic development planning questions were asked using different methods:

- two rounds of community discussions in May and June:
  - Takhini
  - Champagne
  - Haines Junction
  - Whitehorse
- an on-line survey in June and July
- paper survey at the General Assembly in July



## B. Where are we now? Themes from the community research.

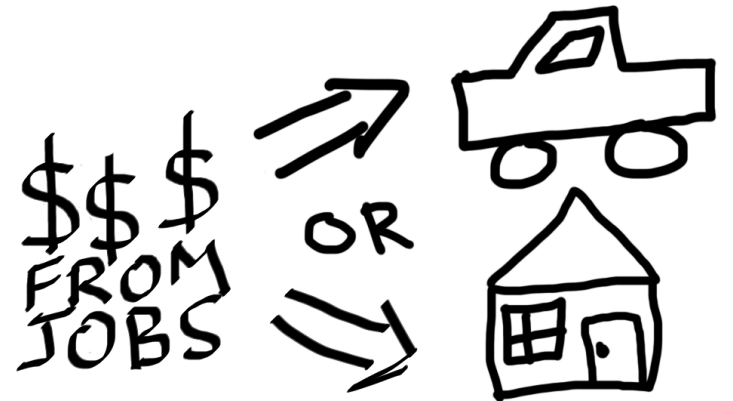
This next section of the plan presents a synthesis of what was heard from CAFN Citizens during the conversations that took place between April and July, 2012. Six themes were identified and are described below.

**Economic development must be done in a way that benefits future generations.**

Everyone agrees that the jobs that go along with resource development can be good for community health. But is \$\$\$ from jobs good enough?

The challenge is to ensure that some of the income from economic development creates wealth and economic infrastructure that will help generate future economic opportunities.

To do this, the CAFN government will need to proactively implement fiscal measures that ensure sufficient income from development projects is converted to community wealth.



INCOME GENERATION OR  
WEALTH CREATION?



## Economic development must link CAFN Citizens with CAFN culture and traditions.

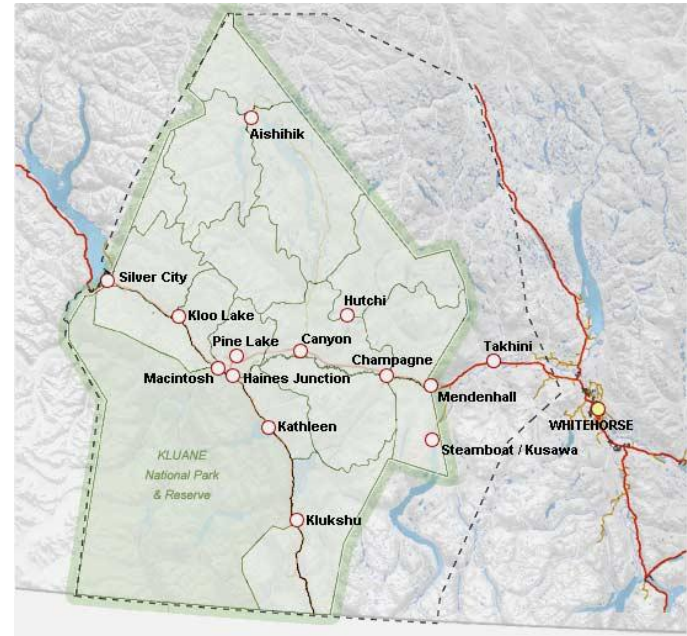
CAFN Citizens live:

- on CAFN Settlement Lands;
- within CAFN Traditional Territory;
- within Yukon outside of CAFN Traditional Territory; and,
- outside of the Yukon.

A common theme for all CAFN members, wherever that might be living now, is a very strong desire to protect CAFN culture, language and traditions.

As stated by a Citizen, *“Our connection to the land is our identity. Without this connection there is no culture or tradition remaining and we become void of spirit.”*

Proponents of economic development initiatives will need to demonstrate how they can reconcile the land-based nature of resource development with the need to protect CAFN culture and traditions.



**CAFN Citizens want durable economic development.**

A wish shared by a CAFN Citizen:

*“that our children will never have to know poverty or have to choose between their culture and economic opportunities.”*

For this vision to be achieved, CAFN economic development must be durable. To be durable, it must be sustained over time (no boom and bust) and at the same time matched to the capacity of the community to benefit from economic development.

Only **durable economic development** will lead to growth that increases community wealth and protects and nurtures CAFN culture so that traditional values can be learned by future generations.



