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**Places to Grow:**  
Best Practices for Community-based Regional  
Economic Development in Ontario's North

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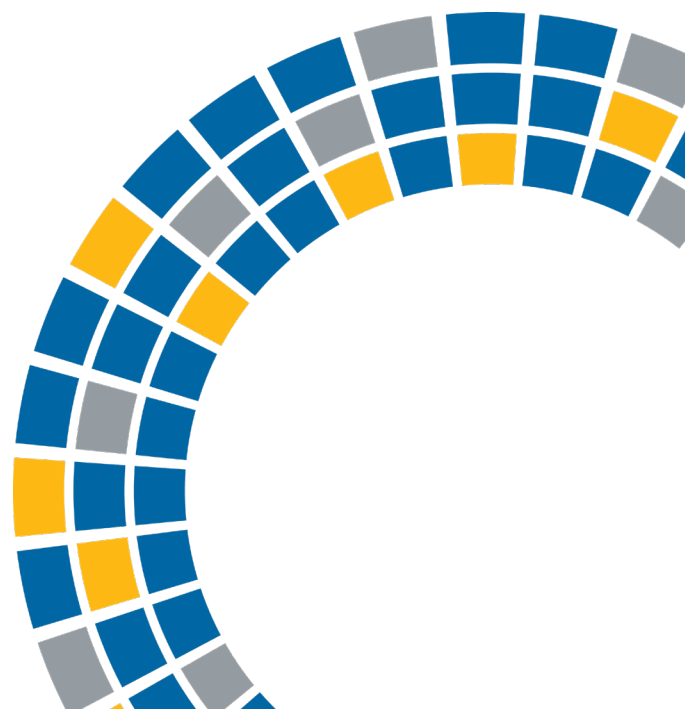
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## Summary

In 2015, Northern Policy Institute (NPI) set out to conduct research on the status of economic development in Northern Ontario. This research consisted of interviews conducted over a four-month period with economic development professionals in First Nations and non-First Nations communities. The goal was to discuss the status of their local economy and identify opportunities to influence policy. In total, 72 conversations were held, resulting in a greater understanding of how First Nations and municipalities are faring socially and economically.

Northern Ontario faces unique challenges and requires equally exceptional solutions. The northern regions of Ontario span approximately 800,000 square kilometres and represents nearly 90 per cent of Ontario's land mass. It is home to 780,140 people – similar in population to the City of Mississauga, a community in Southern Ontario which, by comparison, spans only 292 square kilometres (Statistics Canada, 2017). Additionally, the region contains 144 municipalities, 118 First Nations communities, and 16 unorganized townships. If the overall population was divided equally among these municipalities, each would have an average of 5,417 residents, but that is not the case. As it stands, these municipalities range in population size from 161,531 in the City of Greater Sudbury to 436 in Tehkummah (Statistics Canada, 2017). The larger centres typically act as service hubs for the smaller ones and First Nations.

What Northern Ontario lacks in population, it makes up for in natural resources, which directly and by association become important sources of employment. In fact, regional employment has historically been driven by this sector. However, that is not to say the North isn't economically diverse. In 2017, Northern Ontario's top three industries for employment were health care and social services, wholesale and retail trade, and education (Statistics Canada, 2017).

Community-based regional economic development initiatives are key to the future stability and growth of Northern Ontario's economy. As such, these initiatives encourage partnership arrangements between private and public stakeholders, enabling joint design and implementation of a common goal for advancing economic and social activity (ILO, 2010, p. 16). The 2011 Growth Plan for Northern Ontario (GPNO) lays out guiding principles for decision-making related to the promotion of economic prosperity and has spurred several regional economic initiatives in Ontario's North.

In addition to the GPNO, influential individuals and organizations make it their mission to stimulate economic and social growth. They include community economic development officers, municipal and/or First Nations economic development corporations, regional Community Futures Development Corporations, grassroots initiatives, innovation centres, and other community stakeholders. NPI was able to have conversations with many of these community stakeholders and it is worth highlighting key points shared regarding economic empowerment. For this paper, research findings will be organized in NPI's key focus areas, which are Indigenous Peoples, Communities, Demographics, Economy, Environment, and Infrastructure.

## Key Findings

First Nations who worked around existing restrictive legislation, and partnered with outside organizations, saw a greater return on capital investments.

Communities that forged partnerships with adjacent communities and organizations had more resources to draw upon in building capacity.

Northern Ontario's population is aging, and communities that are adapting to the changes through strategic alignment are faring better in the long run.

