



New Relationship Trust (NRT)

Strategic Plan

November 30, 2006

Executive Summary

On November 30, 2006, the New Relationship Trust Corporation (NRT) Board of Directors finalized its first Strategic Plan. The Plan sets the Trust's priorities, goals, objectives and funding allocations for the NRT's three years of operation (2007, 2008, 2009). Throughout the process of creating the Plan, the NRT Board worked with its stakeholders to ensure that the direction of the Trust would be supported and that the goals and objectives herein could be achieved.

In the Community Engagement Process that assisted in formulating this Plan, First Nations in British Columbia supported a wide variety of priorities. They did, however, provide clear direction on one critical point - the Trust should not spend the entire \$100 million over the short-term, but should work on building the Fund for future generations.

The NRT Board of Directors confirms that the Trust will spend \$20.75 million on projects over the next three years and the balance of \$80 million will be invested for the long-term to provide future benefit to First Nations in British Columbia.

In regard to the NRT allocation of the \$20.75 million, over the next three years, the funding will be broken down into the following priority areas:

| | 2007/08 | 2008/09 | 2009/10 | TOTAL |
|----------------------|----------------|----------------|----------------|-----------------|
| Capacity | \$1.50M | \$2.00M | \$2.50M | \$6.00M |
| Education | 2.00M | 2.50M | 3.00M | 7.50M |
| Culture & Language | 1.00M | 1.50M | 2.50M | 5.00M |
| Youth & Elders | 0.25M | 0.25M | 0.25M | 0.75M |
| Economic Development | 0.50M | 0.50M | 0.50M | 1.50M |
| TOTAL | \$5.25M | \$6.75M | \$8.75M | \$20.75M |

Increasing the 'capacity' of First Nation communities will be main focus of the Trust. This activity will provide resources to a broad cross-section of First Nations in British Columbia, especially those lacking in capacity. The NRT will also promote the cooperation, participation and partnership between First Nation communities, especially First Nation communities that work together within their "Nation". Nation-building will be a secondary goal of the NRT in providing benefits of the Trust.

The NRT will maintain its administration cost at less than 1% of the total investment fund on an annual basis.

NRT will spend \$20.75 million over the next three years for project funding.

New Relationship Trust Mission Statement:

“To increase authority and jurisdiction of First Nation governments through the use of the fund and thereby improve the quality of life of First Nation citizens in British Columbia”

New Relationship Trust Vision:

“A better British Columbia where First Nations have efficient and effective governments, vibrant culture and language, social justice, and economic prosperity.”

New Relationship Trust Guiding Principles:

In providing benefits to the First Nations in British Columbia, the New Relationship Trust will:

- *reflect the intent and purpose of the New Relationship and the Transformative Change Accord;*
- *communicate effectively with BC First Nations;*
- *respect each First Nation’s decision-making authority;*
- *be guided by principles of fairness and equity;*
- *encourage and support First Nation participation in the Trust’s activities and programs;*
- *not replace or duplicate existing government or First Nation programs;*
- *leverage Trust funds wherever possible;*
- *actively grow the investment fund, in order to provide more benefit to First Nations; and*
- *be transparent and accountable at all times to the Trust’s stakeholders and the public.*

New Relationship Trust History & Profile

The NRT was borne out of the New Relationship vision agreed to by the Province of BC, The First Nations Summit, the Union of BC Indian Chiefs and the Assembly of First Nations in 2005. The following passages comprise the key ideals of the “New Relationship” that were agreed to by all parties:

The five priorities of the New Relationship Trust are:

- Capacity;
- Education;
- Culture/Language;
- Youth & Elders;
- Economic Development.

“We are all here to stay. We agree to a new government-to-government relationship based on respect, recognition and accommodation of aboriginal title and rights. Our shared vision includes respect for our respective laws and responsibilities. Through this new relationship, we commit to reconciliation of Aboriginal and Crown titles and jurisdictions.

We agree to establish processes and institutions for shared decision-making about the land and resources and for revenue and benefit sharing, recognizing, as has been determined in court decisions, that the right to aboriginal title “in its full form”, including the inherent right for the community to make decisions as to the use of the land and therefore the right to have a political structure for making those decisions, is constitutionally guaranteed by Section 35. These inherent rights flow from First Nations’ historical and sacred relationship with their territories.

