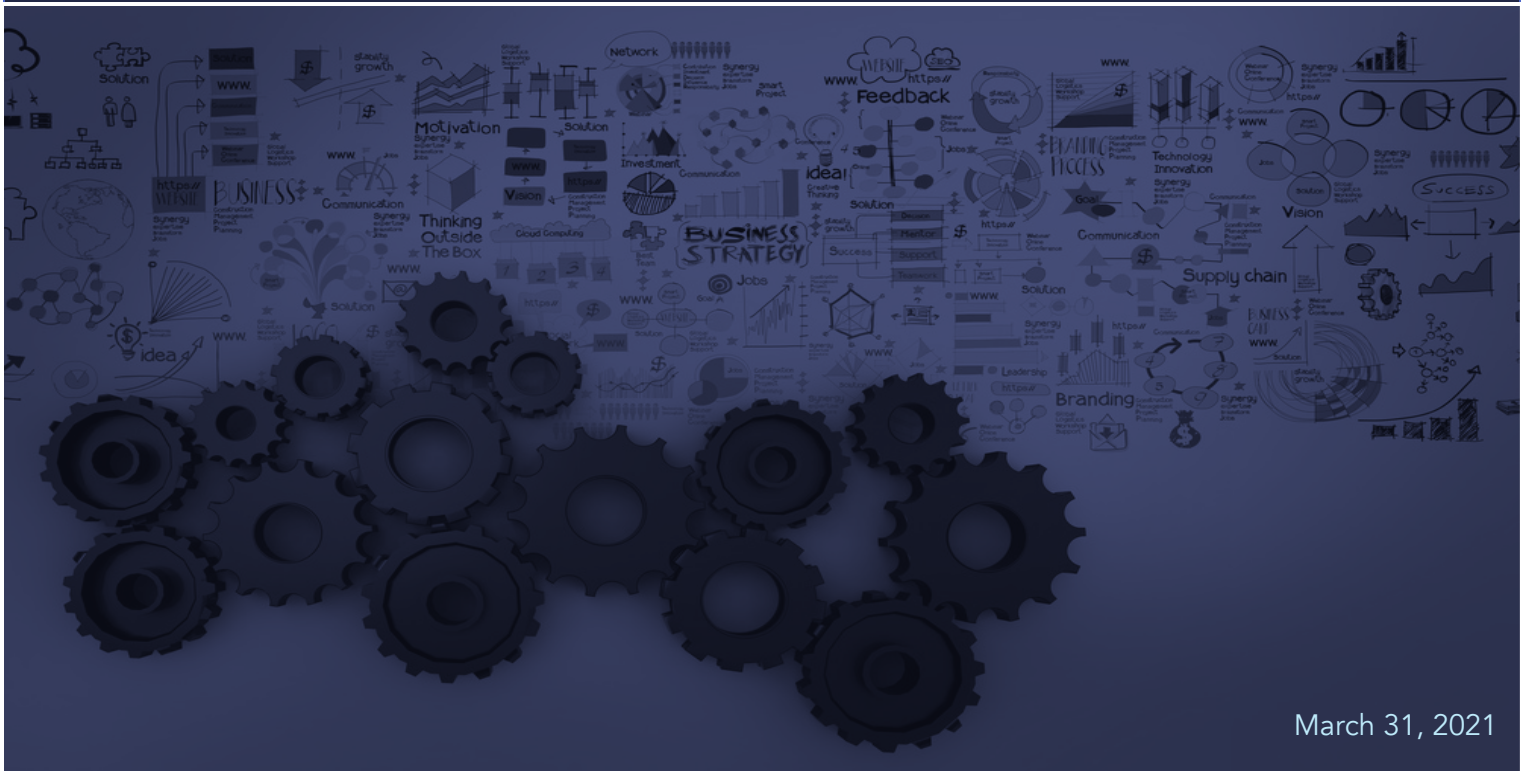


IMPACT ECONOMICS

Addendum

Implications of the Global Pandemic on NWT Indigenous
Leaders Economic Coalition Five-Year Plan

For Denendeh Development Corporation



March 31, 2021

PO Box 774 Stn Main

Yellowknife, Northwest Territories X1A 2N6

Phone: +1.867.873.8008 Mobile: +1.867.444.6191

E-Mail: clinton@impacteconomics.ca Web: www.impacteconomics.ca

Implications of the Global Pandemic on NWT Indigenous Leaders Coalition Five-Year Plan