A well-diversified economy does not always spell growth, but it does protect communities from the booms and busts of resource-based economic shifts.

The future of Ontario's forests has turned a new leaf by including Indigenous peoples' perspectives in the new forest tenure model. The intent is for equitable use of resources, but the program has not worked for all.

Infrastructure is often inadequate, but through creative cost-sharing agreements or partnerships, communities can upgrade for the 21st century.



## Indigenous Peoples

Conversations over the course of this research project with 15 First Nations and two tribal councils led to insights on both barriers and success stories. Through sound investment choices and partnerships, several First Nations communities have been able to leverage available resources to increase capacity internally and for community members. Available resources can consist of human capital (e.g., a paid employee or volunteer), social capital (e.g., a committee or group structure), or material capital (e.g., a useable plot of land), to name a few. These resources can be expanded upon to foster social or economic development.

The research identified the Indian Act as a common barrier to economic development for First Nations communities. It is the largest piece of legislation governing First Nations band councils, communities, and individuals, and understanding it is essential in any examination of the region's economic development. The Indian Act establishes legal title to reserve lands held by the Crown, and bands have a recognized first interest in the use of reserve land. Under these premises, "No Indian is lawfully in possession of land in a reserve unless, with the approval of the Minister, possession of the land has been allotted to him by the council of the band" (Canadian Minister of Justice, 1985, p. 32). Any time a band and/or private business is interested in adding physical embellishments to the reserve for the purpose of business expansion or otherwise, it must go through legal process in order to have the land transaction approved by the Minister of Indigenous and Northern Affairs Canada (INAC).<sup>1</sup> This is a long process that takes anywhere from 12 months to 10 years, and land is not owned, but rather used by the band or business while INAC is the land manager approving leases, licenses, and permits for land use.

As a result, First Nations experience greater difficulty in securing transactions related to land. Costs related to development are four-to-six-times higher for bands than they are for comparable municipalities (Fiscal Realities Economist, 2007, p. 1). Costs are even higher for First Nations in Far North fly-in communities. Consequently, less than 50 per cent of First Nations investment activities are private, despite the fact that almost 80 per cent of Canada's investment activity is private in nature. Indeed, the absence of equity on reserve lands makes any effort to obtain financing difficult.

Several First Nations bands have entered a new land management regime under The First Nations Lands Management Act ("FNLMA"). This is an agreement between First Nations and the federal government setting out a new land management process. It provides signatory First Nations with the option to manage their reserve lands outside of the legislative boundaries of the Indian Act once they have created and affirmed their own land code. The land code does not need to be approved by the Minister of Indigenous and Northern Affairs, thus breaking from the traditional fiduciary relationship that has existed between First Nations people and the Crown with respect to land since the advent of The Royal Proclamation of 1763 (Hurley, 2000). The FNLMA came into force in 1999 by the initiative of First Nations Chiefs who sought greater autonomy over the management of their reserve lands.

There is one catch, however, and that is the extent to which FNLMA's increased autonomy only extends within the boundaries of the reserve. In many cases, First Nations have traditionally used land outside the confines of the reserve, which includes their respective treaty areas, for the purposes of residing, hunting, gathering foods, water, and other activities. This limits certain First Nations. In some cases, First Nations elect not to sign the FNLMA due to uncertainty of adequate funds to administer lands and address liability issues. Nevertheless, the FNLMA opens the door for First Nations who are interested in increasing access to investment attraction on-reserve by breaking down barriers and reducing the number of administrative steps necessary for development.

Atikameksheng Anshinawbek First Nation, a community located outside of Sudbury, Ontario, signed the FNLMA in November 2008. Signing of the FNLMA has been a vehicle for identifying land for alternative uses. Since 2008, Atikameksheng has developed G'Chi-Naaknigewin, a constitution, land code, and comprehensive community plan for ratification. There are 22 independently owned on-reserve businesses. Of those, five are convenience stores and three are focused on catering. There are also businesses specializing in contracting, recycling, video production, massage therapy, tourism outfitting, and upholstery. Atikameksheng's proximity to the Sudbury market and access to services on-reserve, as well as off, have played a role in the success of its small businesses. The community has also started the ball rolling on a business plan for the development of a business park on-reserve to house new business ventures.

Overall, if we are framing this from an economic standpoint, the benefits of the FNLMA are beginning to become apparent in communities that have signed on and mobilized self-determining land management practices. Also, land governance activities are occurring significantly faster operationally for First Nations compared to previous processing under the Indian Act, in some cases, even 72 times faster (KPMG, 2014, p. 15). As a result, it will be important to gather economic, social, environmental, and cultural data on the implications of this new regime for a more holistic view.

