

Performance Measurement, Development Indicators & Aboriginal Economic Development

**Mike Lewis & Dr. R.A. Lockhart
Centre for Community Enterprise
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**The Centre for Community Enterprise
PO Box 1161, Port Alberni, B.C. V9Y 7M1
(tel) 250-723-1139
www.cedworks.com**

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INTRODUCTION

Through a number of federal initiatives, including *Gathering Strength*, INAC is committed to developing policies and programs that support strong people, communities and economies. Many of INAC's existing economic development programs aim to support processes that serve community-defined goals and objectives. It is necessary for INAC to understand how diverse community-based goals relate to INAC's overarching policy framework so as to strategically facilitate and better assess progress made in local initiative processes.

This project pursues this quest for understanding, relevance and accountability through examining the use of development benchmarks and indicators. We have interpreted our task as two fold:

1. To research the extent to which there exists benchmarking and indicator systems that link community, intermediary organizations, and program and policy levels of action into a coherent application of development effort. We have examined a wide range of materials provided from INAC, from the CCE library and through an internet search. Included in this examination was a structured reflection on the depth of experience the Centre for Community Enterprise brings to the field of community economic development, to Aboriginal development, and more generally, research relevant to the use of benchmarking and indicators at the community, institutional and societal levels.
2. To bring this research and reflection into play to systematically and creatively think about the current policy and program context within which INAC operates its economic development programs, and then, to articulate the connections and tensions we see between current INAC efforts and CCE's research findings.

As is often the case in CCE, our pursuit of this effort led us somewhat beyond the terms of reference. In a very preliminary way, we have tried to add value to our contracted ruminations. In Appendix One we set out the results of our "added value" reflections. Essentially, we attempt to apply a "CED best practice framework" to the task of constructing a benchmark and indicator framework that may, over time, be a useful component should there be an appetite to design a more results focused indicator framework relevant to Aboriginal development.

What emerges from our overall effort in this project is greater analytical clarity and some basic concepts, which if carefully worked with, has significant potential to create a more generative framework for addressing two fundamental needs. First, the current system does not adequately inform progress being made in Aboriginal development at any level. Everybody needs this kind of capacity, without which development over time becomes a blur, and accountability for results a phantom. Second, the development of a real results and indicator framework is central to more effectively allocating resources to “turn the curve” in achieving more durable results.

One of the thought provoking and useful features of this paper is its exploration of how the linkage between results, indicators and performance measures (defined in the first section of this paper) are actually being applied at levels that extend from legislators and policy makers to program managers and community-based organizations doing the work on the ground.

What is perhaps most important for the reader is that building a more results based orientation to development can be done, it is being done and, although still relatively early in its evolution, there is system wide application of results, indicators and performance measures frameworks that are showing real promise. It is a strategic level of innovation that promotes learning, flexibility, and responsible use of resources as well as improving overall accountability and effectiveness. Thinking through the challenge of such an approach in the context Aboriginal development is a provocative and potentially worthwhile approach

BUILDING A COMMON LANGUAGE AS A STARTING POINT

There are several terms that require clear definition in any inquiry into measures that purport to track community development, including Aboriginal development. Imprecise use of key terms muddies the waters, and leads to confusion among policy makers, managers and development practitioners. Processes without a common language tend to be frustrating and ineffective. Work can become mired.

In an attempt to not contribute to this confusion we have adopted the definitions found in Mark S. Friedman’s insightful discussion paper, “A Guide to Developing and Using Performance Measures in Results-based Budgeting.”¹

Accountability for results is one type of accountability. Accountability for performance is another kind of accountability.

Result or Outcome

“A **‘result’** is a *bottom-line* condition of well-being for children, families, or communities. It is a broadly defined, fundamental condition that government and citizens consider essential for all its members. One such bottom-line expectation of the community might be that all of its children should be born healthy. Another might be that all children should enter school ready to learn. A third might be that young people should make a smooth transition to adulthood. Results are umbrella statements that capture the comprehensive set of needs that must be met to achieve success. By definition, achieving these basic conditions of success requires concerted action by all sectors of the community.”

Indicator

An **‘indicator’** is a measure, for which we have data, that helps quantify the achievement of a desired result. Indicators help answer the question: "How would we know a result if we achieved it?" Examples of indicators include: rates of preventable disease among children; reading and math achievement scores; high school graduation rates; rates of teen pregnancy and drug use; and crime rates.”

Friedman is referring to what CCE calls **“footprint indicators”**, that is, they are indicators for which “hard data” is available.

However, there is another type of indicator known variously as imputed or **perceptual indicators**. These “soft” indicators most often require data collection. They measure peoples’ attitudes and perceptions and have been related to key characteristics of “successful” communities, or what CCE has defined as resilient communities. We will return to this in the next section.

Performance Measure

“A **‘performance measure’** is a measure of how well public or private agencies and programs are working. Typical performance measures address matters of timeliness, cost-effectiveness, and compliance with standards. Examples of performance measures include: percentage of child abuse investigations initiated within 24 hours of a report; amount of child support collected for each dollar expended on child support enforcement; and police or fire response time.

Performance measures are absolutely essential for running programs well. But they are very different from results and indicators. They have to do with our service **response** to social problems, not the **conditions** that we are trying to improve. It is possible, even common, for individual programs to be successful, while overall conditions get worse.”

“The key distinction in this set of definitions is between ends and means. Results and indicators have to do with ends. Performance measures and the programs they describe have to do with means. The end we seek is not “better service” (Or even “integrated service.” Service integration is a means, not an end in itself.) but better results.”

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A Caution with respect to Performance Measurement

Friedman provides some cautions with respect to the use of performance measurement that are of relevance to this paper.

”Much of the tradition of performance measurement comes from the private sector and, in particular, the industrial part of the private sector. Work measurement—dating back to the time and motion studies of the late 19th and early 20th centuries—looked at how to improve production. Industrial processes turn raw materials into finished products. The raw materials are the inputs; the finished products are the outputs.

“This model does not translate very well into public or private sector enterprises that provide **services**. It does not make much sense to think of clients, workers, and office equipment as inputs to the service sausage machine, churning out served, cured, or fixed clients. Instead, we need to begin thinking about services in terms of the **change-agent model**. The agency or program provides services (inputs) that act upon the environment to produce demonstrable changes in the well-being of clients, families, or communities (outputs).

“One common situation illustrates the problems that arise when industrial-model thinking is applied to services. It is the belief that the number of clients served is an output. ("We have assembled all these workers in all this office space, and we are in the business of processing unserved clients into served clients.") This misapplication of industrial-performance concepts to services captures much of what is wrong with the way we measure human-service performance today. "Number of clients served" is **not an output**. It is an input, an action that should lead to a change in client or social conditions—the real output we are looking for: "We served 100 clients (input) and 50 of them got jobs (output) and 40 of them still had jobs a year later (even more important output)." This is a whole different frame of mind and a whole different approach to performance measurement. (More on what Friedman recommends as a framework for selecting performance measures is provided later in the paper)

“A closely related industrial-model problem involves treating dollars spent as inputs, and clients served as outputs. In this distorted view, dollars are raw materials, and whatever the program happens to do with those dollars are outputs. It is easy to see why this oversimplification fails to meet the public's need for accountability. In this construct, the mere fact that the government spent all the money it received is a type of performance measurement. This is surely a form of intellectual bankruptcy. In this scheme, almost all the agency's data are purportedly about outputs. This gives the agency the appearance of being output-oriented and very progressive. It just doesn't happen to mean anything. “

Aboriginal economic development then, by definition, falls under the rubric of the “change-agent model”: It is oriented to changing a “benchmark” or “baseline” condition, the operant assumption being that the policy and programs that support services (inputs) are designed to “act upon the environment to produce demonstrable changes in the well-being” of Aboriginal individuals and communities. It is therefore incumbent that “Performance measurement” be related to achieving “results.”

SUMMARY OF RELEVANT FINDINGS FROM THE CCE SCAN

Introduction

There are several levels of use for indicators relevant to the issues implied in the terms of reference. They include the *community and intermediary organizational levels* (which we can think of as users of public resources for direct application to Aboriginal development) and the *program and policy levels* (which we can generally think of as the providers of public resources). The intermediary (by which we mean sub-regional organizations such as tribal councils, development corporations, Aboriginal capital corporations, etc.) and community agents use the resources to achieve development impacts relevant to Aboriginal populations.

Users achieve (or fail to achieve) development impacts out of processes they presumably control. Providers achieve development impacts through the conditions they place on the resources they provide and their adequacy in relation to the outcomes/results being sought.

To analyze the linkages between these four levels requires data appropriate to the levels as well as a clear understanding of the logic links between levels. It is within this context that benchmarks, results/outcomes, indicators and performance measures can become meaningful.

Aboriginal economic development then, by definition, falls under the rubric of the “change-agent model”: It is oriented to changing a “benchmark” or “baseline” condition, the operant assumption being that the policy and programs that support services (inputs) are designed to “act upon the environment to produce demonstrable changes in the well-being” of Aboriginal individuals and communities. It is therefore incumbent that “Performance measurement” be related to achieving “results.”

We must keep in mind that policy is designed to produce change. Given the definitions provided above, it should be evident that the adequacy of the articulation of results through the application of indicators and performance measures at the policy and program level, as well as the degree of coherence between the four levels, will be important reference points guiding our exploration. Yet another point of consideration is the way in which agency performance measures, when inadequately informed by clear definition of results and indicators, can potentially influence the degree to which progress can even be recognized.

Keeping these things in mind, we have chosen bodies of work that we believe will assist in focusing the main issues relevant to the discussion of performance measures, indicators and Aboriginal economic development. It should be noted that we scanned a host of web sites looking for material relevant to our task, which are attached as Appendix 2, but the effort yielded very little.

Four of the summaries relate to work done by the Centre for Community Enterprise. Two of these focus on the relationship of government policy and programs to the Aboriginal economic development context. Each analyzes government policy and programs through the lens of best practice frameworks derived from what works in the CED field. They are particularly useful in illustrating the interplay of influences shaped by inadequately defined policy and programs on the results being achieved by intermediaries and communities.

The third is related to the Oregon Benchmark system, which at the societal, institutional and community levels, is the most advanced experiment in North America of its kind. In Oregon, a state wide strategic vision has been coupled with definition of results and indicators and a capacity to track progress that has had incredible impacts at several levels. The State government is also among the most advanced jurisdictions in linking performance measures within agencies to broader societal results and indicators.

The fourth of the CCE documents flows out of a major applied research project known as the Community Resilience Project. Tested in a variety of non-Aboriginal rural settings, the *Community Resilience Manual* is now being used internationally in a variety of rural development settings as an efficient and effective means to help communities assess their development context using perceptual indicators.

A fifth body of work that appears directly relevant to the objectives of our task, although not directly related to Aboriginal economic development, comes

out of the results based budgeting movement in the U.S. Although still relatively early in its evolution, this system wide application of results, indicators and performance measures is showing real promise as an innovation that promotes learning, flexibility and responsible use of resources within an overall framework that improves accountability and effectiveness. Thinking through the challenge of such an approach in the context of Aboriginal development is a provocative and potentially worthwhile approach.

Lastly, there is an exciting debate emerging in the Canadian context that bears reporting on. Legislators, senior civil servants and a range of non-governmental organizations recently held a symposium called “Measuring Quality of Life: The Use of Societal Outcomes by Parliamentarians.” Again, while broader than the focused subject of this inquiry, there are aspects of this discussion that contextually inform our discussion, and that imbue our work with meaning in the larger context of government exploring the actual and potential impact of societal indicators and outcomes, and quality-of-life measurement and reporting, as tools to improve governance in the 21st century.

“Building Self-Reliance? A Strategic Assessment of Economic Development Programs Affecting Yukon Indians”²

This comprehensive Yukon study looked at all Federal and territorial programs relevant to Aboriginal economic development through the mid-'80s. Community level and intermediary organizations (Yukon Indian Development Corporation and Dana Naye Ventures, a region-wide small business lending organization) were included in the review of government resource allocation.

