

# **Investing in First Nations in British Columbia**

NRT Strategic Plan 2013-2016







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New Relationship Trust

[www.newrelationshiptrust.ca](http://www.newrelationshiptrust.ca)

Suite 1008 – 100 Park Royal South  
West Vancouver BC V7T 1A2

Telephone: 604-925-3338

Toll-free: 1-877-922-3338

Facsimile: 604-925-3348

Cover: Welcome Figure, Nuchatlaht First Nation, BC. Photo by Brock Radelet.

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## **BACKGROUND:**

In 2005, the First Nations Leadership of British Columbia (BC) and the Province of BC entered into a new relationship based on respect, recognition and accommodation of Aboriginal title and rights. The following year, the New Relationship Trust (NRT) was established through the New Relationship Trust Act, which was designed to assist First Nations in BC to build their own capacity. Taking its authority and direction from the Act, NRT supports capacity-building in areas of priority as determined by the Board in collaboration with First Nations in BC.

## **VISION:**

A British Columbia where First Nations have efficient and effective governments, vibrant cultures and languages, social justice, and economic prosperity.

## **MISSION:**

Investing in First Nations in British Columbia to assist them in building their own capacity as envisioned by the New Relationship.

## **GUIDING PRINCIPLES:**

- Respect for First Nations' decision-making authority
- Fairness and Equity
- Transparency and Accountability
- Responsible Management of the fund

In addition to the Guiding Principles above, in providing resources to First Nations in BC NRT will:

- Support Nation re-building
- Communicate effectively with First Nations in BC

## **Investing in First Nations in British Columbia**

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- Encourage First Nations participation in NRT's activities and initiatives
- Not replace or duplicate existing Government or First Nations programs
- Leverage NRT funds wherever possible
- Increase the investment fund in order to provide more benefit
- Collaborate with government and other First Nations organizations that share NRT goals and values

## **INTRODUCTION**

The NRT was created in 2006 as a response to the call for a new relationship between First Nations and the government of BC. In its inaugural year, NRT set the stage for a future strategic direction by engaging with First Nations communities around the province regarding their needs and priorities. Subsequent Regional Engagement sessions were held in 2009 and 2012.

NRT's Strategic Plan is directly based on the feedback received during the engagement sessions and from communities throughout the year. Feedback has been consistent and has established a clear mandate and strategic direction for NRT. In particular, NRT is directed to:

- Ensure the fund is available to support future generations by balancing spending with investment; and
- Support capacity building for First Nations communities in five priority areas:
  - ✓ Governance Capacity
  - ✓ Economic Development
  - ✓ Language & Culture
  - ✓ Education
  - ✓ Youth & Elders

The 2013 – 2016 Strategic Plan builds on the successes of NRT to date and integrates feedback from First Nations communities regarding their needs and priorities. Annual spending remains consistent at \$6 million per year dispensed through initiatives that directly impact communities. NRT will maintain our goal of keeping our administration costs to less than 2% of our annual investment portfolio value. NRT continues to spend income earned from investments and a portion of the principle.



## **JOINT MESSAGE FROM THE CHAIR AND CEO**

Each year, the NRT Board of Directors and management sit down for an intensive two-day strategic planning session. During the session, we review the organization's mission and vision, discuss NRT's strategic priorities and related initiatives, and look at outreach and relationship building activities. We also bring in a professional financial advisor to discuss our overall investment and spending strategies in relation to the current market conditions.

Our objective during the Strategic Planning session is for management to update the Board about NRT's progress over the past year, and to seek their direction and guidance for our fiscal priorities in the years to come. The outcome of the session is contained in this document – a Strategic Plan that outlines spending and investment for the next three years.

A key element of our annual strategic planning exercise is to consider the feedback we have received from First Nations community members and leaders throughout the year. This input informs our decisions about every aspect of our initiatives and related spending. In the Fall of 2012, NRT held its third series of Regional Engagement Sessions, traveling throughout BC to meet First Nation leaders and community members in their own communities. The content of this plan, and the changes to our strategies, are a direct reflection of what we heard in the 11 regional sessions, as well as through surveys completed by people who couldn't attend in person.