<sup>1</sup> Prior to 2016, this agency was known as Aboriginal Affairs and Northern Development Canada.

## Communities

As noted in this commentary, communities in Northern Ontario generally have vast land bases and low populations, meaning residential taxes are higher to cover the cost of services. Some communities have even larger service area populations, thus becoming economic and service hubs. For example, the Municipality of Sioux Lookout has a population of 5,272 and is connected to surrounding communities with more than 30,000 residents (Municipality of Sioux Lookout, 2017). Service overloading often leaves some communities strapped for resources because they are only able to tax commercially and residentially within the confines of their region.

A common goal of communities is to grow, whether in population size or by attracting outside corporate investment. Communities in Northern Ontario, as exemplified in this research, often increased capacity by way of proactive relationship building between adjacent communities and organizations. In many cases, communities had opportunities to partner with and use the resources of nearby Chambers of Commerce, Business Investment Associations, Community Futures Development Corporations, and destination marketing organizations. Resources pooled through these partnerships could then be used to apply for additional funding or create cost-sharing municipal services.

Communities and their economic development professionals who are open to building relationships with ministers, government agencies, neighbouring municipalities, First Nations communities, local businesses, and community members tend to have higher success rates. Such relationships can be built through small, non-invasive means, such as communities gathering for coffee and discussing how they can help one another.

These conversations often lead to an exchange of ideas and the beginning of a reciprocal relationship. This is best exemplified by the Sioux Lookout Friendship Accord (hereafter referred to as the "Accord"), which grew out of informal initial conversations and was signed on June 21, 2012. The Municipality of Sioux Lookout recognized its location within the traditional territory of Lac Seul First Nation and, as a result, the Accord was designed to build a principle-based relationship and a framework<sup>2</sup> for Sioux Lookout, Lac Seul First Nation, Slate Falls First Nation, and Cat Lake First Nation to build future agreements, action plans, and partnerships – and to ensure all voices are heard.

The communities involved attribute recent successes to the signing of the Accord. One success is the completion of a feasibility study for the potential of a regional distribution centre for 29 remote First Nations in Treaty 3 and Treaty 9 territory. It would serve more than 30,000 people. This project is supported by the Canadian Federation of Municipalities (FCM) and the Council for the Advancement of Native Development Officers (CANDO). The Accord is also viewed as a vehicle for recent developments such as the construction of Meno Ya Win, a state-of-the-art health centre that houses an extended stay hostel for individuals from fly-in communities, and the attraction of Tim Hortons and Giant Tiger. Sioux Lookout and Lac Seul First Nation have since partnered on Ke-ondaatziying, a conference focused on First Nations regional economic development and on building bridges with neighbouring municipalities.

These partnerships are not always set out in written documents. In municipalities such as Espanola, the simple act of reaching out to community members, businesses, and levels of government has served them well despite recent challenges. To illustrate, in February 2013, the Municipal Property Assessment Corp. reassessed the value of the local paper mill's property at \$9.9-million – a stark contrast to the previous assessment of \$26-million. The decrease in value meant the town suddenly owed the paper mill roughly \$4.9-million in back taxes (CBC, 2013). The town and mill reached a tax agreement, but inevitably the town streamlined operations to reduce associated costs to taxpayers. As well, the full-time economic development officer position was reduced to a part-time position. Cheryl Kennelly, whose official title is Community Economic Development Officer and Program Manager, is responsible for economic development activities part-time as well as recreational program management. Despite the split in her responsibilities, Kennelly is knowledgeable on all major sectoral employers, small businesses, and local organizations, reflecting

<sup>2</sup> Principles included in the Sioux Lookout Friendship Accord, July 6, 2012: The recognition and respect of the various levels of First Nations government, culture, and people; Regional leadership, demonstrating how Municipal and First Nations governments can work together; The development of protocols to establish open and improved lines of communication; Supporting First Nations culture and the development of recreation and leisure activities that are culturally appropriate; Encouraging First Nations investment in Sioux Lookout including, but not limited to, people, culture, business, community, and social participation; Increasing First Nations participation in our local economy; Improving our community by making it more economically vibrant and sustainable; Investing in our youth, the future of our community, by ensuring cultural, recreational, educational, and career opportunities are readily available; and, addressing root causes relating to public safety, so that all residents and visitors feel safe and welcome in the community.



her ability to make connections and respond to relationships. She noted, “It’s so much bigger than relying on government funding and hit-and-miss sponsorships. The community is everything and our role is to support the community and its businesses to ensure stability and sustainability.”