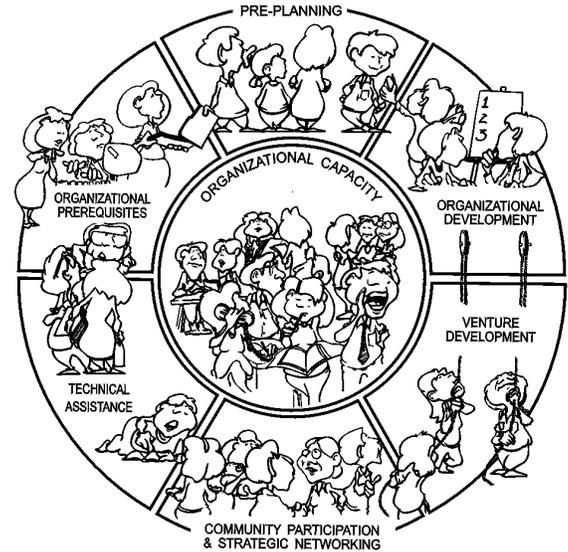
The central framework which shaped the analysis was that of the “Development Wheel,” **a diagnostic and planning framework derived from CED best practice**, meaning that it represented a synthesis of the key components known at that time to be crucial to achieving durable and relevant community economic development outcomes in disadvantaged communities.

The categories that make up the framework are organizational prerequisites, pre-planning, organizational development, venture development, community participation, strategic networking and technical assistance. The central hub of the “Development Wheel”, around which all these components revolve is organizational capacity. Organizational capacity is central to managing the community economic development process over time. Also important to recognize is that the components of the planning framework, when understood in their phases and relationship to each other, help build FN organizational capacity to incrementally expand the scope and complexity of what can be successfully undertaken.

THE DEVELOPMENT WHEEL

The policy and practice guidance to be derived from the application of the Development Wheel is related to the adequacy of the resources (time, talent and money) made available to support each of the component building blocks. (See Appendix 3 for a description of each component in both text and graphic formats).

The results of this analysis were dramatic. Out of \$12.5 million spent over four years, \$10.5 million was focused on venture development in the form of studies, grants or loans. In addition, much of Technical Assistance was also focused on venture development, an additional \$900,000. Here is the breakout.



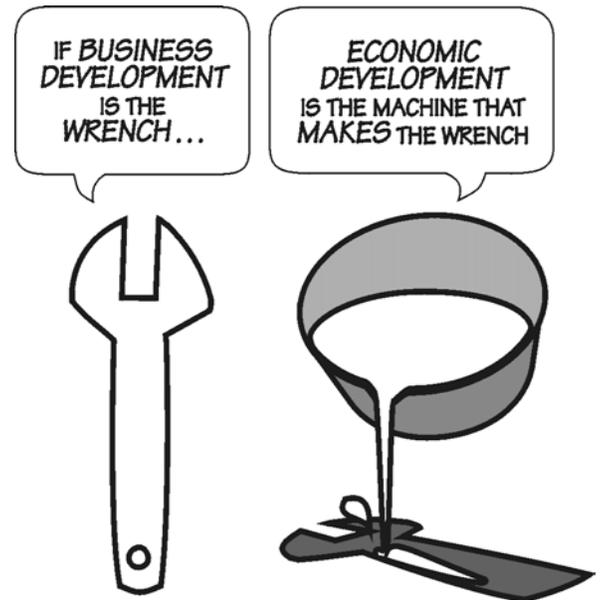
THE DEVELOPMENT WHEEL
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▪ Organizational Prerequisites	166,000
▪ Pre-Planning	401,000
▪ Organizational Development	301,000
▪ Community Participation & Strategic Networking	21,000
▪ Technical Assistance	895,000
▪ Venture Development	10,500,000

A meager 10% of the budget was invested in the other four components, all of which are of fundamental importance to economic development in marginalized communities. Moreover, without a focused capacity in play somewhere in the system to manage the venture development process, the investments made in business development were vulnerable to a high rate of failure.

This imbalance stemmed primarily from a policy level confusion between economic and business development. In the Yukon, at this time, the emphasis was almost totally focused on business development.

The lack of understanding of economic development at the policy level revealed itself in a wide range of programs, which ironically often competed with each other to finance limited business opportunities, while other types of resources fundamentally important to economic development were unavailable.



ABORIGINAL JOINT VENTURES: NEGOTIATING SUCCESSFUL PARTNERSHIPS
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Training programs, not included in the figures above, were fractured between several institutions. There were no mechanisms for tailoring training priorities with employment opportunities except on an ad hoc basis.

The only indicators tracked are businesses started, loans provided, jobs created, and resources leveraged. However, there were no indicators that tracked performance over time, for example, business survival and expansion rates. And, not surprisingly, there were no indicators applied to the broader set of components that are vital to CED.

The old adage of the tool becoming the lens from which one views the world is applicable here- if all I know is how to use a hammer the whole world is a nail. Not a very bright prospect if what one wants to do is build a house.

“CED in the High Arctic: Progress and Prospects”²

This book analyzes the evolution and practice of 3 regional CEDOs in Nunavut over a 10-year period. It uses a somewhat different framework, also derived from best practice. It analyzes each CEDO, including the flow of resources to it, from the perspective of key functions critical to strengthening the economy and a series of characteristics of best practice organizations. These are summarized in the table, which follows.

Comprehensive Mind Set and Strategic Approach to Key Functions

- Planning and research capacity relevant to core mission and goals
- Building Community Equity
- Accessing credit resources
- Strategic Approach to human resource development
- Strategic networking and partnership development
- Advocacy of and leveraging of infrastructure to strengthen community economies

Clear Governance and Accountability Framework

Degree and Nature of Community Participation Patterns

Competent use of and Leverage of Technical Assistance and other External Resources

Strength of Outcome Orientation Evident in Implementation of Functions, programs and tools

Leadership with Social Entrepreneurial Qualities

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We have included as Appendix 4 the use made of these characteristics to analyze each of the Regional CEDOs. The examples provided, the Kitikmeot Economic Development Commission and its sister organization, the Kitikmeot Development Corporation, are clearly the most advanced of the three based on analysis of their results.

A qualitative difference between the Yukon and NWT circumstances was that, beginning in 1990, the Canadian Aboriginal Economic Development (CAEDs) program was just beginning to be implemented. It had a 5-year time horizon. Core funding resources to CEDOs were available which, in the eastern arctic, were utilized at the sub-regional rather than local level. There was also a presumed commitment at the national level that three major departments with interest in various aspects of economic development - in business development (Industry Canada), human resource development (HRDC) and capacity building (INAC) - had agreed to work together. In the first chapter of this book, the following characterization of the INAC portion of the CAEDs strategy was noted:

“The introduction of the CAEDS program in 1989 created a unique opportunity for Inuit to begin the long, difficult process of building their own economic development institutions. As far as CEDO development was concerned, the crucial resource in the CAEDS program bundle was the funding, which flowed from Indian Affairs directly to Sinnaq and the CEDOs. It was flexible yet required attention to planning and it was guaranteed for a 5-year period. There was a recognition in INAC that establishing capacity to address economic development opportunities and constraints required sustained learning over time. Moreover, an important aspect of this learning was the feature of community control (which could mean one community or a group of communities acting together regionally.”
(*CED in the High Arctic*, Chapter 6)

“A particularly important feature of the approach, especially in relation to Inuit desires to create their own economic development capacity, was INAC’s community economic development program. Very flexible in its funding framework, it allowed CEDOs to use the money for planning, staff, equity, credit, capacity-building - almost anything that would support economic development at the local or regional level. The only criterion was to have in place an operational plan setting out goals, specific objectives, and a budgeted action plan.

“This feature of CAEDS was of crucial importance to the birth of CEDOs in the eastern Arctic. For Inuit, CAEDS represented a unique opportunity to develop Inuit institutions that could be involved directly in provision of economic development services. Previous to CAEDS there was no direct support for Inuit development in this area. Services were either provided

directly by federal Aboriginal programming or by territorial government agency services of general application.” (*CED in the High Arctic*, Chapter 1, page 8)

What is important about this case analysis is the application of the best practice derived analytical framework to the task of tracing and understanding the development paths taken by the three different CEDOs over an 8-year period. The results are important in a number of respects, not the least of which is that the analysis was successful in identifying a number of the factors at the policy, program, intermediary (regional CEDO) and community levels that drove more or less successful outcomes. For the purposes of this inquiry, therefore, the framework helps us understand the policy and program tensions that flowed from very different policies and assumptions operating across departments and jurisdictions

Another aspect of this case study that is very useful is how it discusses and analyzes the relationship between community level capacity, sub-regional intermediaries and Nunavut wide intermediaries. The conclusion that not all functions can be layered into the community level in such small and scattered human populations is self-evident.

Also useful, this case demonstrates how critical it is to consider the impacts of conflicting government policy, jurisdictions and turf related politics on the Aboriginal development context. The huge gap between NWT and Federal policy and programs are crucially important. CAEDs was clearly an advance in the Federal policy arena, whereas, the NWT government suffered the same myopia evident in the Yukon study, where economic and business development were considered the same thing. This policy and program conflict, embedded in approach to economic development in the eastern Arctic shaped some of the issues, confusion and challenges the three CEDOs had to contend with.

Lastly, the analysis reveals evidence at every level that articulation of outcomes was weak. If one is to construct an indicator based system that yields data that contributes to accountability, transparency and learning, a stronger interest and capacity in outcome/results definition is strategically important. The dominant interest of government policy (especially the GNWT) in the eastern Arctic, in contrast, was primarily on efficiency, coordination, jurisdiction and resource coordination, all embedded within a distressing absence of any discussion related to outcomes.

In summary, these first two cases illustrate an inadequately specified policy intent, in part due to little understanding of current best practice and in part

due to weak articulation of results at the policy and program levels. These factors have led to a disconnect between general intent (e.g. increasing community self-reliance) and the application of resources to widely varying Aboriginal development contexts. In all cases, there is a lack of attention to indicators that are in anyway linked to intent, other than jobs, business starts and leverage of resources.

The Community Resilience Manual⁴

Over the past decade, a series of systemic transformations in the international, national and regional economies have negatively impacted a wide range of once thriving resource-based communities. Some have demonstrated a high level of *resilience* in pursuing positive change strategies. Others have made little or no effort to take any developmental initiative and withered away.

How does one recognize a resilient community? Why do some communities thrive and others, in very similar situations, fail to adapt? These questions drove the CCE team to examine their own community development facilitation practice. Community development experience from across North America was extensively reviewed in the hope of abstracting the key characteristics of communities that reflected the following definition of resilience.

“A resilient community is one that takes intentional action to enhance the personal and collective capacity of its citizens and institutions to respond to, and influence the course of social and economic change.”

Twenty-three characteristics of resilience were identified. CCE then created and subsequently validity tested in a number of field study applications, a set of indicators through which a community (either on its own or with whatever technical assistance it might require) could effectively and efficiently capture a self-portrait that powerfully reflected development related attitudes, beliefs, patterns of cooperation and conflict resolution, as well as how the community functioned in terms of community decision making, in general, and developmental planning and implementation, in particular. This portrait can then be juxtaposed with the Manual’s parallel detailing of established and proven resilience factors. The community (or regional clustering of communities) is thus provided with a basis for evaluating their own state of relative readiness to proceed while at the same time identifying those community capacity factors that need to be strengthened at an early stage in the developmental initiative in order to better assure success. A “Tool Kit” was also developed as a companion to the *Community Resilience Manual* in order to provide a profile of methods and techniques relevant to strengthening

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a communities resilience factors For those communities that seek technical assistance in developing their planning and implementation strategies, a pre-structured workshop option is available which assists community and intermediary organizations in the analysis and interpretation of the data gathered based on the Manual's indicators.