In total, we received feedback from 328 people, representing 140 First Nation communities in BC. Just over a third were First Nations leadership, 40% staff or management, and 15% were community members. Of the respondents, 70% indicated that they mostly or strongly agreed with NRT's overall strategic direction. As in previous years, there was an overwhelming amount of support for our five strategic priorities.

One area in which there was some uncertainty, particularly in comparison to previous engagement sessions, was the feedback related to our investment / spending strategy. While participants still hope we can maintain the fund for future generations, responses were divided as to whether we should continue with the current strategy of spending some principal plus interest, or shift to a more conservative approach whereby we spend only interest in order to maintain the fund in perpetuity. This uncertainty may reflect the higher level of insecurity we face with today's economy. In the end, the majority of participants preferred to maintain the existing direction, and as a result we have kept initiative funding steady at \$6 million annually.

Of course in addition to survey results we pay close attention to the comments, taking into consideration any recurring concerns and suggestions. We are, for example, responding to some of the concerns about the longevity of the fund by undertaking a review of our investment ratios and asset mix. And we are looking at opportunities to leverage more funding through partnerships and other creative fundraising options.

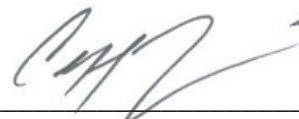
For example, in 2012 we created the New Relationship Trust Foundation, a registered Canadian charity. Using its charitable status, the Foundation will attract donations that we would otherwise not have access to. The Foundation has assumed responsibility for all education initiatives, and funds raised will contribute to helping BC First Nations students to advance their educational aspirations. You can read more about the Foundation on page 12.

Looking forward, we expect 2013-2014 to be another busy year as we continue to support communities as they build capacity. Working with existing and new partners will allow us to make the most of the strategic initiatives funds while we look for creative opportunities to maintain or grow the fund to support BC First Nations for many years to come.

Yours respectfully,



Kathryn Teneese  
Chair



Cliff Fregin  
CEO

## **STRATEGIC DIRECTION**

NRT will continue to invest in First Nations in BC by supporting efforts in five key areas. In 2013-2016, NRT will support First Nations capacity-building by:

- Enhancing First Nations' **governance capacity**
- Fostering and advancing **economic development** opportunities
- Assisting First Nations in BC to protect and revive their **languages and cultures**
- Encouraging access to **education**
- Supporting initiatives that engage **youth and Elders**



## **GOVERNANCE CAPACITY**

*“Enhancing capacity within First Nations governments”*

NRT defines governance capacity as the knowledge, abilities, skills, and processes First Nations governments require in order to create successful, vibrant, independent and self-sustaining communities.

NRT’s governance capacity strategy has the following components:

- Direct Support to First Nations
- Policy Development
- Tools and Resources

### **Direct Support to First Nations**

NRT will provide direct support to First Nations and their communities for local capacity building and policy development. Preference may be given to initiatives that facilitate collaboration amongst communities where feasible, and therefore support Nation re-building.

Eligible projects include:

- Land and marine use planning, including traditional use studies
- Comprehensive community planning, including economic development planning
- Governance capacity development, including support for human resources, knowledge and systems required to build strong governments
- Negotiating agreements in relation to governance
- Implementation of agreements with government and/or the private sector

## **Policy Development**

NRT will support policy development work at a provincial level in order to create and disseminate policies and related initiatives that directly benefit First Nations communities throughout the province.

Policy initiatives supported may include:

- Research and business case development to support policy and legislative initiatives
- Province-wide models / principles to organize First Nations, government and industry, and to support business partnerships, negotiation and revenue and benefit sharing
- Support for organizations working at a provincial level to develop policy in areas of importance to First Nations in BC
- Support for coordinated policy work by the First Nations Leadership Council

## **Tools and Resources**

NRT will support the development and dissemination of tools and resources that help First Nations in BC and their communities build capacity. NRT will continue to promote the First Nations in BC Web Portal (**[www.fnbc.info](http://www.fnbc.info)**), which is an online databank for capacity-building tools, best practices and resources. In addition, NRT will continue to develop and disseminate an assertion and consultation framework guide for First Nations. Other capacity building resources may include:

- Best Practices
- Negotiating tools and templates
- Case Studies
- Specific studies and research
- Workshops and information sessions

## **ECONOMIC DEVELOPMENT**

*“Fostering and advancing economic development opportunities”*

Healthy First Nations communities require a sustainable level of prosperity to achieve their goals and support their programs. By taking advantage of economic development opportunities – both provincially and locally – First Nations can and are beginning to prosper.