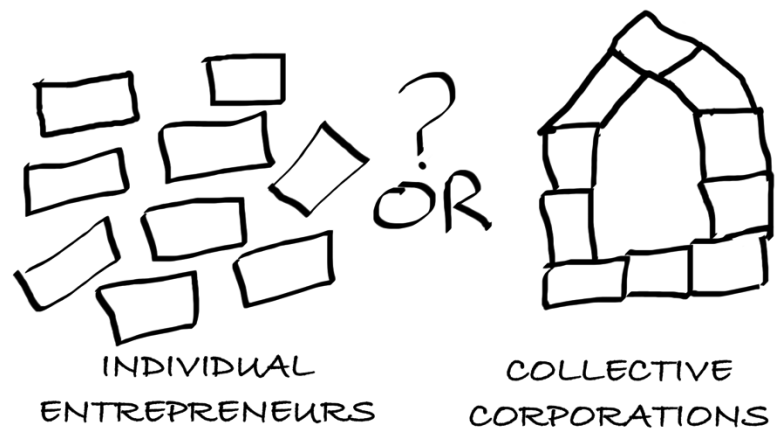
**CAFN should focus economic development support on both individual entrepreneurs and collective corporations.**

There has been much discussion about whether CAFN should focus its economic development efforts on:

a) individual entrepreneurs who can build up individual wealth and use it to help other Citizens,

or

b) collective corporations which are owned by the community and provide employment opportunities for community members.



Do we nurture CAFN entrepreneurs or do we nurture CAFN-owned businesses? We will do both.

On the basis of the community survey results, 41% of respondents see themselves participating in economic development by starting their own business and 42% see themselves working as an employee of a CAFN business (33%) or non-CAFN business (9%).





**CAFN Citizens recognize that economic development will involve tradeoffs.**

On the basis of survey results, Citizens are willing to accept *some* amount of environmental impact but are *not* willing to see disruptions in cultural and traditional activities.

At the same time, survey respondents indicated that they are willing to accept *lots* of impact on the level of dependence on social assistance in CAFN communities.

In conclusion, CAFN Citizens are ready to move on from the status quo.

*“CAFN needs economic development...as long as regulations and policies are in place.”*



## C. Where do we want to go?

### Community Vision

During the May 2012 community discussions, CAFN Citizens were asked to share their visions for Champagne and Aishihik First Nations. A thematic summary of their community visions is outlined below:

Champagne and Aishihik people envision leading a **“harmonized way of life”** through:

An economically successful and prosperous CAFN, using the resources and land to create jobs, entrepreneurial activity and citizen financial dividends;

Development projects that sustain a revitalized community that “excites hope”, health, and happiness as well as individual prosperity;

Our proud, forward thinking, educated people who contribute to our “togetherness”, revitalize and preserve our traditions, clans, subsistence economy, ties to the land, and history - especially maintaining family ties to traditional areas and trail systems; and,

Living in natural home environments with modern infrastructure, and providing services that support our youth and elders and where our people want to stay.



CAFN Our Economy – Dádu shä`w ule du

## Potential sectors for development

There is a lot of potential for economic development within Champagne and Aishihik First Nations Traditional Territory.

### **CAFN Traditional Territory has natural resources such as:**

- minerals for mining including copper and gold;
- trees for making lumber and fuel for heat and electricity;
- water for making electricity; and,
- land for growing food and for housing.

### **CAFN Traditional Territory is home to people who use their knowledge and wisdom to:**

- preserve the land and live on the land;
- run the CAFN government; and,
- make traditional crafts.

...and the CAFN Traditional Territory is also **home to businesses that sell goods and services to visitors to CAFN Traditional Territory.**



**CAFN Our Economy – Dádu shä`w ule du**

Economic development projects identified in the course of preparing the community economic development plan which could potentially be advanced and illustrate a range of possible projects include:

<b>Potential Projects</b> (in alphabetical order)	<b>Sector</b>
• agriculture	Land Development
• alternative or renewable energy projects	Energy
• arts and crafts	Traditional Economy
• beetle-kill biomass for electricity generation	Energy
• firewood from beetle-killed trees	Forestry
• Hopper Property (Copper)	Mining
• housing/home ownership	Land Development
• Killerman Property (Gold)	Mining
• skills development with Yukon College (trades training)	Knowledge-based
• specialized schools/programs on CAFN traditional territory	Knowledge-based
• traditional trail development and cabins	Tourism
• trapping	Traditional Economy
• value-added products from green trees	Forestry



## Economic development priorities

The top five priority sectors for development identified by CAFN Citizens are:

land development for housing/home ownership

electricity generation

specialized schools / education programs

logging / wood products

mineral exploration and mining

Other sectors identified by CAFN Citizens included: tourism, traditional crafts, agriculture and trapping.



**CAFN Our Economy – Dádu shä`w ule du**

## Economic development challenges

Challenges that need to be overcome by the CAFN community as it moves ahead with economic development were identified during the community discussions and surveys. The top five challenges identified by CAFN Citizens include:

more participation / commitment by CAFN Citizens in economic development

more opportunities for CAFN Citizens to develop skills and knowledge

more support for CAFN Citizen-owned businesses

more on the job training

more partnerships

CAFN is already working to overcome the challenges identified by Citizens.



CAFN Our Economy – Dádu shä`w ule du

## D. How will we get there?

### Economic and policy factors

While the discussion with CAFN Citizens has narrowed the range of potential economic development opportunities, the pace and order of economic development on CAFN lands will not happen in a vacuum. There are many economic factors which influence when it is the “right time” to step up efforts in a particular sector.