After developing and proof of concept testing the Manual in a number of community and regional trials in B.C. and Alberta, the Manual and its adjuncts were made freely available for download and use on the CCE web site. As a consequence we now have independent feedback form a number of far-flung applications that include the United Kingdom, New Zealand and Australia. Thus, this now widely diversified application feedback leaves little doubt that this best practice defined and focused indicator driven CED Manual works in a timely and effective way. The feedback particularly reinforces the importance of our inclusion of the social capital prerequisites as well as the more conventional economic factors required to achieve successful adaptive change

However, despite the fact there were Aboriginal people on our steering committee that was structured to guide the field testing, and their subsequent interest in adapting this approach specifically for Aboriginal application, it has not yet been validated (and where necessary modified) in any uniquely Aboriginal community setting.⁵

However, quite aside from this approach's potential with respect to Aboriginal community application, CCE believes that this methodology has implications for policy and program level application in that it is but a short step to adapt these development targeting indicators into time series **benchmark** measures through which all four (previously discussed) policy, program, intermediary and community levels of support and action could be more effectively coordinated and rendered appropriately accountable within their own jurisdictional realms. Indeed, in a much wider context, this has been the experience in attaining quite remarkable system level change in the state of Oregon to which we now turn our attention.

The Oregon Benchmarks⁶

The Oregon Benchmarks is not one thing. Rather, it is a series of steps and related components, which together create a systemic framework for guiding change efforts in Oregonian society.

The first step, and a foundational component, was the creation of a **unified strategic vision**. The State Oregon did this in 1989 with the publishing of a strategic vision referred to as "Oregon Shines." Involving over 200 citizens

from all key sectors of Oregonian society, and supported by government personnel, Oregon Shines from beginning to conclusion was done in six months.

A vision without meaningful targets and measures that focus action and guide resource allocation will neither inspire nor contribute to real change. The Oregon Benchmarks are a combination of targets (**defined outcomes/results**) and measures (**indicators**) that inform and track progress towards realizing the strategic vision. Both of these components have been well advanced in the last decade's systematic implementation of the Oregon Benchmarks system.

The linkage between key components – vision, outcome based goals and related indicators – is summarized in the graphic below.



But the system continues to evolve further. The “Benchmarks” themselves are becoming the foundation for change efforts and common strategies at several levels of Oregonian society. The clarity of the outcomes and measures are stimulating and facilitating the **defining of strategies** and the **building of effective partnerships**.

Of course none of this could have achieved the remarkable results realized in Oregon without the creation of a dedicated implementation institution. The **Oregon Progress Board** is made up of a board of 12 citizens, chaired by the Governor, and, along with a 4-person staff, they carry out a legislative

The evolution of the Oregon Benchmarks system triggers many questions and much reflection on what might constitute an effective Aboriginal development indicator framework. Is there a need for an overarching strategic vision at the policy level? Are policy and program goals framed in terms of results that are clear and around which meaningful indicators can be derived? Is there a need for something akin to the Oregon Progress Board, which has high-level support and a clear mandate to build meaningful indicators, track progress and publicly report results?

mandate to define “benchmark” outcomes and track the progress toward their attainment. Hundreds of citizens were involved in establishing the benchmarks and continue to be involved in their revision as learning takes place and priorities change. The Oregon Progress Board is, in and of itself, and in the way it is linked to key policy and decision-making features of the Oregon State government apparatus, a core component of the Oregon Benchmark system.

They have also evolved into a key technical assistance resource to state agencies, which, since 1998, are required by law to design and implement agency **performance measurement** systems that are directly tied to one or more of the 92 indicators being measured and publicly reported on by the Progress Board every two years.

In summary, the combination of the Oregon Shines policy directions and the Oregon Benchmarks outcome measure tracking has created a framework that appears to have successfully inculcated a widely accepted orientation to using outcomes and indicator as being central to governance and effective stewardship of limited resources. There is no doubt that it has become a framework for learning and capacity building, not only for state institutions, but also for an increasing broad and diverse array of local government (county and municipal) and non-government organizations across the state.

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The Results Based Budgeting Movement ⁷

“Results-based budgeting starts with the results we want for children, families, and communities and works backward to the means to achieve those results.”

This simple proposition is the subject of a significant body of thinking and writing that is focused on putting a results focus into practice within the complex environment of public decision-making and budgeting. While the focus of the opening quote is focused on children and families, the results based budgeting movement is cutting across a wide range of public governance functions and issues. Of the material we turned up in the course of

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our search, it is the most generative thinking we found relevant to the objectives of our inquiry, particularly the struggle to grasp and articulate approaches that might more adequately address the tensions and ambiguities that flow between policy, program, intermediary and community levels.

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Turning the Curve: Defining Success in a Complex Environment

The “Finance Project” referred to earlier when referencing the work of Mark Friedman, has a strong emphasis on the well being of children and families and has done considerable work to try and develop results based indicators that can lead to greater policy, program and delivery effectiveness. They note that people working in the field of children and family well-being often set themselves up for failure by creating “unrealistic expectations and impossible standards for success.” They attribute a large part of this problem to the way data is used to define success or failure.

“The typical approach to defining success is what we call, for want of a better term, ‘point –to-point’ improvement. If the juvenile violent crime arrest rate is now 506 per 100,000 youths, we tend to define success as reducing this rate to 450 over the next two years... This kind of definition of success is a setup. Most social conditions are more complex than this. These conditions have direction and inertia. This is reflected in a baseline, which is more often than not headed in the wrong direction. These directions can very rarely be changed quickly. Sometimes the best we can do is to slow the rate at which things get worse *before we can turn the curve in the right direction*. This is a more realistic way of thinking about success (and failure). Success is tuning away from the curve or beating the baseline, not turning on a dime to achieve some arbitrary lower target.”

The overall approach argues for using an *indicator baseline* that shows us where we have been and *cost of bad results baseline*, which defines the resources expended to address bad results: “children born **un**healthy, children **not** ready for school, **not** succeeding in school, **not** staying out of trouble.”

These baselines become an essential component of results-based decision making and budgeting. “Without baselines, we are blinded to the reality of complex problems and complex spending patterns. We are limited by systems

that inaccurately measure progress and that skew decision-making away from preventive investments. Baselines allow us to think about problems in multi-year terms and to avoid the oversimplifications that accompany year-to-year or point-to-point comparisons.” (This is one of the values derived from the analysis in the eastern arctic, which tracked progress over an 8-year period utilizing a framework that was more analytically capable of identifying key factors that make up the complexity of economic development in a complex and challenging environment).

“Results-based budgeting uses baselines as the starting point for serious decision-making. The purpose of results-based budgeting can be reduced, in its simplest terms, to finding effective ways to improve our performance against the indicator and cost baselines for the most important results for children, families and communities.”

What is most exciting about the work of the “Finance Project” is the work they have done to conceptualize and apply what they call a *Strategy Map for Results Based Budgeting*. “The strategy map includes three main tracks: Results and Indicators, Decision-Making Tools, and Decision-Making Process. The basic progression is simple. Creating a set of results and indicators (track 1) lays the groundwork for developing new decision making tools (track 2), which informs, and to some extent makes possible, a new kind of decision-making process (track 3). The purpose of this effort is to make decisions that lead to improved results for children, families and communities.”

What emerges is a basic work plan which, if systematically applied over time, can create a more generative framework for understanding what is going on and more effective allocation of resources to “turn the curve” in achieving more durable results. What is also thought provoking and useful is how the linkage between results, indicators and performance measures (defined just as was presented in the definitions section of this paper) are actually being applied at levels that extend from legislators and policy makers to program managers and community-based organizations doing the work on the ground.

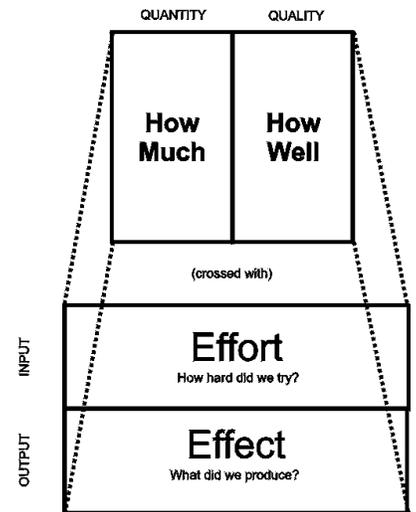
What is perhaps most important for the readers of this document to glean from this reference is that it can be done, it is being done and, although still relatively early in its evolution, this system wide application of a results, indicators and performance measures is showing real promise as an innovation that promotes learning, flexibility, and responsible use of resources within an overall framework that improves accountability and effectiveness. Thinking through the challenge of such an approach in the context Aboriginal development is a provocative and potentially worthwhile approach.

A Lens Through Which To View The Field Of Performance Measurement ⁸

The work of Friedman is very helpful in clarifying and, in some ways, simplifying the conceptual basis for improving performance measurement. He notes that “the heart of any performance measurement system is the way in which data are categorized, selected, and used. The various approaches to performance measurement have produced different ways of doing this.”

He cuts this problem down to its bare essentials: “how do we choose **data elements** to measure performance? If we can answer this question, much of the rest follows suit. All work on performance measurement tries to answer two sets of interlocking questions.” (See diagram at right.)

He then makes the following bold *assertion*: All performance measures can be sorted into four categories, represented by the following four-quadrant matrix:



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Performance Measures

	QUANTITY	QUALITY
INPUT	How Much Service Did We Deliver?	How Well Did We Deliver Service?
OUTPUT	How Much Did We Did We Produce?	How Good Were Our Products?

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“This sorting scheme allows us to pose and answer some common sense questions about performance. These are shown in their most basic form in the chart on the previous page.

Upper-left quadrant: How much service did we deliver? How much effort did we put into service delivery? How hard did we try?

Upper-right quadrant: How well did we deliver service? How well did we treat our customers? Was service courteous, timely, accessible, consistent, etc.?

Lower-left quadrant: How much did we produce? How many clients or customers showed an improvement in well-being? How much do we have to show for our service?

Lower-right quadrant: How good were our products? What percentage of our clients or customers showed improvement? What do we have to show for our service in terms of output quality?

One of the immediate consequences of this sorting scheme is that **not all of these questions are equally important**. We are (or we should be) far more interested in quality than in quantity. And it is not enough to count effort; we must also measure effect. “

**Not All Performance Measures
Are Created Equal**

	QUANTITY	QUALITY
INPUT	4 th (Least Important)	2nd
OUTPUT	3rd	1 st (Most Important)

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He then points out the all too common difficulties with many current performance measurement systems: they “ provide a great deal of information on quantity of input (upper left), but very little on quality and output (the other three quadrants). Performance measures tend to deal exclusively with how many clients were served, how many applications were processed, etc.”

“This matrix allows us to separate the wheat from the chaff in selecting performance measures. Performance measurement should focus on the quality column measures and, in particular, on the quality of output measures. Therefore, we can actually assign an order of importance to the four quadrants as shown above. We need to move from our preoccupation with the upper-left quadrant, toward the upper- and lower-right quadrants.”

Societal Outcomes, Governance & Accountability: The Canadian Debate

Sponsored by the Parliamentary Library and facilitated by the Centre for Collaborative Government,⁹ this fall 2001 symposium represents one of the most thoughtful reflections on the issues and potentials of moving toward a framework of accountability based on achieving societal outcomes. The debate, reported on briefly here, involved a range of parliamentarians, civil servants and a range of non-government organizational leaders.

The gradual shift in government from process to results, from how policy and programs work to *whether they work*, is the starting point for the discussion. Societal outcomes result from many different factors, from many different levels of society, of which government is one important actor.

Moving to a governance model that tracks our progress in meeting societal outcomes through systematic use of quantitative and qualitative indicators is a

way of energizing enabling the engagement of elected representatives and citizens to participate more fully in the policy process. “The choice of societal outcomes involves a commitment to consensually defined values, and provides a transparent reference against which public debate can be framed.” Not only would this shift the relationship of government to citizens, it would reinforce the shift in government from more vertical to more horizontal planning and coordination. Moreover, the inextricable linkage between social and economic policy, a relationship most often ignored except in the most macro terms, would be forced to become more integrated.