The historical Aboriginal-Crown relationship in British Columbia has given rise to the present socio-economic disparity between First Nations and other British Columbians. We agree to work together in this new relationship to achieve strong governments, social justice and economic self-sufficiency for First Nations which will be of benefit to all British Columbians and will lead to long-term economic viability.”

Provincial legislation was passed (the New Relationship Trust Act) to create the New Relationship Trust Corporation and on March 31, 2006, the Province transferred \$100 million to the NRT. The Trust Fund is intended to assist First Nation communities to enhance their capacity to participate in the processes and activities that arise from the New Relationship within BC. This will be done through effective partnerships in land and resource consultations, advanced training and skill development, and improved social and economic well-being.

In accordance with the legislation, the First Directors established the necessary processes and activities, including the development of a three-year Strategic Plan to support the operations of the Trust beginning in November 2006.

Critical Issues & Strategies

The purposes and objectives of the Trust were broadly articulated in the legislation, and the NRT Board accepts the challenge of ensuring that results are attainable and achievable.

The purpose of the Trust, as outlined by the Provincial legislation, is “to provide funds to assist First Nations to build their own capacity to participate in the processes and activities envisioned by, and that evolve out of, the new relationship by enhancing First Nation governance, leadership and institutional and human resources capacity to address social, cultural and economic needs and priorities”. The Trust purposes, as contained in the legislation (Bill 11 –2006, Section 17(1)) are outlined below:

- *Enhancing First Nation governments' capacity to negotiate, with the government, agreements for shared decision-making, land use planning, land and resource management and revenue and benefit sharing;*
- *Enhancing First Nation capacity to engage in comprehensive community planning and land and resource planning;*
- *Enhancing First Nation governance-related infrastructure capacity;*
- *Enhancing First Nations' knowledge and skills to facilitate their ability to take advantage of a range of economic opportunities which respect to lands and resources and social and cultural opportunities;*
- *Enhancing First Nation capacity to give effect to the processes by which agreements, decisions and plans referred to in this subsection can be implemented; and*
- *Providing funding for any other purpose that the directors may determine is appropriate to assist First Nations to build capacity.*

The Community Engagement Process was clear in providing direction on one critical issue -- that the Trust should not spend the entire principal of its \$100 million fund over the short-term. Specifically, it was agreed that this Trust Fund should effect positive change over time – and if possible, in perpetuity.

The NRT Board of Directors agreed with the recommendation and approved the Trust Fund “spending policy” for the next three years. This policy will be the allocation of \$20 million over the next three years toward addressing the NRT’s goals and objectives; while establishing a long-term investment policy for the \$80 million balance.

Another common theme from the First Nation communities that participated in the Community Engagement Process was the request for the NRT to assist those First Nation communities who do not have the capacity to prepare “proposals”. The NRT Board of Directors will consider providing assistance to those communities who request in order to prepare funding proposals not only for NRT but for other funding programs, from both public and private sources.

NRT Goals & Objectives

The New Relationship Trust Board of Directors reviewed its legislated mandate as well as the information gathered from the community engagement process and further developed the Corporation's priorities as follows (these are not in any specific order):

- *Capacity;*
- *Education;*
- *Culture & Language;*
- *Youth & Elders; and*
- *Economic Development.*

Through this NRT strategic planning process, education, capacity, culture & language, and economic development were all rated as high priorities by First Nations throughout the province. The NRT Board reviewed the results of the community engagement process and determined from the input that **capacity, education, culture & language, youth & elders, and economic development** were the top five priorities that would be supported by the Trust's stakeholders.

To avoid duplication of services and/or service delivery, the NRT will provide resources to third First Nation parties wherever possible to fulfill specific objectives addressing these priority areas. In addition the NRT will provide funding directly to First Nation stakeholders to positively effect change within the province.

The following describes the overall strategy the NRT will employ to support these five priorities over the next three years.