NRT’s Economic Development strategy has three focus areas:

- BC First Nations Equity Fund
- Entrepreneur Equity Matching Initiative
- Other economic development opportunities

### **BC First Nations Equity Fund**

In March 2010, the BC First Nations Equity Fund Limited Partnership was launched jointly by NRT, All Nations Trust Company (ANTCO) and Nuuchahnulth Economic Development Corporation (NEDC). Initially, this equity fund will concentrate on providing financing to First Nations in BC that are involved in alternative energy projects within the province. Together with the other partners, NRT will continue to work on building a \$50 million equity fund for First Nations in BC to support partnerships and involvement in viable business projects.

### **Entrepreneur Equity Matching Initiative**

In 2010, NRT launched the Entrepreneur Equity Matching Initiative (EEMI) to support First Nations entrepreneurs in BC by partnering with BC Aboriginal Capital Corporations (ACCs) to provide matching equity for new or expanding businesses in the province. This exciting opportunity assists entrepreneurs in obtaining financing for their businesses, as well as assisting ACCs in identifying new lending opportunities in their service areas. In 2011, NRT expanded the EEMI to extend equity matching to First Nations community business projects in BC. NRT will continue to offer the EEMI to both business and community projects and will expand outreach efforts in partnership with ACCs to ensure potential applicants are aware of this opportunity.

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### **Other Economic Initiatives**

Beginning in 2013, NRT will seek partnerships with the public and private sector to support capacity building in the economic and business development sector. . In addition, NRT will research 'access to capital' opportunities which allow First Nations in BC to participate in viable economic opportunities.



## **LANGUAGE & CULTURE**

*“Protecting and reviving languages and cultures”*

Sixty percent of the First Nations languages in Canada are spoken in BC. With 10 First Nations language families and more than 30 dialects, BC has the most diverse array of indigenous languages in the country. However, many of these dialects are in danger of being lost. Preservation of First Nations languages and cultures builds self-identity and enhances cultural pride. Under this strategic direction, NRT has prioritized language revitalization due to the current crisis facing First Nations languages in BC.

NRT’s Language and Culture strategy will support:

- Preservation and revitalization of First Nations languages
- Initiatives that promote and revive First Nations’ cultural and artistic traditions

### **Language**

In partnership with First Peoples’ Cultural Council (FPCC), NRT will continue to support the revitalization and preservation of First Nation languages in BC. Language initiatives may include:

- Enabling First Nations to record, archive and share their languages
- Creating language and cultural immersion environments for all ages within the community/Nation
- Developing language and culture authorities within Nations

### **Culture**

NRT will continue to support and promote First Nations’ arts and culture through the FPCC. Types of initiatives may include:

- Apprenticeship and mentoring programs for artists and arts administrators
- Initiatives that promote First Nations arts and cultural activities

## **NEW RELATIONSHIP TRUST FOUNDATION**

In 2011, NRT created the New Relationship Trust Foundation. This strategic decision allows the Foundation to use its charitable status to attract additional support for NRT's education initiatives.

The mission of the Foundation is:

*"To assist Aboriginal peoples in BC separately and collectively to meet their education goals, and to support the educational components of Aboriginal language revitalization."*

The Foundation was created with an initial contribution of \$105,000 from NRT. The long term goal is to build an endowment fund of \$30 million over the next ten years. In the short term, the Foundation is seeking to leverage donations totalling \$1.5 million in the next 5 years.