The Strategic Social Plan (SSP) of Newfoundland demonstrates a number of these points. According to the Government of Newfoundland and Labrador, the SSP “represents a fundamental change in the way that this government plans, designs and delivers social and economic programs in the province.” Moving away from issue-based responses through relatively narrowly focused activities in a particular department, their government “now views social and economic policy development, planning and investment as parts of a single, integrated whole.”

The results of this new approach lead to a view that social programs are an investment in human capital, and they are being

“designed to strengthen links between the community, its economy and the particular skills and resources of the people who live and work within it. Similarly, regional and economic development policies and programs should promote Newfoundlanders’ well-being by helping to renew and develop the communities in which they live. The SSP is an effort to forge new policy, and program links between these previously separate policy fields.”

“The Strategic Social Plan makes use of societal outcomes in the form of four overarching goals: vibrant communities, sustainable regions based on investing people, self-reliant, healthy educated citizens and integrated evidence based programs...Together they provide an over-arching framework for social and economic programming. The Plan has also developed a set of indicators, both qualitative and quantitative, to measure the implementation of the approach.”

Each of these goals also gives rise to a number of sub-goals. Together, these provide the framework that is to guide the integration of social and economic policy and programming.

The need to monitor actions and assess the results in order to decide whether the desired outcomes are being achieved is a central component. A sophisticated tracking system called the Social Audit has been implemented with the aims of making government more accountable and to provide key information for program and policy evaluation. Indicators to measure progress are central and are intended to measure long-term outcomes.

The Plan puts a heavy emphasis on the use of partnerships of all kinds in implementing the new approach. They are seen as a key mechanism for achieving a more horizontal approach to policy development and service delivery. Overall, the aim is to make government more responsive and accountable and, at the same time, to give the public a more direct role in governance.

The Newfoundland example stimulated a view among participants that the use of an outcomes and indicator approach, requiring as it does an iterative process of reporting, learning and then adjusting, could have a significant impact on the basic relationship between legislators, bureaucrats and citizens. Indeed, they concluded that an effective set of societal outcomes and indicators could become a very powerful instrument of long-term governance. (Again, CCE research in Oregon suggests that both these conclusions are in fact the case).

REVIEW OF INAC ECONOMIC DEVELOPMENT POLICY, PROGRAMS & USE OF INDICATORS

As one element of the terms of reference, INAC asked that we review a selection of documents they provided in order to have a better understanding of the economic development policy and program context within which current indicator, reporting and accountability issues are being pondered.

Accountability & Performance Measurement Framework for CEDP (2000)¹⁰

The CEDP (Community Economic Development Program) within the economic development department of INAC has been a key part of the Canadian Aboriginal Economic Development Strategy (CAEDS). As noted earlier, it provides flexible resources that can be applied at community discretion to priorities that fall within one of six categories – development planning, advisory services, project planning, financing for training and employment programs, contributions and loans and equity investment. It is important to note that these functional categories correspond closely with the functions identified in the analytical framework used in the CCE report *CED in the High Arctic* (see p. 9). The entire logic model outlined for performance

measurement begins with these six “activity” areas. For each activity, the “primary reach” of the activity is defined (either individuals, businesses, Aboriginal organizations or Aboriginal communities) and an output is defined. For each output, short term and medium term impacts are identified.

Generally speaking, this report is a valiant attempt to amend and improve an existing reporting system. The problem is that the framework that is being amended is conceptually and practically deficient, at least in terms of the kind of definitions provided for at the outset of this paper. We note here several matters we believe may be the source of some difficulties.

- Results/outcomes are not defined, except in the most general of terms (e.g., capacity building, economic self-reliance) either at the global level of the program or related to the six activity levels. It suggests this is at least in part due to the range of intended program impacts being so broad, “since it reflects the pervasive nature of economic linkages and the diffusion effect of economic development at the community level.” Thus, the report concludes it is “difficult to identify performance indicators that can accurately account for the nature and scope of these impacts.
- Outputs as described in the logic model are by and large inputs. They do not define ends but rather means, for example, the number of hours of service provided, training days, people and businesses assisted, etc.
- To the extent that ends are defined, by which we mean results and indicators, they are called “short-term impacts” and “medium term impacts.” Most of the “short-term impacts” are focused on business start up and expansion, employment creation and maintenance and increased labour market participation. “Medium-term impacts” are all vaguely referred to as economic self-reliance or capacity building. Indeed, the report notes this as a problem. “The existing CEDP documentation is notably vague on the program’s intended impacts. Mention is made of the program as a tool to ‘encourage and establish community control over economic development’ – which can be thought of as a potential long term impact – but little specific indications of the program’s intended impacts can be found.” Unfortunately, this rather glaring problem is not picked up on or addressed directly.
- While the report did make a valiant attempt to begin to define indicators for such “intended impacts” as community capacity building, increased community control, and economic self-reliance, and while there are some that may be potentially useful, the lack of reference to the components of “best practice” in community based economic development, such as the material represented in the arctic CEDO analysis, leaves the entire effort handicapped.

- “Capacity building” is described as an intended impact. While this is not entirely inappropriate, “capacity” is also a key means, without which, economic development is not possible, especially in disadvantaged communities. The fact that there are few indicators that signal progress in building core development capacity, and no means by which to establish a baseline from which to track progress over time, is a notable shortcoming.
- There are no criteria recommended for indicator selection. More rigorous attention to the criteria cited earlier could possibly be useful in streamlining the number and usefulness of the indicators at every level. The number of core indicators must be kept manageable and must be meaningful on the ground and to policy makers.
- Lastly, there is no “indicator baseline” from which to track progress. As noted by Friedman in the discussion of results based budgeting, without a baseline “we are blinded to the reality of complex problems and complex spending patterns.”

By way of encapsulating this discussion, it is useful to recall the definitional discussion engaged earlier in this report.

Aboriginal economic development then, by definition, falls under the rubric of the “change-agent model”: It is oriented to changing a “benchmark” or “baseline” condition, the operant assumption being that the policy and programs that support services (inputs) are designed to “act upon the environment to produce demonstrable changes in the well-being” of Aboriginal individuals and communities. It is therefore incumbent that “Performance measurement” be related to achieving “results.”

The problem, in short, is that the performance measures in this report are not grounded in adequate definition of policy or program results and indicators to really measure program performance over time.

Other INAC Economic Development Programs¹¹

In addition to the CED Program, INAC funds several other program streams in the economic development arena that include the resource partnership program, opportunity fund and resource acquisition initiative, resource access negotiations program, major business projects program, and the regional partnerships program. This major theme of this suite of programs is to position First Nations and Inuit communities and CEDOs to research, plan, build partnerships, conduct negotiations, access licenses and finance their participation in business and job creating opportunities, primarily related to major business and resource development partnerships. While this array of

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programming is no doubt very useful to First Nations, and can potentially contribute to building the economic base of First Nation communities in significant ways, there are no indicators identified that would systematically enable the results of this programming to be tracked and evaluated over time.

Comments on Other INAC Documents

We reviewed several other documents provided by INAC that they produced. Not all were of direct interest to our purposes here, thus comment is only provided on two: a very interesting research paper done in 1996 by INAC's Research and Analysis Directorate called "A First Nations Typology: Patterns of Socio-Economic Well- Being, and the 2000 estimates of INAC.

"**A First Nations Typology: Patterns of Socio-Economic Well- Being**" is an incomplete, but nevertheless very useful attempt to define analytically what we already know intuitively, that is, that all First Nations are very different. It asks some very pertinent questions relevant to our interest in results, indicators and performance measures.

- What is the diversity of social conditions experienced by First Nations?
- Are the differences such that we can refer to types of communities?
- Are there geographical patterns of like-typed communities?

They allege, and we agree, that the answers to these questions are important in policy development if development outcomes are to be defined appropriately and related support resources designed effectively.

They analyzed statistical data on 380 First Nations, identifying five types based on socio-economic well-being. "The results show that different types of First Nations can be identified based on socio-economic circumstances and that there are distinctive geographical patterns of socio-economic well-being."

Specifically, and in comparison with other First Nations, the results show:

- Four First Nations with high employment in primary industries; 68 with what might be described as emerging economies, 202 with typical levels of on-reserve disparity; 88 with relatively high disparity; and 18 exhibiting extreme disparities.
- 'Primary industry' and 'emerging economy' First Nations tend to be located in southern Quebec and Ontario, along the northern Ontario-U.S. border, and along the coast and southern interior of British Columbia. Reserves in northern Ontario have the highest degree of disparity.

- Even First Nations with relatively good conditions have levels of socio-economic well-being that compare only with poorer regions in Canada, for example, the Gaspé region and rural Newfoundland.

The bottom line is that policy-makers should exercise caution in formulating “one size fits all” proposals and should assess the possibility of proposals resulting in different *outcomes* in different geopolitical locations as well as differing local and regional cultures. States of readiness, as previously eluded to in the discussion of the *Community Resilience Manual* (and which the Manual is well-suited to help define), should be included in a more general policy/program exploration aimed at constructing a more useful results and indicator framework.

The authors drew several conclusions from their research to guide further work, the most relevant to our aims being the following:

“The work on the selection of variables and the subsequent analysis demonstrate that there are not readily available data for many meaningful dimensions of well-being. Further, many of the existing data are collected on a five year cycle through the Census of Canada. New approaches to data collection would need to be explored and adopted if well-being is to be monitored on an annual basis. In terms of information needs, it is encouraging to note that the judicious selection of a relatively few variables may be sufficient to replace large numbers of correlated indicators.”

The **INAC estimates** suffer some of the same difficulties as identified with the CEDP report. However, the section on strong communities, people and economies does define an ultimate outcome.

“The **ultimate outcome**, to achieve health, self-sustained and economically viable communities and individuals, is measure by long-term trends in socio-economic indicators and by initiatives in the areas of investments in people, health and safety and economic development.”

However, most of what follows is an activity report. Inputs are being defined as outputs, the language used being “what did we accomplish in 1998-99.” Lists of projects follow, and while they are interesting, many do not define results. However, some do. There are some 5 year time series data presentations related to education, housing, basic infrastructure (water and sewer) and some specific counting of businesses and jobs created in the fiscal year being reported.

However, there is woefully inadequate attention to the measurement of “long term trends in socio-economic indicators” Where they exist, the longest measurement period is 5 years. There are no baselines clearly indicated. And, other than the **ultimate** result, there are few definitions of results or indicators that help the reader assess progress against policy or program priorities.

DISCUSSION & SYNTHESIS

Results & Indicators

As noted more than once, results and indicators have to do with ends. In the context of Aboriginal economic development, the aim must be to design policy and programs in such a way that they support services and actions (inputs) that produce demonstrable changes in the well-being of Aboriginal individuals and communities.

The relative sparseness of articulated results and indicators within INAC and the confusion that is evident between what are inputs and activities and what are outputs and results, creates a kind of murky cauldron that blurs the complexity of the Aboriginal development environment and fails to provide a feedback framework that can effectively facilitate learning and adjustment at any of the levels – policy, program, intermediary or community.

Likewise, the absence of appropriately defined baseline (benchmark) data against which progress is being measured, reduces the value of the few indicators that are tracked in the economic development area. Even the public documents put in front of Parliament, while reflecting baseline data for a few limited categories (education and housing), do not extend beyond 5 years.