Kennelly continued, stating the municipality launched a Community Improvement Plan in April 2014, which offers “a series of incentives for businesses to improve the Highway 6 Corridor and encourage senior housing development projects.” In reaching out to the business community to share details about the Plan, it became apparent to Kennelly there was a knowledge gap as to the resources that are readily available to all Northern Ontario businesses. “The business community would say, ‘No, I didn’t know that.’ or, ‘How did I not know that?’ The business community is extremely focused and committed. Many business owners start their day at 6 a.m. and end their day at 10 p.m... they are not seeing what supports are available to them.”

As such, the municipality responded to this feedback by partnering with the Lacloche Manitoulin Business Assistance Corporation, which was observing the same issue. The two then partnered with Cambrian College, PARO Centre for Women’s Enterprise, and the local Chamber of Commerce to develop a resource map that visually plots out all resources available for increasing capacity to businesses. The map was launched at a Business Resource Showcase in September 2016, pairing community organizations and funders with locally owned businesses. Because of its success, the Business Resource Showcase has since been recreated on Manitoulin Island and is currently run by Lambac, who hosts it centrally for LaCloche Manitoulin in Little Current. Even the simple act of reaching out to community partners and maintaining existing relationships has an impact on the overall success of a region.

To sum up, interviews consistently reinforced the importance of reciprocal relationships between communities, organizations, and individuals in advancing development.

*“A common goal of communities is to grow, whether in population size or by attracting outside corporate investment”*

## Demographics

The overall population of Northern Ontario is declining (Bonin, 2015, p. 5). Between 2007 and 2012, the region lost 11,035 people to out-migration and 58 per cent were between the ages of 18 and 24 (Statistics Canada, 2014). Young people are leaving the region at a faster rate than they are arriving, and the population that remains is aging. In short, the region is aging faster than the natural replacement level. This demographic shift tends to cause stress on communities that function as regional service hubs for neighbouring communities. Communities feeling the effects of demographic shifts have found ways to address and counter these trends.

Out-migration of youth has been a priority for the Cochrane, Kapuskasing, and Hearst (North Claybelt) areas. The Far Northeast Training Board (FNTB) has commissioned several research initiatives to track outgoing youth since 1995. Julie Joncas, the Executive Director for FNTB, said that out-migration forecasts for the north were worse than expected. In response, FNTB has initiated activities to address this. Joncas noted that, "In order to attract youth, it has to go beyond jobs. What we heard from youth was that it's the quality of life, the space, and pride."

One initiative aimed at encouraging youth to move to the north – the Explore Your Options Initiative – is in its infancy and already making waves. Post-secondary graduates (i.e., ages 18 to 35) from city centres like Ottawa and Toronto are recruited for a seven-day, all-expenses-paid guided tour of Cochrane, Kapuskasing, and Iroquois Falls. Prospective residents attend events with major employers, municipal officers, and community members during their stay. Additionally, the weeklong experience showcases career opportunities and a northern lifestyle.

The Explore Your Options Initiative was made possible through a partnership with the Town of Cochrane, Réseau de développement économique et d'employabilité (RDEE) Canada, Cochrane Board of Trade, Cochrane District Social Services Administration Board, North Claybelt, College Boreal, and Université de Hearst. While it is a small initiative, the project has been successful in encouraging young, skilled workers to consider the North as an attractive place to live and work. The program has been successful in enticing 90 youth to visit the area and apply for positions of varying skills (Joncas, 2016).

Meanwhile, Northern Ontario's population continues to age, thanks in part to the in-migration of people over age 65 to non-metropolitan areas. Elliot Lake, Ontario, is one community that has experienced this demographic shift, brought on in part by the 1990 decision by Hydro One to cancel contracts with uranium mines in the area – the community's sole industry. All told, 12 mines closed, resulting in a loss of more than 4,000 jobs. To counteract the resulting out-migration, the community partnered with Laurentian University in 1995 to conduct a seniors' needs assessment. It reached more than 90 per cent of the elderly population, gauging their wants and needs. Shawn Heard, the Executive Director of East Algoma Community Futures Development Corporation, worked on this initial assessment and said, "Elliot Lake is unique for Northern Ontario in that they're not just aging in place; they are actually trying to attract seniors proactively to increase population size." By 2016, seniors (i.e., age 65 and older) represented 37.8 per cent of Elliot Lake's population (Statistics Canada, 2017), which is the second highest percentage of seniors in a Canadian town.