1. Capacity

The NRT Board of Directors strongly believe that providing the tools for First Nations to build capacity around 'consultation' will provide real opportunities and tangible benefits in the advancement of land-use planning, resource revenue sharing, and economic development. This 'capacity' initiative will have an average annual budget of \$2 million per year over the next three years.

Over the next three years, work within this priority will focus on facilitating and contributing to the development of a consultation framework that will assist First Nations in the advancement of their title and rights within their territory. The NRT will look at funding partnerships with existing organizations involved in capacity development (National Centre for First Nations Governance, BC Capacity Initiative etc.) to ensure that this 'consultation framework' is realistic, achievable and does not duplicate any other services being offered to BC First Nations. The primary objective of this priority is to increase capacity of First Nation governments to:

- *Identify and implement Best Practices with First Nation governments on land-use planning, environmental assessment, comprehensive community planning, and consultation;*
- *Develop tools for negotiating agreements between First Nations, governments and industry;*
- *Undertake case studies to determine Best Practices in land-use planning, environmental assessment, comprehensive community planning and consultation;*
- *Develop 'templates' for negotiation of resource revenue sharing; which are acceptable to First Nations in BC, the province, federal government and industry;*
- *Promote Nation-Building and cooperative working relationships between First Nations;*

Distribution Strategy

Initiate NRT programs and partner with existing First Nation organizations to accomplish specific "capacity" goals and objectives as set out by the NRT Board; as well, look at partnerships with third parties to increase leveraging possibilities. The NRT will look at initiating research and funding First Nations to undertake specific case studies and to develop tools, best practices, and templates which would be incorporated in this capacity initiative.

2. Education

The NRT and the First Nation communities realize the importance of education for our First Nation youth at all levels and for all age levels including but not limited to primary, secondary and post-secondary. This priority directly supports the NRT overall youth target within BC while encouraging higher educational goals. The importance of pursuing education for all First Nation youth in British Columbia is a high priority for the Trust and was identified as a high priority by First Nation communities. Therefore, over the next three years, the NRT will be implementing three on-going initiatives in education that will encourage the pursuit of post-secondary education while at the same time encouraging communities to implement education initiatives within their jurisdictions to assist First Nation youth to complete high school and to move on to post-secondary education.

First Nations Education Initiative

The NRT will allocate \$1.25 million per year over the next three years to assist in education initiatives and/or programs that assist First Nation youth in advancing through the early years of their education. The NRT will allocate a maximum of \$50,000 per project and will encourage the leveraging of additional funds from other private and public sources.

Possible Education Initiatives:

- *Reading / Math / Science;*
- *Stay-in-School;*
- *Culture-related educational activities;*
- *Emotional health education;*
- *Trade / vocational initiatives; and*
- *School/community professional development & training.*

Distribution Strategy

The NRT will partner with the First Nations Education Steering Committee and the First Nations Schools Association to develop funding criteria for these areas of educational development. The NRT will ensure that eligibility includes support by a First Nation and that new applicants are given priority over previously approved candidates. Specific criteria and policy will be developed and will become part of the NRT Operating Plan.

First Nation NRT Education Loan Fund

The NRT will allocate \$750,000 per year over the next three years to assist First Nation youth in pursuing their post-secondary education aspirations. Although this program will be referred to as a student loan, these funds will be “forgivable” based on the student’s completion of two criteria:

- *Student successfully completes degree, diploma, certificate;*
- *Student works for First Nation for total of twelve months, during or after post-secondary education completion.*

This program will be application based, with perspective students applying to the NRT for post-secondary loan-funding for the purpose of attending accredited post-secondary institutions. Each student will be eligible for a maximum of four consecutive years of the post-secondary funding level and a maximum of two years of the Master's level and maximum of two years of the Doctorate level. The following number of student loans will be available per year for the next three years.

- 100 post-secondary loans @ \$5,000 each per year
- 10 Masters degree loans @ \$10,000 each per year
- 6 Doctorate degree loans @ \$25,000 each year

Distribution Strategy

The application deadline for the Student Loan Fund will be July 15th of each year; with an additional deadline of December 15th subject to available funding. Applicants will have to prove First Nation citizenship, acceptance at a post-secondary institution, and provide a written submission to the selection committee demonstrating their vision for their First Nation in the future. Also, returning students must have a C+ average in order to qualify for the next year's funding. Continuing students will have priority in this post-secondary program.