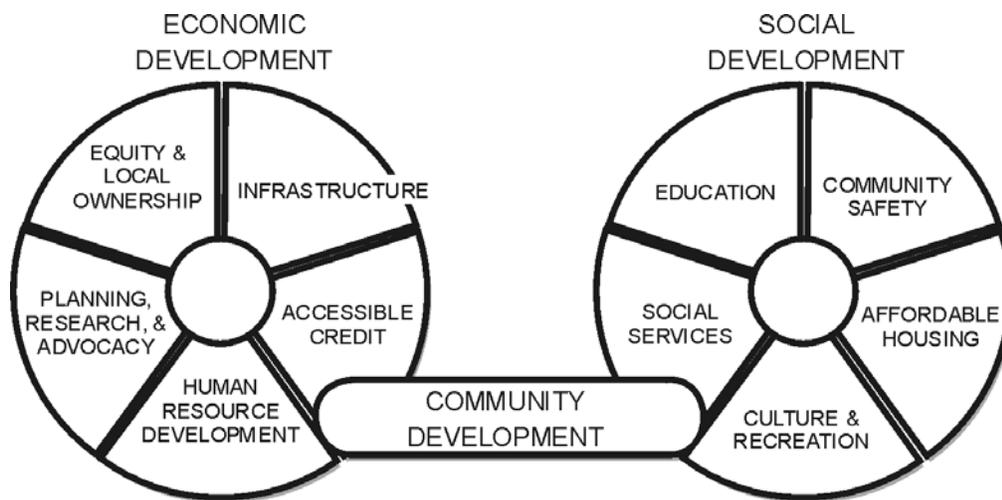
These weaknesses create a dual difficulty; accountability becomes confused and progress measurement is hampered.

We would surmise that these factors erode the potential for renewing and improving the relationship between INAC and the First Nations. We also suspect that it may impact overall morale and effectiveness of policy and program staff within the INAC organization. This rather bold speculation comes out of the extensive research done in Oregon, where many people reflected on how important the results/indicator approach taken by the Oregon Benchmarks has become such a central feature of how they think and work. The comment of a state agency economic development manager simply states the impact on his agency’s work.

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“The outcome is the port, and while the courses different ships may take are different, the key for all of us is that we have the beacons (results focused indicators) that help us comprehend what mid-course adjustments we need to make. The benchmarks [indicators] and the linkage to my agency created a sense of direction, coherence & meaning to our work.”

This comment also serves to introduce another challenge the current INAC economic development policy and program apparatus faces if it wants to build a more accountable, transparent, and developmentally effective means to track results. Meaningful development in communities inextricably links economic and social goals. Results in the economic arena are impacted significantly by social factors and visa versa. The well-researched characteristics of best practice in the CED field reinforce the need to integrate action on the social and economic front if community well-being is to be advanced.



Does it not follow that the articulation of results and indicators in the Aboriginal development context need to be defined and tracked in an integrated manner?

We suspect that part of the difficulty and tension associated with current efforts to track results in the economic development program may be that they are inadequately linked to the social development side of INAC. Even more broadly, there is a range of other Federal Departments that invest in various aspects of Aboriginal communities. Given the several billions of dollars annually spent, it would seem to us that a common front to tackle the challenge of building a results-based set of indicators useful across Federal and First Nation governments [and we would expect provincial governments as well] would be a worthwhile long-term investment. Such an initiative, if

undertaken jointly with Aboriginal leadership, might be a solid basis for building a more outcomes driven development partnership.

The Strategic Social Plan of Newfoundland is definitely worthy of further exploration in this regard. Its use of societal outcomes to drive definition of social and economic programming, has made real progress in developing an integrated set of indicators, both qualitative and quantitative, to measure implementation. Thinking through how this could be adapted to the Aboriginal context may be an important starting point. Moreover, they have developed an audit approach that is anchored in what are called community accounts that are linked to the societal outcomes, the related sub-goals and the indicators used to track progress at the policy and program levels.

The “First Nations Typology of Socio-Economic Well-Being” documents the wide variation in the relative well-being of First Nations communities. The implication from an economic and social development point of view are significant. Investment should be tailored to community. One size does not fit all. That the INAC’s CEDP intrinsically recognizes this is a real strength, however, as a single program, and in the absence of baseline data and a stronger results and indicator framework, our guess is that INAC itself cannot detect the strengths and weaknesses of its overall programming, much less a single program such as economic development, on the widely varying circumstances of First Nation communities.

We think the best practice frameworks introduced earlier, applied properly, could also be important tools in defining realistic and obtainable outcomes at the intermediary and community levels, in ways that are appropriate to the widely varying circumstances of different First Nations. We believe they may also have important program and policy applications.

For example, the Development Wheel checklist, introduced in the analysis of the Yukon programming, is an effective tool for assessing whether the cornerstones are in place upon which to build the foundation for economic development. Building a house without a foundation is not a good idea, nor is a major focus on economic development without some basic prerequisites in place. Calibrating investment with readiness, not in a linear sense, but within a holistic development framework, is just common sense.

Similarly, the Best Practice Framework used in the Eastern Arctic analysis of CEDOs has applications at each level. Building an outcome and indicator framework that is based on the characteristics of CED organizations that are achieving durable results provides both an assessment and investment checklist that can better distinguish what kinds of resources should go where.

We also think it may be another component to explore further in the quest to define more effective and consistent outcome and indicator linkages between the policy, program, intermediary and community levels. To this end, partly to add value to this product and out of our own interest, we have attached a very preliminary thought piece that articulates how these best practice characteristics might apply at the policy, program, intermediary and community levels.

Lastly, not everything that is important to creating successful communities can be counted. What we referred to as footprint indicators are important, However, perceptual indicators, as used in the Resilience manual, reveal critical social factors (attitudes and relationships) that can be critical determinants to community well-being and development. Work to adapt and test this approach as one component of improving the relevance of results and indicator definition in Aboriginal settings is an area worth further development, both as community development tool, and as a component of results and performance measurement.

Performance Measures

The INAC Accountability and Performance Measurement document on CEDP sets performance measurement squarely in programmatic terms, that is, simply a method for assessing progress towards stated goals. The term “performance indicators” are the “measures of resource use and developmental results achieved that are used to monitor program performance.”

The majority of the indicators used are focused on measuring the quantity of inputs (how much effort is put into service delivery) and the quantity of outputs (how much to we have to show for our service and expenditure of effort). What is missing, by and large, is what Friedman illustrates in his 4-quadrant matrix are the measures of quality. How good is the service delivered (is the service timely, accessible, consistent) and how good are the products (what percentage of our clients showed improvement in their well-being).

The fourth measure is the most important and, of course, it is also the measurement category that is directly tied to outcomes and which is most dependent on baseline data. We have already noted that both these areas are demonstrably weak. Therefore, it follows that this category of performance measurement is very problematic in the current context. The challenge is to move the focus of performance measurement from quantity to quality.

Moving Forward

The scope of this project did not call for, nor were the time and resources available to think through the steps that should be taken to address the challenges identified in this analysis. We have alluded to a number of possible starting points that hold potential for yielding a more adequate results, indicator and performance management framework. We believe that a systematic approach to doing so is eminently worthwhile.

We end with another quote, this one from a county level director of an economic development council in a small rural region hugging the northwest coast of Oregon. They have built one of the most interesting rural based applications of a benchmark based, outcomes driven, integrated development approach we are aware of.

“There are many practical uses we are making of the benchmark approach here in Tillamook county. They have played a key role in creating a framework on which we hang all kinds of initiatives and partnerships. However, I have to say that among the most important impacts is the slow but steady erosion of cynicism & the increase in hope & meaning in our individual and collective endeavors.”

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ENDNOTES

¹ Friedman, M.S. *A Guide to Developing and Using Performance Measures in Results-based Budgeting* prepared for the Finance Project, May 1997. This is one of a series of papers that have direct and tangential relevance to the inquiry undertaken in this report. They can be accessed through their web site <http://www.financeproject.org/>.

² Lewis, Michael T. *Building Self-Reliance? A Strategic Assessment of Economic Development Programs Affecting Yukon Indians*, Westcoast Information and Research Cooperative (now Centre for Community Enterprise), 1988, completed for the Council of Yukon Indians. Reprints of this report are available from the Centre for Community Enterprise (265 pages)

³ Lewis, Michael T. & Lockhart R.A. *CED in the High Arctic: Progress and Prospects* Centre for Community Enterprise, 1999, completed for the Nunavut CEDO, a pan-Nunavut CEDO made up of the three regional CEDOs in the eastern Arctic.

⁴ Lewis, Michael T. (project director); Colussi, Michelle (field director), Lockhart, Dr. R.A. technical director, Rowcliffe, Pippa, McNair, Don, and Perry, Dr. Stewart. *The Community Resilience Manual: A Resource for Rural Recovery & Renewal*, November 2000. This resources is available for downloading free off of the CCE website at www.cedworks.com. A companion document partly written and fully edited

by Dr. Stewart E. Perry with input from other team members is also available called *Tools and Techniques for Community Recovery and Renewal*.

⁵ In the course of developing and testing the manual would not and could not do any application/validation testing without the full and willing cooperation and participation of the community itself. Unfortunately, while a number of Aboriginal communities have expressed interest, none has so far been willing to take the initiative on their own, or found sponsoring partner organizations, such as local CEDOs, Chambers of Commerce, or Community Futures, that has been typically the case in our non-native community application test.

⁶ Lewis, Mike, and Sandy Lockhart, “The Oregon Benchmarks: Oregonians are getting results from this approach to governance. Can we too?” *Making Waves: Canada’s Community Economic Development Magazine*, Vol. 12, No. 2 (Summer 2001), pp. 4-12. This summary article of a larger research project undertaken by the Centre for Community Enterprise is available of the Oregon Bar on the CCE website at www.cedworks.com. An extensive report on this subject and an analysis of its possible application in the B.C. context is available in electronic format from CCE from ccelewis@island.net.

⁷ Friedman, Mark *A Strategy Map for Results-based Budgeting: Moving from Theory to Practice* Prepared for the Finance Project, September 1996. This paper is one of a series of papers published by the Finance Project relevant to results focused indicator frameworks. It is available at <http://www.financeproject.org/>

⁸ *ibid.*

⁹ Bennett C, Lenihan, D, Williams J, & Young W. *Measuring Quality of Life: The Use of Societal Outcomes by Parliamentarians* November 2001 Centre for Collaborative Government, 90 Sparks St., Suite 606, Ottawa, Ontario K1P 5B4, (tel) 613-594-4795. This is a very provoking summary of a debate engaging parliamentarians, civil servants and non-government organization leaders sponsored by the Library of Parliament. CCE highly recommends reading this excellent piece of work

¹⁰ New Economy Development Group *Final Report: Accountability and Performance Measurement Framework for CEDP* (April 2000) completed for the Departmental Audit and Evaluation Branch, Indian and Northern Affairs Canada.

¹¹ These are descriptions of current program designs provide by INAC as part of the review.

APPENDICES

The following appendices are included with the hard copies of the report provided to Indian and Northern Affairs Canada. To purchase electronic copies contact mcnair@junction.net.

Appendix 1: A Preliminary Application of a CED Best Practice Framework to the Policy, Program, Intermediary and Community Level to the Challenge of Creating a Results Focused Indicator and Performance Framework

Appendix 2: Listing and summaries of website search for this Project

Appendix 3: Selections summarizing the Development Wheel taken from *The Development Wheel: Community Analysis and Development Planning*, 1991, Mike Lewis

Appendix 4: Lewis, Mike, and Sandy Lockhart, *CED in the High Arctic: Progress and Prospects* (Centre for Community Enterprise, 1999), Chapter 3: Kitikmeot Economic Development Commission.

Appendix 5: Lewis, Mike, and Sandy Lockhart, “The Oregon Benchmarks: Oregonians are getting results from this approach to governance. Can we too?” *Making Waves: Canada’s Community Economic Development Magazine*, Vol. 12, No. 2 (Summer 2001), pp. 4-12.

Appendix 6: Community Resilience Project Team, “The Community Resilience Manual: A New resource will link rural revitalization to CED Best Practice,” *Making Waves*, Vol. 10, No. 4 (Winter 1999), pp.10-14.

Appendix 7: Lewis, Mike, “Facing Facts: The recovery of First Nation self-reliance requires building local organizational capacity,” in *Community-Based Resource Development and Stewardship* (Centre for Community Enterprise, 1998), pp. 2-8.

APPENDIX 1

This appendix is preliminary attempt to apply the analytical framework derived from best practice used in analyzing the evolution of 3 CEDOs in the eastern Arctic over an 8-year period. We apply it to the four levels of aboriginal development being considered in this report, namely policy, program, intermediary and community. This represents a beginning and should not be construed as anything more. However, it may prove to be a useful reference point in future deliberations.