In 2012, the Foundation assumed oversight of NRT's education initiatives and was able to leverage \$200,000 in support from new partners for health-related scholarships and bursaries. The Foundation will continue to seek donations for education support.

## EDUCATION

*“Encouraging access to education”*

Education is a key to independence for First Nations. Assisting First Nations youth and individuals to pursue and complete secondary and post-secondary education is a high priority for NRT.

The education strategy currently has the following components:

- Support for the Foundation to attract private and public contributions
- Scholarships and bursaries for post-secondary students
- Support for First Nations communities for K-12 initiatives

### **NRT Foundation**

Though the NRT Foundation, NRT will seek additional support for existing education initiatives and will issue tax receipts to companies and individuals that contribute funds.

### **NRT Scholarships and Bursaries**

NRT will continue to provide scholarships and bursaries to assist First Nations students in achieving post-secondary education and training goals. This program awards funding based on qualification criteria and the student’s proposed contribution back to First Nations communities.

- Scholarships will be awarded for students pursuing undergraduate, Masters and PhD degrees.
- Bursaries will be awarded for certificate, diploma and trades programs.

The New Relationship Trust Foundation will seek to partner with First Nations, public and private scholarship organizations in the province to reach more First Nations students.

### **Supporting K-12 Initiatives**

NRT supports initiatives that increase the First Nations high school graduation rate. In 2012, NRT created the K-12 Education Grants initiative, which provides funds to First Nations in BC to deliver K-12 projects at the community level. Eligible projects fall into three categories: English / literacy, math and science.

## **YOUTH & ELDERS**

*“Supporting initiatives that engage Youth and Elders”*

The inclusion of youth and Elders is essential to strong, healthy First Nations. Elders hold the wisdom of past generations; youth provide the key to a healthy and vital future.

Based on feedback received in recent years, we will focus support on community-based projects, activities and events for youth and Elders.

### **Youth**

NRT will continue to support projects for youth at the community and provincial levels that:

- Strengthen youth leadership and governance
- Support youth entrepreneurship, including annual national and regional Young Entrepreneurs Symposiums (YES)
- Build capacity for youth
- Promote mentorship for youth
- Provide networking opportunities for youth

### **Elders**

NRT will continue to support projects for Elders that:

- Assist groups, communities and organizations representing First Nations Elders in BC, including the annual Elders Gathering
- Develop and deliver projects at the First Nations community level
- Benefit and build capacity for Elders



## INVESTMENT

NRT's investment strategy is based on feedback from First Nations leaders and communities as well as on market analysis. At Regional Engagements Sessions held in 2006, 2009 and 2012, survey feedback has consistently stated a preference that NRT seek to maintain the fund so that future generations of First Nations people will benefit. NRT is currently reviewing the strategy in order to ensure that it both reflects current economic issues and optimizes return on investment.

### Investing

NRT's investment strategy consists of short-term and long-term investments. The short-term investment strategy preserves capital by investing in safe and liquid investments. This in turn allows for funding stability. The long-term investments are allocated according to the following range of target asset mixes:

Asset Type	Minimum	Benchmark	Maximum
<b>Equities</b>			
Global equities (MSCI World Index)	30%	40%	50%
Canadian equities (S&P/TSX Composite Index)	20%	30%	40%
<b>Total equity</b>	60%	70%	75%
<b>Fixed Income</b>			
Canadian bonds (DEX Universe Bond Index)	20%	30%	40%
<b>Total Fund</b>		100%	

In 2013 – 2016, NRT will investigate the viability of allocating up to 5% of its investment portfolio (Target Asset Mix) to invest directly into BC First Nations investment opportunities.

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### FUND GROWTH

A key goal of NRT's financial strategy is growing the investment fund in order to support sustainable and ongoing Nation re-building activities. Fund growth will be accomplished by establishing collaborative partnerships, leveraging funds from government and other organizations, and other fundraising activities.

### Spending

NRT's spending strategy is revised each year during the annual strategic planning session. Spending is dependent on returns on investment, leveraging and fund growth, which differ from year-to-year.