First Nation Post-Secondary Student Employment Subsidy

The NRT will provide \$500,000 per year for First Nation governments who apply for funding in order that they can provide their post-secondary youth with employment opportunities during the summer break. The maximum amount available is \$10,000 per employment position. First Nations must employ students from their community who are attending a post-secondary institution and have been approved for the Education Loan from the NRT.

Distribution Strategy

This program will begin operation after the first year of the Student Loan Program. First Nation communities may apply for funding under this program, but must have a specific student identified for the employment subsidy. Up to 50 subsidies will be available per year at a maximum of \$10,000 each. New First Nation applicants will have priority in subsequent years.

3. Culture & Language

Culture and Language was a consistent priority amongst First Nation communities throughout British Columbia. For this reason, the NRT Board of Directors have rated this in the top five priorities for the Trust over the next three years. The NRT will be looking to organizations such as the First Peoples Heritage, Language & Cultural Council to partner in administering Culture and Language projects in British Columbia.

The NRT will allocate \$1.5 million to this initiative annually for the next three years (2007 – 2010). Two priority areas have been identified by the NRT Board of Directors, they are:

- *Preserving First Nation Languages; and*
- *Increasing the number of trained First Nation language teachers.*

The NRT will be researching possible Culture and Language projects to fund over the next three years. In addition, the NRT will be seeking serious leveraging of funds in this sector in order to address the high demand from First Nations in British Columbia. Possible funding partners include:

- *Canadian Heritage (federal government);*
- *BC Government;*
- *Private Foundations;*
- *Private companies /stakeholders;*

Distribution Strategy

Funding for this initiative will most likely occur in partnership with First Nation organizations directly involved in culture and language. The NRT will be determining specific goals related to this priority and working with First Nation organizations in order to provide suitable delivery of programs and/or resources.

4. Youth & Elders

The NRT Board of Directors made a commitment to Youth and Elders throughout the program elements of this strategic plan and specifically addressed youth initiatives in Education and will address elder initiatives within Culture and Language. In addition to these programs, the Trust realizes that these two groups need support for organizational activities throughout the year. Therefore, the Trust will allocate \$125,000 to each group to organize its activities and develop its structure. The NRT will provide this allocation each year for the next three fiscal years.

Distribution Strategy

The NRT will fund the provincial bodies for Youth and Elders to undertake their respective organizational activities. If no current provincial body exists for either Youth or Elders; the NRT will use the funds to assist in the organization of the representative provincial body. The NRT will work with the BC Leadership Council, BC AFN, UBCIC and the BC First Nations Summit to determine the organizational funding requirements and target groups.

5. Economic Development

The NRT will allocate \$500,000 per year over the next three years to initiate strategic future direction in economic development. In 2007, the NRT will bring together all First Nation economic development interests via a symposium to determine our economic development priorities in British Columbia. Future allocations will be targeted to address goals and objectives set-out by the First Nations in British Columbia. Funding in 2008 and 2009 will be determined from the outcomes of the 2007 symposium.

Distribution Strategy

The NRT will work with a third party to host the proposed economic development symposium in British Columbia. Funds will be used for BC First Nation peoples' attendance, travel, accommodation, meals, facilitator and the venue.

Performance: Outcomes & Measurements

The NRT is concerned with the sustainability for both First Nation communities and the Trust itself. The development of necessary skills, competencies and capacity within First Nation communities to achieve the objectives outlined may vary and, therefore, the Trust has established short, medium and long-term measures to show and attain success.