I. COMPREHENSIVE MIND SET & STRATEGIC APPROACH TO KEY FUNCTIONS

There is evident awareness, policies and practices that indicate an intentional scope of action that is inclusive of all the key functions known to be critical to strengthening the economic base of aboriginal communities and populations. These include planning, research & advocacy; building aboriginal equity; accessibility of business credit; human resource development and leveraging infrastructure development.

Policy

- Explicitly recognizes the key functions and their relationship to strengthening aboriginal economic development.
- Provides a framework for acquiring and allocating resources appropriate to enabling a strategic approach.

Program

- Clear targeting of criteria and resource application to key functions.
- Outcome definition relevant to functional program area.
- Defined progress measures inclusive of appropriate process, perceptual and footprint indicators.

Intermediary

- A strategic plan that is mission focused and contextually relevant (that is, defines development targets and priorities derived from a SWOT analysis) and which defines the intermediary role unambiguously in relation to key functions important to strengthening the aboriginal economic base.
- Defined partnerships and strategic networking activities relevant to linking the priority function(s) of the intermediary to other key economic development functions important to strengthening the economic base of aboriginal communities.

There is evident awareness, policies and practices that indicate an intentional scope of action that is inclusive of all the key functions known to be critical to strengthening the economic base of aboriginal communities and populations. These include planning, research & advocacy; building aboriginal equity; accessibility of business credit; human resource development and leveraging infrastructure development.

- Clear specification of service and facilitation objectives relevant to communities/constituency, including definition of both intermediary and community level responsibilities and authorities.
- Defined progress measures inclusive of appropriate process, perceptual and footprint indicators.

Community/Base Constituency

- A strategic plan that is mission focused and contextually relevant (that is, defines development targets and priorities derived from a SWOT analysis) and which defines the community level organization(s) unambiguously in relation to key functions important to strengthening the aboriginal economic base.
- Defined partnerships and strategic networking activities relevant to specified development targets.
- Clear specification of priorities activities relevant to achieving development targets, including definition of both related intermediary and community level responsibilities and authorities.
- Defined progress measures inclusive of appropriate process, perceptual and footprint indicators.

A. Six Key Functions

1. Planning, Research Advocacy Capacity Relevant to Core Mission & Goals

Successful CEDOs know what is going on in the local and regional economies through active research and intelligence-gathering activities. They use this knowledge to inform their strategic planning, particularly the formulation of their goals and priorities and their program planning. It is also a key function in the support of business opportunity identification and development. Lastly, they use it to ensure that their interests, and those of their members, are well represented wherever necessary in order to influence developments that affect their constituency.

Policy

- Recognition of planning and research capacity as a key function at intermediary and community levels.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of policy framework at as applied at different levels.
- Evidence of results based learning impacting ongoing policy development/adjustment process.

Successful CEDOs know what is going on in the local and regional economies through active research and intelligence-gathering activities. They use this knowledge to inform their strategic planning, particularly the formulation of their goals and priorities and their program planning. It is also a key function in the support of business opportunity identification and development. Lastly, they use it to ensure that their interests, and those of their members, are well represented wherever necessary in order to influence developments that affect their constituency.

Program

- Recognition of planning and research capacity as a key function at intermediary and community levels.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of program framework at as applied at different levels.
- Evidence of results based learning impacting ongoing policy development/adjustment process.

Intermediary

- Recognition of planning and research capacity as a key function at intermediary and community levels.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of intermediary performance in service delivery and facilitation of economic development at the community level.
- Evidence of results based learning impacting ongoing strategic planning and application of resources to development priorities.
- Evidence of level of consensus among leadership at board and staff levels re: mission, goals and priorities of the intermediary.

Community/Base Constituency

- Recognition of planning and research capacity as key.
- Planning and research function exists and is active in assessing progress, including strengths and weakness of CED organization(s) performance in addressing specified development priorities.
- Evidence of results based learning impacting ongoing strategic planning and application of resources to development priorities.
- Evidence of level of consensus among leadership at board and staff levels re: mission, goals and priorities of the relevant CED organizations.

2. Building Community Equity and Aboriginal Ownership of Economic Assets

First Nations and Inuit across Canada have an abiding interest in building an economic base that can move their communities and regions to a greater level of self-reliance.

Full self-reliance assumes that a community is able to pay for the goods and services it consumes. There are two ways in which this goal can be addressed: by taxing the population and businesses of a community, or through the creation of wealth. Creating wealth requires successful community enterprises that generate a profit. This profit becomes what can be called equity or, put another way, community capital. The goal of building a sustainable economic

Full self-reliance assumes that a community is able to pay for the goods and services it consumes. There are two ways in which this goal can be addressed: by taxing the population and businesses of a community, or through the creation of wealth. Creating wealth requires successful community enterprises that generate a profit. This profit becomes what can be called equity or, put another way, community capital. The goal of building a sustainable economic base requires that this capital be managed as a scarce and precious resource.

base requires that this capital be managed as a scarce and precious resource. Its primary purpose (in communities committed to building greater self-reliance) is to be re-invested in further wealth-creating enterprises that continue the process of building the economic base. During this process, opportunities for employment, training, and small business development are also created.

Similarly, individually-owned businesses need equity to start or expand. The lack of equity is often a key constraint to building new businesses or expanding existing ones.

Policy

- Recognition of access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment in building an economic base.
- Policy provision for addressing the equity gap that constrains increasing aboriginal ownership.
- Footprint indicators related to aboriginal business ownership and growth (# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, re-investment).

Program

- Objectives, methods and resources defined for improving access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment in building an economic base.
- Footprint indicators related to aboriginal business ownership and growth ((# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, re-investment).

Intermediary

- Objectives, methods and resources defined for improving access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment in building an economic base within relevant communities/constituencies.
- Footprint indicators related to intermediary, community and individual aboriginal business ownership and growth ((# of businesses created, # of businesses expanded, gross sales, profit generation, availability business

generated capital for re-investment, actual re-investment) relevant to the market/service area defined within scope of operations.

- Leveraging of other financial resources through investment of equity.

Community/Constituency

- Objectives, methods and resources defined for improving access to equity (risk capital available for business investment) as key function relevant to increasing aboriginal ownership and increasing community equity available for re-investment.
- Footprint indicators related to community, co-ventures and individual aboriginal business ownership and growth ((# of businesses created, # of businesses expanded, gross sales, profit generation, availability business generated capital for re-investment, actual re-investment) relevant to the market/service area defined within scope of operations.
- Leveraging of other financial resources through investment of equity.

3. Ensuring Accessibility of Credit for Business

The creation of wealth requires not just equity, but credit. Seldom does a community or an individual have sufficient equity or investment capital to pay the all the costs of starting or operating a business.

There are many different types of credit. For example, loans to buy equipment and buildings are usually structured as term loans. The lender usually provides a mortgage in return for interest payments and the security of the assets being bought (collateral). Another type of loan that is crucial to all business is the line of credit for working capital. This kind of loan allows the business to pay its bills on time. Wages need to be paid on a regular basis, even if the business must wait to receive payment.

Without credit, businesses have a hard time getting started, a difficult time operating, and an almost impossible time expanding. Unfortunately, almost all banks are averse to risk. Communities that are struggling to strengthen a local economy must often create new credit initiatives, like Community Futures development corporations (CFDCs), revolving loan funds, Aboriginal Capital Corporations and micro-enterprise loan funds, to cite three examples.

Government agencies also provide credit in some settings, although government has been generally ineffective as loan provider. Agencies such as Western Economic Diversification are increasingly partnering with other organizations (CFDCs, banks, credit unions) to take advantage of their capacity to deliver credit more efficiently and effectively.

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Policy

- Recognition of accessible credit as key function relevant to increasing aboriginal ownership and building an economic base.
- Policy provision for enabling increased accessibility of credit where its absence constrains increasing aboriginal ownership.
- Footprint indicators related to the application of credit resources made available or facilitated through government resources, whether delivered directly or through intermediary or community level delivery (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

Program

- Recognition of role of credit as key function relevant to increasing aboriginal ownership and building an economic base.
- Definition of services and supports necessary to support effective credit provision.
- Defined partnerships through which delivery of publicly provided credit resources are focused.
- Footprint indicators related to the application of credit resources made available or facilitated through government resources, whether delivered directly or through intermediary or community level delivery (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

Intermediary

- If directly involved in credit provision, linkage of credit policy and targets to overall strategic plan.
- If not directly involved in credit provision, strategy for creation and/or supporting access to business credit.
- Definition and integration of strategic supports for entrepreneurial development (individual, community and regional) relevant to new business start-ups and expansions.
- Footprint indicators relevant to credit provision ((# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

Community/Constituency

- If directly involved in credit provision, linkage of credit policy and targets to overall strategic plan.
- If not directly involved in credit provision, strategy for creation and/or supporting access to business credit.
- Definition and integration of strategic supports for entrepreneurial development (individual, community and regional) relevant to new business start-ups and expansions.
- Footprint indicators relevant to credit provision (# of businesses created, # of businesses expanded, credit accessed from government supported access measures, credit leveraged from conventional credit resources, risk placement of government and/or intermediary credit within overall loan portfolio).

4. Strategic Approach to Human Resource Development

Without people willing, ready, and able to participate in the process of strengthening the community economy, real or potential opportunities are more likely to fail or to benefit outsiders instead of community members.

Successful CEDOs work at this agenda in several different ways.

- First, a strategy linking workforce preparation¹² to opportunities is crucial to mobilizing the resources required to improve people's readiness for employment and their knowledge and skills related to specific job opportunities. The same applies to new (and experienced) business people, if the potential for any particular enterprise is going to be realized. This can include a range of entrepreneurial development supports aimed at business start-ups and expansions.
- Second, on-going training and development of leadership at the community and CEDO levels are critical. CED requires continuous learning if the challenges of building self-reliance are to be effectively implemented over time. Leadership is key to sustaining the process for the long haul. For regionally-based CEDOs whose members come from several communities (as is often the case in rural and remote areas), this often means providing training and technical support to increase the capacity of individual communities to strengthen the local economy.
- Third, the CEDOs themselves must have access to on-going training and professional development at the board and staff levels.

Policy

- Recognition of human resource development as a key CED function relevant to sustaining and effectively managing the development effort over

First, a strategy linking workforce preparation¹ to opportunities is crucial to mobilizing the resources required to improve people's readiness for employment and their knowledge and skills related to specific job opportunities. Second, on-going training and development of leadership at the community and CEDO levels are critical. CED requires continuous learning if the challenges of building self-reliance are to be effectively implemented over time. Third, the CEDOs themselves must have access to on-going training and professional development at the board and staff levels.

time. Leadership and CED practitioner development is recognized as a key area of investment.

- Recognition of human resource development focused on preparing people to effectively participate in job opportunities as another dimension of CED that is of strategic importance.
- Coordinated policy frameworks for supporting human resource development relevant community economic development in the aboriginal setting.
- Provision for resources being available relevant to both CED leadership/practitioner development and opportunity appropriate work force preparation.

Program

- Recognition of human resource development as a key CED function relevant to sustaining and effectively managing the development effort over time. Program resources are available to support CED leadership and practitioner development as appropriate at all levels (policy, program, intermediary and community).
- Recognition of human resource development focused on preparing people to effectively participate in job opportunities as another dimension of CED that is of strategic importance. Program resources are coordinated and focused to enable their provision to intermediaries and communities for application to strategic priorities and economic opportunities.
- Footprint indicators related to employment preparation, training starts and completions and job placement and retention.
- Competency based assessments focused on determining CED practitioner attitudes and knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in CED education and training.