The town of Elliot Lake embraced its status as Ontario's most popular retirement community by establishing a non-profit organization called Elliot Lake Retirement Living Inc. to promote and facilitate the necessary service changes for seniors. Heard said that communities that "prepare community services and consult seniors on their needs are more prepared for rapid aging." Elliot Lake Retirement Living's consultations with seniors had identified the need for services such as "long-term care facilities, whirlpools at the gym, a seniors' needs community police, and a number of programs" (Heard, 2016). There are plans to partner with the Northern Ontario School of Medicine (NOSM) and the Centre of Excellence for Aging to attract underrepresented health care services and explore the idea of becoming a "living laboratory" for aging in place (Elliot Lake, 2013, p. 13).

Several Northern Ontario communities have begun conducting age-friendly community research studies to develop a strategic plan that supports and respects the lifestyles of older adults. Ontario Seniors' Secretariat provides support to communities that are interested in addressing this demographic.

Another demographic that demands attention is Indigenous youth – the largest, fastest growing population in Ontario. Almost half of Ontario's Indigenous population (43 per cent) is under the age of 24, compared to one-third (32 per cent) of the non-Indigenous population (Statistics Canada, 2017). Investing in and co-facilitating the future of this cohort is key to its success. Recognizing this, the non-profit Waubetek Business Development Corporation has developed programming to meet the needs of this demographic. Although youth training and support were not in Waubetek's original mission to youth, they have become important initiatives for the future development of First Nations economies.

Waubetek's Youth Job Connect summer program resolves to provide youth with the necessary tools to work in their preferred fields, arranges a sixteen-week job placement, and provides mentorship and job coaching supports (Waubetek Business Development Corporation, 2017). Each summer cohort is promised sixty hours of paid training in the form of WHIMIS, first aid, safe food handling, customer service, and other topics depending on their needs. Placements are locations close to home on Manitoulin Island and Waubetek remains the mentor for youth throughout the process.

The program was initially funded by the Ministry of Community and Social Services, but that funding stream was canceled in 2016. The success of the program compelled Waubetek to continue it, providing the same service. The high school graduation rate of the individuals who successfully complete Waubetek's program is 90 per cent, which is higher than the provincial average. Thanks to Waubetek's support and a new funding source, the program continued successfully for a year before receiving funding from the Ontario Ministry of Advanced Education and Skills Development.



## Economy

The Growth Plan for Northern Ontario (2011) defines economic success as “an economy that is diversified and exemplifies a culture of innovation and entrepreneurship; a healthy, educated and skilled population; vibrant and attractive communities; modern and efficient infrastructure; and a clean and healthy environment” (Ontario Government, 2011, p. 1). In essence, Northern Ontario's economic success rests on its ability to expand economic markets while supporting the social well-being of the population.

Communities compete with a myriad of domestic and global markets. One way to do so successfully is through diversification. Too often, single-resource towns are subject to economic boom and bust cycles, which cause sharp changes in resource values. These changes, specifically plummeting values, leave businesses with diminishing profits and individuals without jobs, and those individuals are compelled to relocate to find alternate employment (Bonin, 2015, p. 11). Communities that prioritized diversification within their core industries and local economy were more likely to be protected from, and adaptable to, the cycles of the natural resource economy.

A great example of a company that was able to diversify its offerings is White River Forest Products Ltd. The mill (originally owned by Domtar) is located in the town of White River and it closed indefinitely in July 2007. At the time, it employed 230 people in all forms of operations. Local communities and investors saw an opportunity to purchase the mill and a sustainable forest license as a joint venture. The main stakeholders are Fadco Consulting, the town of White River, and Pic Moberg First Nation.

White River Forest Products took the opportunity to diversify mill operations right away. Originally capable of consuming approximately 700,000 m<sup>3</sup> of softwood to produce 110 million board metres of random length and stud-grade lumber, the mill is now able to increase yield up to 150 million board metres and reduce wood chip waste thanks to the installation of a new COMACT<sup>3</sup> processor. The wood chip waste is used in the corporation's co-generation biomass facility, which generates 7.5 MW of energy for the mill. The mill and woodland operations now employ more than 140 people from the area, with an increased employee base from Pic Moberg First Nation.