Short-term (first three-years):

1. *Assist 200 First Nation students in graduating from post-secondary institutions by May 2010;*
2. *Compile database on BC First Nation students attending/graduating post-secondary institutions;*
3. *Leverage \$20 million in project funding with a goal of 2:1;*
4. *Maintain investment fund at \$100 million by March 31, 2010 (8% annual return first three years);*
5. *Four approved “consultation templates” by province and the BC First Nations to be used in negotiating lands, resources, title, rights, and/or revenue-sharing agreements;*
6. *Enter into Four partnerships/protocols with other First Nation organizations in order to promote collaboration and not duplication of products and services to BC First Nations;*
7. *Leverage additional \$5 million in capital for First Nation Language for British Columbia First Nations;*
8. *Establish First Nation Economic Development Strategic Plan for British Columbia – which is supported by First Nations.*

Medium (three to five years):

1. *Fundraise an additional \$50 million in capital for the objectives of the NRT and BC First Nations;*
2. *Establish a BC First Nations Economic Development Fund to assist with equity and debt-financing for First Nation business development;*
3. *Champion ‘legislated reform’ for negotiating between government, private sector and BC First Nations – a process that is agreeable by all parties on how to move forward;*
4. *Digitally archive 20 First Nation Language groups / communities; and*
5. *Grow annual NRT project funding to \$10 – 15 million for First Nation communities, organizations, youth and elders.*

Long-term five to ten years):

1. *Grow Investment fund to \$200 million by 2017;*
2. *Grow annual project funding to \$15-20 million per year for NRT goals and objectives;*
3. *Establish specific “Language Chair” at recognized BC university; and*
4. *200 trained First Nation Language Teachers within First Nation communities across the province.*

Investment Strategy & Policy

AON Consulting has been hired as the Trust’s investment advisor. The NRT interim Board has determined NRT’s Spending Policy - allocation of \$20 million in project funding over the next three years. The NRT Investment strategy and policy will evolve out of the ‘spending policy’ decision of the Board of Directors. The following issues have been or will be addressed by the NRT Board of Directors in the immediate future:

Spending Policy

Confirmed - NRT will spend \$20 million will be spent on five priorities from 2007-2010.

Long Term Asset Mix

Confirmed – NRT will invest \$80 million on long-term basis; asset-mix will be weighted slightly higher in equities than bonds; the equities investment will be further invested in a balanced manner between Canadian and Global markets.

Investment Manager Structure

Confirmed – NRT will hire ‘specialist’ investment managers (equities and bonds) and will hire two or three managers.

Investment Manager Selection

AON Consulting will assist the NRT in determining a shortlist of suitable investment manager candidates for the Trust, based on the structure decided upon by the Board (equity and bond). The NRT will work with AON Consulting to determine investment manager’s mandate and risk/return expectations.

Establishing an Investment Policy

Investment policy requires review and approval by NRT Board of Directors before funds are invested by the investment manager(s). Once Investment Policy is determined and approved, NRT will appoint a Custodian to physically hold the investment portfolio and monitor the activity on behalf of NRT and the investment policy.

Evaluate Managers and Investment Performance

AON will provide recommendations on the evaluation criteria for investment managers once they have started managing the NRT portfolio; a performance evaluation will be conducted on a regular basis. Benchmarks will be set for the performance of the investment portfolio, against which managers will be evaluated.

Communication Strategy

A goal of the NRT is to effectively communicate with its stakeholders and the public on an on-going basis, in order to be transparent and accountable at all times. The NRT will communicate electronically and in-print with the First Nations in British Columbia to ensure that everyone is informed of activities of the Trust. The following activities will be undertaken in an active communications strategy:

- **Web-site** – keep web-site updated on programs, services, and/or products; use web-site to promote activities and other funding programs available to First Nations in BC;
- **Newsletter** - produce newsletter twice a year for stakeholders, partners, and public;
- **News Release and Mail-out** – send out communication package to all First Nations to announce new programs, products and/or services; application processes, evaluation details, etc.;
- **Annual Report** – prepare annual report and send out to First Nation communities (as well have available on web-site), reporting on activities of Trust on annual basis – financial audit, and investment fund details included in report;
- **Annual Strategic Plan Review** – NRT Board will annually review and update its strategic plan and effectively have a three-year strategic plan at all times;
- **Audited Financial Statements** – the NRT will conduct annual external audit on the activities of the Trust and Investment Portfolio – these statements will be open to the public;
- **Effectiveness Review** – every five years the NRT will conduct a five-year effectiveness and performance review as outlined in the legislation. This review will be performed by an independent party; and
- **Other** – NRT will institute additional communications activity as needed.

Appendices

- *BC Government Legislation (Bill 11);*
- *Community Engagement Report;*