Intermediary

- Recognition of human resource development as a key function at intermediary and community levels.
- Integration of human resource development planning into the strategic plan as appropriate to the function(s) being undertaken by the intermediary
- Definition of relationships and partnerships, both internal and external to the intermediary, that are strategically linked to implementing human resource development priorities.
- Process and perceptual indicators focused on determining success in mobilizing partnerships and resources into defined human resource development priorities, strategies and outcome targets.
- Footprint indicators related to employment preparation, training starts and completions and job placement and retention

- Evidence of mobilizing training resources targeted at building the capacity of board, staff and key stakeholders relevant to the strengthening CED strategy implementation.
- Competency based assessments focused on determining CED practitioner attitudes and knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in CED education and training within the geographic area and defined communities/constituencies.

Community/Constituency

- Recognition of human resource development as a key function.
- Integration of human resource development into the CED strategic plan.
- Definition of relationships and partnerships, both internal and external, that are strategically linked to implementing human resource development priorities.
- Process and perceptual indicators focused on determining success in mobilizing partnerships and resources into defined human resource development priorities, strategies and outcome targets.
- Footprint indicators related to employment preparation, training starts and completions and job placement and retention.
- Evidence of mobilizing training resources targeted at building the capacity of Council, board(s), staff and key stakeholders relevant to the strengthening CED strategy implementation.
- Competency based assessments focused on determining CED practitioner attitudes, knowledge and skill levels are applied systematically and used to plan program investments and partnership development/management with institutions and organizations involved in provision of CED education and training.

5. Strategic Networking & Partnership Development

Successful CEDOs undertake strategic networking, partnerships, and alliances in order to gain a capacity to influence local or regional economic activity in the interests of the CEDO's constituency. The key word here is "strategic." A lot of so-called "networking" is mere busy-work that nets a drain on an organization's energy, rather than a gain.

Strategic networking and partnership building is focused on extending the reach and capacity of the organization to create opportunities to address any of the key functions outlined above. With respect to equity, for example, a strategic partnership could mean take the form of a joint venture that secures the CEDO an important role in a key economic sector. With respect to credit, it could be creating a partnership with a public or private sector institution that

makes credit more accessible to community-based business. With respect to people development, it could mean a partnership with a training or education institution that helps it create programs that meet the priorities of CEDO constituents, like job skills to match the employment opportunities that the CEDO will soon create. The point is, building partnerships is a key means to increase capacity in a community or region.

Policy

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of aboriginal communities to access, mobilize and focus resources necessary for their development.
- Provisions for supporting this function are embedded in policy.
- Strategic networking and partnership building aimed at providing a strategic policy framework among key stakeholders is a feature of ongoing policy development and policy implementation.

Program

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of aboriginal communities to access, mobilize and focus resources necessary for their development.
- Provisions for supporting this function are embedded in the design of programs.
- Strategic networking and partnership building is supported through program resources at community and regional levels, and within key networks associated with improving the capacity and opportunity structure for aboriginal development.

Intermediary

- Strategic Networking and Partnership Building is recognized as an important function aimed at extending the capacity of the intermediary to broker, facilitate and mobilize development resources to meet strategic priorities.
- This function and the specific targets for its implementation are identified and linked to strategic priorities.

Community

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- This function and the specific targets for its implementation are identified and linked to strategic priorities

6. Advocacy of & Leveraging of Infrastructure Investments to Strengthen Community Economies

Infrastructure is not normally the direct focus of CEDO activity. The costs of infrastructure development are usually beyond a CEDO's capacity, and usually fall to larger public and/or private sector institutions. Nevertheless, there may be instances in which infrastructure development becomes a strategic priority for CEDOs.

For example, where infrastructure is going to be developed for a major resource development or for community infrastructure development and housing, CEDOs will endeavour to maximize business and employment benefits and minimize the risks to their constituents. Where a lack of infrastructure constrains the development of the local or regional economy, advocating for investment in certain kinds of infrastructure may become a key task (for example, securing road or internet access to a community).

Policy

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important aboriginal economic development opportunities.
- There is policy support for systematically identifying opportunities that may arise out of public investments and making them known to aboriginal development interests.
- There is policy support for linking aboriginal, private and public sector interests into joint ventures and partnerships that leverage aboriginal participation in infrastructure investments.

Program

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important aboriginal economic development opportunities.
- There are program resources to support systematically identifying opportunities that may arise out of public investments and making them known to aboriginal development interests.
- There are program resources that support linking aboriginal, private and public sector interests into joint ventures and partnerships that leverage aboriginal participation in infrastructure investments.

The costs of infrastructure development are usually beyond a CEDO's capacity, and usually fall to larger public and/or private sector institutions. Nevertheless, ... where a lack of infrastructure constrains the development of the local or regional economy, advocating for investment in certain kinds of infrastructure may become a key task

Intermediary

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important aboriginal economic development opportunities
- The intermediary systematically tracks infrastructure investments, on and off reserve, and organizes and supports the interests of its constituents to take advantage of identified opportunities wherever possible.
- The intermediary actively links aboriginal, private and public sector interests into joint ventures and partnerships that leverage aboriginal participation in infrastructure investments, on and off reserve

Community/Constituency

- Public and private investments in infrastructure, on and off reserve, are recognized as potentially important community economic development opportunities
- The community, directly are through related organizations, tracks infrastructure investments, on and off reserve, and participates in efforts, appropriate to their priorities, to create joint ventures and partnerships that leverage aboriginal participation in infrastructure investments, on and off reserve

II CLEAR GOVERNANCE & ACCOUNTABILITY FRAMEWORK

Effective governance and accountability requires a strategic vision, a clear mission, contextually relevant priorities expressed as goals, an articulation of specific goal related outcomes, measures capable of measuring progress over time and a system of reporting progress that contributes to learning and to effective decision making.

At the policy and program level the presence of these characteristics and the quality of their articulation are the critical assessments to be made. Do they exist? Secondly, are the policy and program levels coherent in relation to each other? Lastly, the extent to which there is effective horizontal planning and coordination of efforts between various government agencies involved in economic and social development will impact efforts at the intermediary and community level.

At the intermediary and community levels the key focus for assessment will be the presence of, and the overall quality of the strategic plan. Equally important is the evidence of its implementation over time, adjusted as required by changes in the context and by the learning derived from evaluation of impacts informed by measurement of progress.

Effective governance and accountability requires a strategic vision, a clear mission, contextually relevant priorities expressed as goals, an articulation of specific goal related outcomes, measures capable of measuring progress over time and a system of reporting progress that contributes to learning and to effective decision making.

III. DEGREE & NATURE OF COMMUNITY PARTICIPATION PATTERNS

Participation of citizens appropriate the development task is central to informing each level at the formative and implementation stages. Without participation, each level is handicapped in two ways: first, there is likely inadequate knowledge being brought to bear on decision making; second, there is much less likelihood of achieving a sufficient level of attachment to the outcomes being sought, the absence of which handicaps the mobilization and implementation of effort required to achieve durable results.

At the policy and program levels, assessment of the participation of First Nations development practitioners and leaders from various contexts and levels of capacity will yield a reading of whether the constituents for policy and program development are adequately engaged. Have they been involved in helping set the strategic vision, mission, goals, measures and reporting systems? Are they involved in making adjustments as learning is accumulated over time?

At the intermediary and community levels, the regularity and consistency of engagement of constituents in formulating a strategic vision, mission, goals, measures and reports systems is also an important gauge. Moreover, involvement in the actual implementation of strategic plans, appropriate to the level of action being taken, will provide evidence useful to evaluating this aspect of best practice.

IV. COMPETENT USE OF AND LEVERAGE OF TECHNICAL ASSISTANCE & OTHER EXTERNAL RESOURCES

The strategic leverage of outside resources to augment the implementation of strategic priorities is significantly important. Generally speaking, marshalling resources from within is insufficient in development contexts that are by definition, struggling to address the multiple challenges of addressing economic and social marginalization. Typically, resources of many kinds are in short supply. Similarly, policy makers and program managers are often handicapped by insufficient understanding and experience on the ground with respect what it takes to sustain a positive development process over time. Systematic organization of relationships that can assist each level develop their capacity to be more effective is an important task. Most critical, is to for each level to have access to technical and learning resources that are rooted in best practice, people and organizations have been part of achieving positive change and who understand the challenges and opportunities inherent in forming and implementing CED approaches.

Participation of citizens appropriate the development task is central to informing each level at the formative and implementation stages. Without participation, each level is handicapped in two ways: first, there is likely inadequate knowledge being brought to bear on decision making; second, there is much less likelihood of achieving a sufficient level of attachment to the outcomes being sought, the absence of which handicaps the mobilization and implementation of effort required to achieve durable results.

At the policy and program level, technical assistance resources, both from the aboriginal community and more generally, community economic development, that have demonstrable applied knowledge and skills in achieving solid results, are part of an ongoing process of strategic review of policy and program design, practices and results. Moreover, there are networks (for example, CANDO and the Canadian CED Network) that are systematically thinking about how what works can be scaled up and what policy and program supports need to be in place to effectively condition the application of resources at the intermediary and community level to become more effective.

At the intermediary and community level, what is the evidence of leveraging the resources necessary to help establish and implement strategic priorities? Moreover, is the use of outside resources consciously planned and utilized in such a way as it contributes to strengthening the capacity of intermediary and community level organizations

V. STRENGTH OF OUTCOME ORIENTATION EVIDENT IN IMPLEMENTATION OF FUNCTIONS, PROGRAMS & TOOLS

The degree to which development outcomes are specific and clearly articulated will impact the effectiveness of implementation at all levels. Calling for clear outcome definition in and of itself requires a level of analysis and reflection that implies learning, dialogue and careful consideration of the context that development action is supposed to help change. Moreover, clarity of outcome definition contributes to a number of other key features of “best practice”. For example, clear outcomes become the cornerstone of productive, focused partnerships and assist in leveraging of external resources. They also provide a more transparent basis for governance and accountability. The results, whatever they may be, are more easily learned from when the outcomes being targeted are clearly stated. Also of note, clear outcomes, when coupled with a broad understanding of what is being targeted for achievement among participants at various levels, can contribute to the stability of the development effort. Achieving results is not a short time exercise. Political stability and appropriate allocation of resources over time are pre-requisites to achieving durable results. Attachment to clear outcomes can have considerable impact on maintaining the development effort over time, reducing the vulnerability of the process to unexpected changes in the environment.

At the policy level, the outcomes defined must include developmental as well as functional categories. Program design and management must similarly take both into account. Without an adequately framed understanding of the

The degree to which development outcomes are specific and clearly articulated will impact the effectiveness of implementation at all levels. Calling for clear outcome definition in and of itself requires a level of analysis and reflection that implies learning, dialogue and careful consideration of the context that development action is supposed to help change

importance of the starting point within any particular locality, it is not possible to condition the allocation of development resources in a manner that is appropriately geared to the context within which development action is undertaken.

At the intermediary and community levels, the strength of outcome definition within the strategic and operational plans will have laudatory impacts. Even in the absence of plans being in place, but where the local leadership has decided on one or two priorities that they believe are crucial to addressing serious problems, for example, the need to help people take more responsibility for their own personal management and growth as a pre-requisite to thinking about economic development, may be sufficient in so far as it is translated into a defined initiative (for example, 20 people participating in a life skills program that focuses on personal growth and pre-employment readiness, or 4 community meetings focused on building a basic vision)

At any one of the four levels, the important of getting beyond “bean counting” inputs and outputs is a central objective. Getting people thinking about and trying to track how their investment is contributing to building the skills, attitudes, capacity and resources necessary to become more self-reliance is a critical task.

VI. LEADERSHIP WITH SOCIAL ENTREPRENEURIAL QUALITIES

There are few successful development efforts that are not led by one or more people whose values, knowledge, skills and drive necessary sustain and weave together the efforts necessary to overcome the daunting challenges many communities face. If there is not such leadership present, then its cultivation is a critical pre-requisite, at both the governance and “practitioner” levels. The latter category refers to the economic development officer and/or the management of the development organization and is particularly important. Leadership acting at the governance level typically has multiple demands on its time, and, even where it possesses social entrepreneurial qualities, often comes up short on available time. Thus, having available a quality CED person resource can be crucial to making progress. Technical skills, while important, are insufficient to meet the challenges of declining and depleted communities. Clear values committed to social and economic justice and a capacity for thinking and organizing strategically are the foundations for creating durable CED practitioners.