Another example of diversification can be found in Temiskaming Shores, a city located along the Highway 11 Corridor, north of the City of North Bay. The result of amalgamation between the former towns of New Liskeard, Haileybury, and Dymond, Temiskaming Shores has a total population of 11,000 (City of Temiskaming Shores, 2018). Its progression to economic diversification has been a natural one. Agriculture plays a large role in its economy and culture as it is situated in the southern region of Ontario's Claybelt, the province's largest plot of undeveloped arable land. Canola, soy, wheat, and oat crops are common here, as are cattle farms. In total, Temiskaming Shores is home to more than 404 farms with more than 77,000 acres in production (Farm North, 2011). James Franks, Economic Development Officer for Temiskaming Shores, attributes the region's strong agricultural sector to the fact that it is protected from the usual fluctuations of resource industries experienced elsewhere in Northern Ontario. The Northern Ontario Farm Innovation Alliance joined forces with farmers in the community to implement tile drainage and further land clearing initiatives. Tile drainage enables farms to extend their cultivation season and increase yields with a small investment in infrastructure.

*“Communities that prioritized diversification within their core industries and local economy were more likely to be protected from, and adaptable to, the cycles of the natural resource economy”*

<sup>3</sup>COMACT Processor is a single-pass log processor.

The municipality is ideally located for economic diversification, with agriculture predominant in the north, and mining and forestry in the south. There is no mine located in Temiskaming Shores, but there are many adjacent to the area, all with Highway 11 Corridor access. Combined, these activities form a solid foundation for industrial supply sector growth. Franks noted, "When one industry like mining goes down, industrial suppliers will generally work in other sectors to supply parts or services in forestry or agriculture to some extent." Geography also lends benefits to the industrial supply sector, as Temiskaming Shores is close to the Sudbury, Rouyn-Noranda, and Timmins markets. Its central location also attracts traffic, benefiting its service and retail sectors, and making Temiskaming Shores an economic and service hub for the northeastern Ontario region.

To support the industrial supply sector, Temiskaming Shores attends the Prospectors and Developers Association of Canada's conferences, which attract companies from more than 120 countries. Franks stated, "Individuals would ask technical questions, so we looked around and asked, 'Why wouldn't we find a way to get our businesses here so they can access these markets?'" The question resulted in follow-through the following year. "We worked with FedNor to send businesses to the expo so they can have a booth and make tangible business deals. We went from having 30 businesses to 55 and last year we were 72. This year we will be over 80. So, we're bringing 80 businesses who normally wouldn't be able to access these international markets to the largest annual mining trade show in the world and they are making business deals." The initiative was recognized by the Economic Developers Association of Canada in 2016, receiving the Marketing Canada Award.



## Environment

We know Ontario is rich in minerals and trees. The debate as to who should be the stewards of these natural resources is alive and well in Ontario's North, especially after the introduction of a modernized forest tenure model.

Ontario ratified the Ontario Forest Tenure Modernization Act, 2011 to change existing management structures from that of private ownership to primarily public ownership, with an emphasis on First Nations stewardship. The Forest Tenure Modernization Plan is evolving to include First Nations people as key stakeholders so they have a greater say in the management of local forests.

Relations between the provincial government and First Nations in terms of forest management traditionally have been a point of contention. Most of Canada's forests are on Crown land, a term that conveys public ownership, yet it does not reflect the fact that the resources are on traditional First Nations territories. Although relations with on-reserve First Nations fall under federal jurisdiction, more than 90 per cent of Ontario's forests are on Crown land, and 44 per cent of those forests fall under provincial jurisdiction and management (Ontario, 2015). First Nations are sometimes left out of negotiations, which goes against the federal government's legal duty to consult them with respect to land, and despite the fact consultation is outlined as a constitutional right in Section 35.1 of The Constitution Act, 1982. The Forest Tenure Modernization Plan attempts to change the process by consulting with, accommodating, and listening to First Nations.

Pikangikum First Nation is a remote-access community located approximately 90 kilometres north of Red Lake in Northwestern Ontario. The community is growing rapidly, with a large proportion of its population consisting of youth and children. In 1996, Pikangikum First Nation started the Whitefeather Forest Community Resource Management Authority (WFCRMA) – a land-based community economic development and resource stewardship initiative. The Ontario Ministry of Natural Resources and Forestry (MNRF) committed to working with Pikangikum to acquire a commercial forest tenure, and it was issued in 2013. This was the first Sustainable Forest License to be issued to a First Nations alone.

While some forest management corporations seek to increase timber growth through silvicultural<sup>4</sup> (or plantation forestry) practices, WFCRMA approaches forest management from a place of Indigenous knowledge and traditional stewardship. Of the 11,749 square kilometres occupied by the Whitefeather Forest, 4,360 square kilometres will be protected. There are also nominations to have a portion of the forest deemed a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site. The WFCRMA has invested in a Vegetation Resource Inventory, which provides data on available yields and land capabilities (Pikangikum, 2006, p. 37).