**Economic factors** relevant to the five priority sectors include:

- demand for land
- demand for electricity
- mineral prices
- wood prices
- economic conditions in the Yukon
- world economic conditions
- demographic factors
- availability of funding from other governments
- maintenance and expansion of economic infrastructure (roads, electricity, communications)



Certain **policy factors** also need to be in place for CAFN economic development efforts to be successful, including:

- support from CAFN Chief and Council in achieving the five determinants of effective governance: stable institutions and policies; fair and effective dispute resolution; clear separation of politics from business management; a competent bureaucracy; and, good cultural “match”;
- support for CAFN culture and traditions;
- development of a “bankable land title” system;
- implementation of the economic development provisions of the CAFN Final Agreement;
- research to support sound economic and fiscal policy decisions;
- resource legislation and robust tenure systems; and,
- capital planning to support the creation of economic infrastructure.

CAFN is already working to get the policy factors listed above in place.



## CAFN Community benefit template

CAFN will be able to exert very little control over the factors that will drive economic development in its traditional territory. While many economic development initiatives can be launched by CAFN, many economic opportunities will arise (and fall away) as a result of economic factors determined outside of CAFN traditional territory.

To ensure that CAFN can enter into beneficial partnerships when market conditions are in good alignment, this plan proposes that all economic development opportunities, included market-driven opportunities, be examined through use of a “community benefit template” before deciding whether and when to proceed. The community benefit approach will evaluate the following for each project:

- to what extent will the project create community wealth (in addition to income)?
- how does the project link CAFN Citizens with CAFN lands and help reserve CAFN culture, language and traditions?
- to what extent will the project result in durable economic development?
- does the project bring opportunities for both CAFN entrepreneurs and community corporations?
- to what extent will the project strengthen the social fabric of CAFN communities?
- are the environmental tradeoffs that accompany the proposed project acceptable to the CAFN community?



CAFN Community Benefit Template		
	How will the project affect...?	CAFN Actions to Capture Community Benefits
<p>INCOME GENERATION OR WEALTH CREATION?</p>	<b>Community Wealth Creation</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
	<b>CAFN Citizens and the Link to Culture and Traditions</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
	<b>Economic Durability</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<p>INDIVIDUAL ENTREPRENEURS OR COLLECTIVE CORPORATIONS</p>	<b>Entrepreneurs and Community Corporations</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
	<b>Social Fabric</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
	<b>Environmental Tradeoffs</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>



The CAFN Project Assessment template is a tool to be used to evaluate economic development projects initiated by both:

- CAFN Citizens; and,
- proponents external to CAFN.

Economic development project proposals put forward by CAFN Citizens and external proponents will be received by the Manager of Economic Development. Directors of the appropriate branches of the CAFN Government will be tasked with completing specific parts of the template according to their areas of expertise. Note that not all projects will be large enough to require application of the template to decide if the project is a good fit for CAFN.

Ideas for specific CAFN-initiated projects will also be generated through further community discussion and workshops spearheaded by the Economic Development Branch.

The template will also be used to identify strategic actions that can be undertaken to capture community benefits from a proposed project. The strategic actions will also be identified and described by the Directors of the appropriate CAFN Government Branches.



## Monitoring our progress

Progress on implementing the CAFN Our Economy – Dádu shä`w ule du Community Economic Development Plan will be monitored to:

- keep the Community Economic Development Plan alive and adjust it to external and internal changes;
- keep the CAFN communities excited and informed about the Plan results; and,
- inform our program funders and project partners about how they are helping make a difference in our community.

Both the outputs and outcomes of CAFN community economic development projects will be monitored.

The measures used to evaluate CAFN's community economic development progress will correspond, as appropriate, to the measures currently being developed by the Chapter 22 Review Working Group.





## **APPENDIX: Glossary**

*bankable land title*: a land title system recognized by banking institutions in Canada which allows structures on CAFN land to be used as collateral for mortgages.

*community corporations*: a corporation owned by community members which has either a profit-making or social development mandate.

*de-facto sovereignty*: constitutional authority recognized in federal law which allows the creation and operation of autonomous First Nation governments.

*dependency ratio*: the number of people who are of working age (20 years old to 59 years old) compared to the combines number of people who:

- a) are too young to work (younger than 20 years old), or
- b) are retired (people 60+).

*durable economic development*: development that is sustained over time (no boom and bust) and is matched to community capacity to benefit from economic development at a given point in time.

*economic infrastructure*: the publically-owned roads, bridges, communications networks, training facilities, etc. needed for community economic development to take root and flourish.



*fiscal measures*: income taxes, royalties, fees, etc. used to collect revenue from development projects for the benefit of the whole community.

*social fabric*: the social and health issues, as represented by individual threads in the fabric, that characterize a community. How well all of the threads fit together, how worn or strong each of the threads might be, speaks to the wellbeing of the community.