At the policy level, outcomes should include a commitment to leadership development at the board level of CEDOs, political leadership, and most important, the development of quality EDO’s. It should also support the

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development of standards and the related investments involved in them being realized through strategic partnerships that can build the kind of leadership referred to above. Systematic and regular investment in professional development at every level is necessary but the on the ground capacity is the most critical. At the program level the partnerships necessary to systematically invest in leadership development should be put in place, managed and tracked to assess the standards and results achieved in practitioner development.

At the intermediary and community level, investments in professional and board development need to be tracked and their impacts over time monitored to determine impacts of development practitioners. Networking of EDO's should be implemented as part of a leadership development strategy.

APPENDIX 2: RESEARCH ON ABORIGINAL INDICATORS

The basic parameters of the search were defined as “researching the application of indicators to community economic development in Aboriginal settings”. The criteria of the search was to locate material relevant to aboriginal indicators, with a focus on discussions, papers, policy frameworks and applications that try to think through the relationship between policy, programs, aboriginal development organizations and communities. This was quite a broad search, which did not yield many results.

Searches were done using keywords such as: Aboriginal/First Nations/American Indian/Native and Indicators/Benchmarks/community economic development/sustainable development. The search covered any sites related to the Canadian and American First Nations. There seemed to be a little more yield in the States and the majority of those sites were research centers coming out of the American universities. Various search engines were used, Google being the best due to the ability to cross-reference to focus the search. The database of Royal Roads University was also used and within that database all relevant journals were searched. It is my conclusion that the area of aboriginal indicators is only now being explored and the available information is sparse.

For future reference, one of the most helpful sites was <http://www.bloorstreet.com/300block/aborcan.htm>. This site, put together by a Canadian lawyer, has extensive links to several Canadian and US aboriginal websites. Two others, which had done a lot of research and focused on American Indians were **Udall Center for Studies in Public Policy** (<http://udallcenter.arizona.edu/>) and the **Harvard University Native American Program** (<http://gseweb.harvard.edu/~nap/research.html>).

Several books found on the website of the **International Institute for Sustainable Development** (www.iisd.org) could be of use.

Hardi, Peter and Laszlo Pinter. *Measuring sustainable development performance: Canadian initiatives: first survey*. Winnipeg: International Institute for Sustainable Development, 1994. 35 p.

Abstract: Survey identifying recent Canadian work on defining sustainable development related indicators (federal, provincial/territorial, municipal and multilateral initiatives, and initiatives of academic institutions, business and professional organizations, non-governmental organizations, and international organizations in Canada).

Hardi, Peter and Laszlo Pinter. *Models and methods of measuring sustainable development performance: revised draft discussion report prepared for the Sustainable Development Coordination Unit, Executive Council, Government of Manitoba*. Winnipeg: International Institute for Sustainable Development, 1995. 35 p.

Contents: (Selected): Model initiatives on the provincial/state level; Alberta's sustainable development indicators; Oregon benchmarks; Choices for Colorado's future; The sustainable Seattle; Life in Jacksonville: quality indicators for progress; Common weaknesses of the presented models; Suggestions for indicator selection methodology and application.

Abstract: Identifies operative models presenting measurable dimensions of social, economic and biophysical conditions at the state, provincial, and municipal levels.

Smith, Peggy, Grant Scott and Garry Merkel. *Aboriginal forestland management guidelines: a community approach*. Golden Lake, ON: National Aboriginal Forestry Association, 1995. 1v. in various pagings.

Contents: I - Introduction; II - Community participation; III - Administration and training; IV - Forest land management plan; V - Inventories and mapping; VI - Forest protection; VII - Access (roads, trails, waterways and air); VIII - Water and soil; IX - Protected or special management areas; X - Fire protection; XI - Biodiversity; XII - Insect and disease protection; XIII - Forest values; XIV - Fish and wildlife; XV - Non-timber vegetation; XVI - Range; XVII - Recreation and landscape; XVIII - Timber harvest and renewal.

Abstract: These guidelines are a tool developed by NAFA to help plan and carry out activities on forestlands used by Aboriginal peoples. The Guidelines describe those things that should be considered when planning and carrying out forest uses, including harvesting and renewing stands of timber, fish and wildlife management, range management, gathering, recreation and other forest-related activities such as spiritual ceremonies. These Guidelines aim to outline a high standard of care for Aboriginal forest lands by describing ways for a community to: minimize the negative impact of human disturbances such as logging, cattle grazing, hunting and trapping, recreation and other uses, and renew and protect vegetation, wildlife, soil, water, spiritual, cultural, wilderness and other forest values. These guidelines are not a rigid set of standards. They are intended to provide a framework for Aboriginal communities to develop their own forestland management plans.

American Indian Institute, University of Oklahoma

(<http://www.occe.ou.edu/aii/>).

The Native American Research Information Service (NARIS) is a computerized database containing complete bibliographic information and research abstracts related to Native American economic, natural resource and human resource development. Designed to efficiently access specific information, NARIS provides a product tailored to meet the needs and interests of its individual service users. For some reason I was unable to access NARIS but this could be of interest.

The AIHSQIC is the primary training and technical assistance provider for 177 American Indian and Alaska Native Head Start and Early Head Start programs located in 26 states. The AIHSQIC is part of a regionally-based system that provides comprehensive services designed to promote excellence by emphasizing quality program improvement, local capacity building and ongoing evaluation. Funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Head Start Bureau, American Indian Programs Branch.

American Indian Policy Center (<http://www.airpi.org/index.html>)

The Well-Being of American Indian Children in Minnesota: Economic Conditions, 1994.

This report prepared for the American Research and Policy Institute by the Urban Coalition Census Project measures poverty among American Indians in Minnesota. Appendixes also include information on infant mortality and adolescent suicide risk.

Harvard University Native American Program

(<http://gseweb.harvard.edu/~nap/research.html>)

The core of research activities currently resides at the [Harvard Project on American Indian Economic Development \(HPAIED\)](#). The Harvard Project's well-known field-based research in Indian Country consistently finds that the effective exercise of sovereignty, combined with capable and culturally grounded institutions of self-government, are indispensable keys to successful, long-term development of Native communities. The concrete dimensions of "cultural match" – finding governing and other institutional structures that are consonant with individual Native nations' cultural standards of legitimacy and feasibility – form the heart of the challenge of nation building in Indian Country and beyond.

Results of Harvard Project research are published widely. Summary treatments are provided in "Reloading the Dice: Improving the Chances of Economic Development on American Indian Reservations," in *What Can Tribes Do? Strategies and Institutions in American Indian Economic Development* (edited by Cornell and Kalt, American Indian Studies Center, UCLA, Los Angeles, California) and in "Sovereignty and Nation-Building: The Development Challenge in Indian Country Today," vol. 22, no. 3, of the *American Indian Culture and Research Journal*. More than 100 topical and tribe-specific reports are available through the Harvard Project's Report Series. These papers provide valuable tools for decision-makers in government, business, education and other aspects of Indian affairs.

The following HPAIED publications available in pdf (<http://www.ksg.harvard.edu/hpaied/publ.htm>) may be relevant:

Cornell, Stephen and Joseph P. Kalt

[Reloading the Dice: Improving the Chances for Economic Development on American Indian Reservations](#)

Cornell, Stephen and Joseph P. Kalt

[Sovereignty and Nation-Building: The Development Challenges in Indian Country Today](#)

Kalt, Joseph P.

[Policy Foundations for the Future of Nation Building in Indian Country](#)

Lemont, Eric

[Developing Effective Processes of American Indian Constitutional and Governmental Reform: Lessons from Cherokee Nation of Oklahoma, Hualapai Nation, Navajo Nation and Northern Cheyenne Tribe](#)

Udall Center for Studies in Public Policy (<http://udallcenter.arizona.edu/>)

Established in 1987, the Udall Center for Studies in Public Policy sponsors policy-relevant, interdisciplinary research and forums that link scholarship and education with decision-making. The Center specializes in issues concerning American Indian governance and economic development; environment, natural resources, and public lands; the U.S.-Mexico border, and related topics. Note also the following Udall publication:

Brown, Eddie F. (Director of Kathryn M. Buder Center for American Indian Studies), Stephen Cornell, Miriam Jorgensen *et al.*

[Welfare, Work, and American Indians: The Impact of Welfare Reform](#)

The Native Nations Institute for Leadership, Management and Policy
(http://udallcenter.arizona.edu/nativenations/nmi_partners.htm)

The Udall report "Arizona Intertribal and Postsecondary Institutional Networking: A Model for American Indian Higher Education" develops a Native-American led initiative to guide the inclusive and participatory development of a statewide policy that will integrate academic experience with tribal realities. The purpose of the project is to increase Native American student postsecondary success while facilitating community research and development capacity. The Arizona Tri-University for Indian Education, a university-based consortium, will partner with two tribal colleges and a community based organization, the Education Working Group of the Intertribal Council of Arizona, to develop and implement a curriculum model that integrates tribal culture with academic majors. Contact: Octaviana Trujillo, Arizona State University, Tempe, AZ 85287-1311; 480-965-6292, yaqui@asu.edu

A paper on the public policy context for sustainability and sustainable development that explores the themes of sustainability. It does not refer to indicators but talks about an evaluation scheme regarding effective policy. (<http://ag.arizona.edu/~lmilich/susdev.html>)

Using Health Indicators to Assess Aboriginal Health in Manitoba
(<http://itch.uvic.ca/itch96/papers/green.htm>). The use of standardized health indicators in the planning and evaluation of community based health care services has gained increasing attention and interest over the past decade. The implementation of the health indicators approach, however, has a number of significant challenges associated with it. These challenges include: 1.) accessing the unaggregated community level data required to construct local indicators; 2.) presenting the indicator data in a manner that is comprehensible and relevant to community members 3.) tying the indicators together with a meaningful and culturally relevant conceptual framework which provides an explanation of how health happens (or doesn't happen) 4.) negotiating the varied and diverse "meanings" that the indicators may have for community members 5.) articulating the implications the indicators have for the planning, implementation and evaluation of community based health programs.

This paper describes the implementation of the Health Indicator approach in Manitoba by the Health Planning and Evaluation Unit, Medical Services Branch. The paper outlines the major data sources accessed, the technical systems built to access, store and analyze health data used in the construction of the indicators, a conceptual framework used to organize the health indicators into a meaningful whole, data presentation and interpretation

strategies, a description of the health indicators developed to date and an overview of the feedback received from First Nation Communities and organizations.

Socio-Economic Indicators In Indian Reserves And Comparable Communities, 1971-1991.

This report is the result of a study, which adjusts for the effects of geographical location and community size by comparing reserves to other Canadian communities, which exist in a similar spatial milieu. The methodology used in this study has, in some instances, explained a proportion of the observed gap between socio-economic indicators found on reserve and those for the total Canadian population. Departmental Statistics Section, Information Quality and Research Directorate, Information Management Branch, Department of Indian Affairs and Northern Development, 1997

Canadian Model Forest Network Canada's Model Forest Program

(http://www.modelforest.net/e/home_enhancee.html) offers opportunities for Aboriginal communities to participate in sustainable forest management decision-making. These opportunities are provided through three main mechanisms: the model forest partnership; an Enhanced Aboriginal Involvement Strategic Initiative; and an Aboriginal led model forest, Waswanipi Cree Model Forest (http://www.modelforest.net/download/fact_sheets/wcmf_eng.pdf).

Criteria and Indicators of Sustainable Forest Practices in Canada

(http://www.nrcan.gc.ca/scf/proj/ppiab/ci/cr6p_e.html)

Criterion 6 encompasses a number of key elements of sustainable forest management: recognition of Aboriginal and treaty rights, the role of Aboriginal communities in sustainable forestry, the sustainability of forest communities, as well as fair, effective and informed decision making.