WFCRMA is the only organization to be issued a Sustainable Forestry License (SFL) in Ontario since 2013 (Ministry of Natural Resources and Forestry, 2016). Several Local Forest Management Corporations (LFMC) would like to transition to sustainable forestry management licenses, but barriers exist such as whether or not a local mill agrees to it. In many cases, large corporations are stakeholders in their nearby LFMC and, as such, must agree to the transition of implementing a sustainable forestry license.

<sup>4</sup> Silviculture is the practice of controlling the growth, composition, health, and quality of forest vegetation to meet the forest resource objectives and needs of a group.



From an environmental standpoint, several issues can arise when independent corporations are majority stakeholders in forestry land-use permits such as high-grading. This is the process of accessing the best wood fibre first and leaving the rest, which is not how forests behave naturally. Pulp and paper companies do this given the short-term nature of the business and stockholder interests. Overall, more equitable access to Sustainable Forestry Licenses would not only benefit the local First Nations communities economically but also ensure the sustainable use of our forests and reduce the amount of resources (financial and environmental) used for transportation of fibre.

## Infrastructure

Northern Ontario communities commonly have infrastructure that requires repair. Community infrastructure includes everything from road quality and hydro production to broadband connectivity. The state of infrastructure is important given its impact on a community's ability to attract residential and business investment.

The cost and quality of hydro transmission is a common complaint across Northern Ontario. At the household level, costs are unmanageable for those living in rural areas. However, efforts have been made by the provincial government. For example, the Ontario government announced the waiving of the delivery fee for on-reserve First Nations hydro customers through the Ontario Hydro First Nations Delivery Credit (FNDC) (Ontario Government, 2017). Additional supports were also made available for those living in rural areas or on low-incomes through the Ontario Electricity Support Program, but whether these changes are sustainable for ratepayers and/or the government has not been examined in this paper.

Fort Frances is a Northwestern Ontario community which has the unique advantage of having signed a historical mill agreement, reducing the cost of hydro to residents. The agreement was borne out of negotiations between the town of Fort Frances and a forestry company that stated that in exchange for the latter party damming the river, which provides power to the local mill, the town is provided free electricity from the mill. According to various individuals interviewed, over time, and given the growth of the community, this agreement has transformed into one where whoever owns the dam transfers money to the Fort Frances Power Corporation. The Corporation was also mandated to remain a non-profit corporation. Had the Corporation been launched 10 to 15 years ago, things would be very different. To elaborate, the Ontario Energy Board's management of cities has changed and cities finance various government aspects. The Fort Frances Power Corporation is unable to do the same. The municipality is provided a zero rate of return, which creates lower power rates with no artificial exaggeration of rates to generate profit.

Infrastructure is the least "sexy" asset to invest in. But for businesses in Northwestern Ontario with limited access to the internet for processing debit transactions, it is likely to be top of mind. The communities of Ear Falls, Ignace, Pickle Lake, and Sioux Lookout, among others, had limited broadband (internet) connectivity. The issue was raised with the Community Futures Development Corporations in Ear Falls, Kenora, and Dryden, and each organization recognized the need to install additional fibre and networking infrastructure.

Cathy Quesnel-Loessl, the Executive Director with Chukuni Communities Development Corporation, took the lead on the broadband expansion project. She said, "It became evident to us that due to economies of scale, it was better if we made this one large project." Requests for Proposals were released, and a successful bidder was announced with the support of Northern Ontario Heritage Fund Corporation (NOHFC).

Geographically, the Kenora area is large. "The partnership with Lake of the Woods Business Incentive Corporation in Kenora and Patricia Area Community Endeavours Inc. in Dryden was well positioned because we represent so many smaller communities. Smaller communities would have difficulty going out and obtaining the funding on their own because of the requirements which are set out," Quesnel-Loessl said. "The government looks at the overall cost per household, and until you bring a larger population into the mix, it won't work. The cost is brought down over the number of households affected." The expansion project will affect an excess of 13,000 homes.

Asked what unites these organizations in advocating for the advancement of infrastructure, Quesnel-Loessl replied, "It's important for people to realize it's time to break down the barriers. If you go for regional projects, you'll be more successful than going out on your own." This can be achieved through public and private partnerships, for the development of infrastructure in communities.