Balancing the needs of First Nations and in recognition of the current economic challenges faced by all, NRT's current spending budget is \$6 million annually for 2013/14 through 2015/16. This amount reflects spending interest and a small amount of principal. Spending targets will be reviewed each year. Accordingly, NRT's 2013 - 2016 program spending strategy is as follows:

In \$millions	2013/14	2014/15	2015/16
Governance Capacity	2.75	2.75	2.75
Economic Development	1.00	1.00	1.00
Culture & Language	0.75	0.75	0.75
Education	1.00	1.00	1.00
Youth & Elders	0.50	0.50	0.50
<b>TOTAL</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>

NRT's goal is to limit annual administrative costs to less than 2% of the investment portfolio.

### Investment Governance

In order to demonstrate transparency and accountability, NRT established a governance framework for the investment of funds. Components of the framework are as follows:

- An independent, professional investment advisory firm was initially engaged to develop an investment policy and strategy and to assist in the selection of investment managers. The investment advisory firm reports to NRT quarterly regarding portfolio performance and Investment Manager changes
- A custodian firm has been engaged to hold the investments and provide independent accounting of portfolio transactions

- Expertise: three professional investment managers have been selected to manage the investment portfolio. Each Investment Manager manages one of the long-term components of the investment fund: either Fixed Income, Global Equities, or Canadian Equities
- Diversification: the investments are diversified amongst companies, geographic regions, strategies, and Investment Managers
- Re-balancing: the long-term portfolio is re-balanced quarterly, if necessary, to maintain NRT's long-term target asset diversification mix

NRT will review its investment strategy in 2013 to determine if improvements can be made to the overall return on investment.

## COMMUNICATIONS

Accountability is one of NRT's guiding principles. In keeping with this principle, we perform a number of key communication tasks throughout the year that maintain a high level of accountability to all First Nations in BC and the province.

***NRT's areas of focus are the leaders and members of First Nations in BC, and the leadership of the Province of BC.***

NRT will maintain a Communications Strategy that complements the Strategic Plan. The Communications Strategy will be updated annually.

### **Communications Delivery**

NRT employs a multi-faceted approach to communications to raise awareness and knowledge about NRT activities. Specifically, NRT:

- Publishes and distributes a three-year Strategic Plan
- Prepares and publishes an Annual Report containing the audited financial statements and annual performance results
- Promotes and creates awareness of opportunities for First Nations to benefit from NRT initiatives and programs
- Informs and educates First Nations and government leaders about NRT vision, mission and strategic initiatives
- Publishes a periodic newsletter
- Maintains a web site (**[www.newrelationshiptrust.ca](http://www.newrelationshiptrust.ca)**) and uses technology to improve the overall effectiveness of NRT communications
- Partners with the First Nations Technology Council to maintain the First Nations in BC web portal (**[www.fnbc.info](http://www.fnbc.info)**)
- Utilizes social media platforms (Facebook, YouTube and Twitter) to keep constituents informed of NRT news and activities



## **Feedback Gathering**

As part of its annual strategic planning activity, NRT solicits feedback from First Nations in BC regarding program and funding priorities as well as management of the investment fund. Feedback is integrated into the Strategic Plan each year and is posted to the NRT web site for public information purposes.

Specific feedback gathering strategies are as follows:

- NRT will deliver an annual survey by mail, email and/or telephone regarding program priorities
- NRT will perform focused surveys about a specific area of programming or operations as required
- NRT will perform a province wide engagement process every three years. Regional Engagement sessions were held in 2006, 2009, 2012 and will be held in the fall of 2015
- NRT will use social media to solicit comments

## **RELATIONSHIP BUILDING**

A number of NRT's guiding principles speak to the need for relationship building, both amongst First Nations and between First Nations and other agencies and governments. These principles include:

- Reflecting the intent and purpose of the New Relationship vision
- Supporting Nation re-building
- Not replacing or duplicating existing government or First Nations programs
- Encouraging inter-community cooperation and partnerships

Accordingly, NRT's strategy for relationship building includes the following tactics:

### **Partnering**

NRT will establish and maintain partnerships with First Nations, public and private organizations that share common goals and values in order to leverage funds and minimize administrative costs. NRT's current partners are:

- First Peoples' Cultural Council (FPCC)
- First Nations Technology Council (FNTC)
- All Nations Trust Company (ANTCO)
- Nuu-chah-nulth Economic Development Corporation (NEDC)
- Tale'awtxw Aboriginal Capital Corporation (TACC)
- Tribal Resource Investment Corporation (TRICORP)
- First Nations Agricultural Lending Association (FNALA)
- Community Futures Development Corporation of Central Interior First Nations (CFDCCIFN)
- Northern Development Initiative Trust (NDIT)
- BC Treaty Commission
- First Nations Health Authority
- Provincial Health Services Authority

## **Nation re-building**

In order to support Nation re-building and cooperation amongst First Nations communities in BC, NRT will:

- Where possible within the existing strategic priorities, provide incentives through support to initiatives that foster cooperation between communities
- Where practical, ensure that information and outcomes of NRT support are shared amongst Nations

## **2013 - 2016 PERFORMANCE TARGETS**

### **Short Term (1 - 3 years)**

#### **Governance**

- Develop and implement 5 Best Practice toolkits and facilitate training sessions to introduce them to BC First Nations.
- Develop and deliver 3 - 5 regional training sessions per year
- In partnership with First Nations organizations, create and / or support the development of governance capacity tools for First Nations
- Fund up to 8 First Nations community projects per year in each of the following areas: Land Use Planning, Traditional Land Use Planning, Economic Development Planning, Negotiations and Impact Benefit Agreements
- Fund up to 5 policy development projects per year for provincially mandated BC First Nations organizations
- Fund 1 or more policy coordination initiative annually for First Nations Leadership Council
- Secure up to 75% of the administrative and maintenance costs associated with the First Nations in BC web portal

#### **Education**

- Create and distribute an annual brochure that showcases NRT scholarship and bursary recipients
- Assist up to 40 First Nations students per year with funding toward completion of post-secondary degrees and up to 60 First Nations students per year toward completion of diploma, certificate and/or trades programs
- Support the New Relationship Trust Foundation to attract an additional \$500,000 for scholarships and bursaries for First Nations in BC through partnerships and leveraging
- Establish a database of past NRT Scholarship recipients to be used in conjunction with the NRT Foundation to promote the hiring of First Nations graduates and post-secondary students



### **Language and Culture**

- Leverage an additional \$1 million in capital for First Nations language and culture initiatives from public and private sources
- In partnership, support the digital archiving of up to 10 BC First Nations language dialects

### **Youth and Elders**

- Provide funding for up to 50 youth projects per year
- Provide funding for up to 80 Elders projects per year
- Provide financial support to the annual Elders Gathering
- Provide financial support to an annual gathering or initiative that builds capacity for BC First Nations Youth

### **Economic Development**

- In partnership with BC Aboriginal Capital Corporations, support up to 50 First Nations entrepreneurs and 5 First Nations communities in BC each year by matching equity for business start-ups and/or expansion of businesses within BC
- Provide equity participation loans for up to 5 projects through the BC First Nations Equity Fund

### **Investments**

- Leverage new project funding at a goal of 2:1
- Maintain the investment fund at \$60 million by March 31, 2016
- Limit annual administrative costs to less than 2% of the investment portfolio

### **Partnerships**

- Develop and maintain at least 6 partnerships / protocols with other First Nations organizations in order to promote collaboration and prevent duplication of products and services

### **Medium Term (3 - 5 years)**

- Support the First Nations leadership in BC to develop mechanisms that assist First Nations and the government of BC to negotiate reform
- Fundraise an additional \$50 million in capital for the capacity-building objectives of First Nations
- Maintain annual NRT project funding at a minimum of \$6 million

### **Long Term (5 + years)**

- Grow the Investment Fund to \$100 million by 2025, through investment and contributions
- Continue to grow the First Nations equity fund to support economic development initiatives, with a goal of building a \$50 million BC First Nations Equity Fund
- Grow annual project funding to \$6+ million per year by 2025