## Best Practices

Identifying development strategies that have worked for Northern Ontario communities and First Nations is imperative to the advancement of Ontario's northern regions. The research compiled here is intended to give readers a glimpse into how northern communities are managing economic development, and to encourage conversation on the topic of best practices, which were made apparent in the 2015 interviews.

It is valuable to define the subject matter of economic development to ensure there is no confusion around a term that sometimes has broad and interchangeable meanings. The International Economic Development Council defines it thusly: "in the broadest sense economic development encompasses three major areas:

1. Policies that government undertakes to meet broad economic objectives, including inflation control, high employment and sustainable growth.
2. Policies and programs to provide services, including building highways, managing parks and providing medical access to the disadvantaged.
3. Policies and programs explicitly directed at improving the business climate through specific efforts, business finance, marketing, neighborhood development, business retention and expansion, technology transfer, real estate development and others." (International Economic Development Council, 2015, p. 3)

As stated above, the scope of economic development also encompasses social outcomes of individuals. Without social well-being in a community, it becomes near impossible for the community to participate in economic endeavours, programs, or outcomes. Looking at development from a holistic perspective, including social and economic well-being, is key to community well-being.

There is no universal way to foster economic growth in the cities, towns, municipalities, and First Nations of Northern Ontario. It requires engagement from local government, organizations, and individuals to determine how to best enhance each community's capacity. There are, however, action items included in the research which identify best practices in community economic development.





- 1** Gather an understanding of the community's needs, market, and assets. Economic development officers have achieved this through consistent contact with community members, businesses, and organizations. In the case of Northern Ontario, this also means being knowledgeable about First Nations, treaty areas, and the legal duty to consult and ensure the free, prior, and informed consent of the Indigenous people in advance of development. Part of these efforts could include taking proactive steps toward economic reconciliation with Indigenous people.

Communities like Lac Seul First Nation, Slate Falls First Nation, Cat Lake First Nation and Sioux Lookout have achieved this collectively by fostering a principle-based relationship which informs all business or social service decisions thereafter.

- 2** Acknowledge and make use of existing community capital. To illustrate, most communities fall within the catchment area of organizations that have an economic development mandate. Some examples of organizations communities have access to include FedNor, Northern Ontario Heritage Fund Corporation, local Chambers of Commerce, and other interest groups like Rural Agriculture Innovation Network or Tourism Northern Ontario.

In addition to the above organizations, private enterprises also encompass a large part of a community's capital. Given this, it is important to attract and retain businesses that will enable communities to inevitably grow. Additionally, getting involved and improving the lines of communication enables economic development professionals to build internal capacity, share ideas, innovate, and avoid program duplication. This can be achieved through regional meetings, or interest-specific meetings to share information and skills.

- 3** Use the knowledge and connections made to identify planning issues and develop a strategy and implementation framework for future economic development endeavours. By forging public and private partnerships, economic development professionals can accurately assess and build upon the economic climate of their community. As well, inviting all forms of private business to strategic planning sessions is a great way to identify gaps in service requirements. It also encourages neighbouring communities to work together on strategic planning efforts. In many cases, they might be experiencing the same gaps and would benefit from mutually advantageous solutions. This was made evident in the case of the Sioux Lookout Friendship Accord.

- 4** Measure and communicate impacts. Establishing a community profile of economic, social, environmental, and political baseline statistics and trends within a community offers insight into its composition for potential residents and businesses. The goal of community profiles is to make data accessible and comprehensible. Social and economic benchmarking is the next step in establishing clear development goals and ensuring those goals are met using realizable targets.

Another way of saying this is "celebrate your successes." In community development, success stories have a way of snowballing, but only if they are known. Community profiles make data accessible, but local media bring them to life. If there is a local news outlet, it could potentially have a community success story every week depending on the established social and economic benchmark goals in a given quarter.

- 5** Be prepared for change. It takes economic development officers, directors, or committees' full-time effort to develop a city's economy in an ever-changing global marketplace. Today's economic development team must be prepared to work collaboratively with all levels of government and private enterprises to ensure the community's economy and social fabric is supported and ready to withstand changes, which will inevitably happen. By completing exercises in data collection and heeding what the data reveal, it is possible to stay one step ahead of the ever-changing curve.

Relationships with community members, businesses, levels of government, and the market help to create a safety net for managing change, which is inevitable. In both professional and interpersonal relationships, trust, communication, respect, and commitment are key to maintaining mutually beneficial partnerships.

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## About Northern Policy Institute

*Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern Communities. Our operations are located in Thunder Bay, Sudbury and Sault Ste. Marie. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.*

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