Addendum

TABLE OF CONTENTS

<u>INTRODUCTION</u>	<u>1</u>
<u>NWT'S NEW ECONOMIC LANDSCAPE</u>	<u>2</u>
A REVIEW OF THE JOBS MARKET	2
A REVIEW OF ECONOMIC INDUSTRIES	4
A REVIEW OF COMMERCIAL MARKETS	7
WHERE ARE WE NOW?	9
<u>EMERGING STRONGER</u>	<u>10</u>
<u>FIVE-YEAR PLAN ADDENDUM</u>	<u>13</u>
A NEW AREA OF FOCUS FOR COALITION	13
IDENTIFYING PUBLIC SECTOR GAPS AND THE POTENTIAL WITHIN THEM	15
NEXT STEPS FOR COALITION INVESTMENT PLANNING	17

INTRODUCTION

Denendeh Development Corporation (DDC) has been working with the Indigenous community throughout the Northwest Territories to establish the NWT Indigenous Leaders Economic Coalition (the Coalition) for the purpose of taking an active, collective role in the economy. The Coalition was in the final stages of its creation and had worked to develop a Five-Year Plan just as the global pandemic caused by the novel coronavirus (COVID-19) led to government lockdowns of economic activity everywhere.

One year later, as economies around the world re-emerge from the devastation of COVID-19, there is a need for the Coalition to revisit its plans given the economic landscape has been dramatically altered as a result of the lockdown. DDC has asked Impact Economics to investigate how this altered economic landscape might affect the Coalition's five-year plan and to provide an addendum to that plan where necessary.

There is also a growing assertion from Indigenous leaders that the re-emergence should not be one where the territory goes back to the status quo of the pre-COVID world. The global response to COVID-19 has demonstrated to the world the power of collective action, and it is this experience that many leaders (Indigenous and otherwise) are looking at when proclaiming that the world needn't be as it was. That it can be better.

It is in that spirit that DDC is approaching its investigation into what this new world might be in the NWT and how Indigenous peoples through the Coalition can become instigators and investors in that change.

The research findings are presented in three chapters. Chapter one offers a high-level look at how the NWT economy has changed in the past year. Chapter two provides a review of recent literature on the "Emerging Stronger" notion. The third and final chapter proposes some changes to the Coalition's Five-Year Plan.

NWT'S NEW ECONOMIC LANDSCAPE

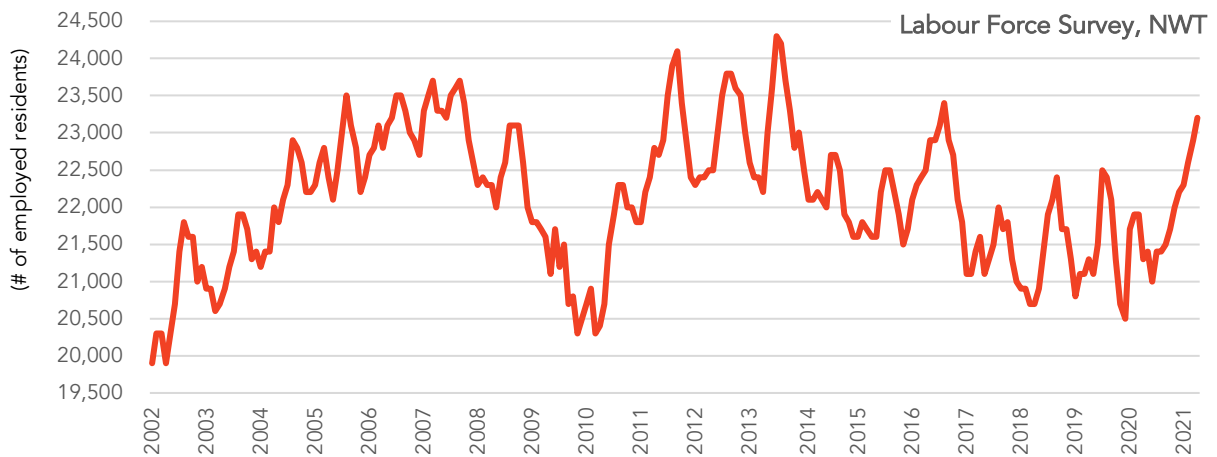
There can be no doubt that the NWT's economic landscape has changed over the past 15 months. These changes can be attributed to the global pandemic in part, particularly its effect on travel and tourism-related industries (leisure and business, including transportation, accommodation, food services, and tourism operators) and certain commercial services. The lockdown measures have had significant social effects as well, changing the way adults work, how children attend school, and how households spend money. It is not yet known which if any of these changes will outlive the pandemic.

More than anything else, COVID-19 has brought to the surface a number of challenges in the NWT economy that have been festering for years. The NWT's growth path has been on a slow downward march for the past ten years as interest in oil and gas development faded, diamond mines passed their collective half-lives, and only smaller-scale opportunities emerged as potential replacements. This is leaving the territory's economy increasingly dependent on transfers from the federal government.

A REVIEW OF THE JOBS MARKET

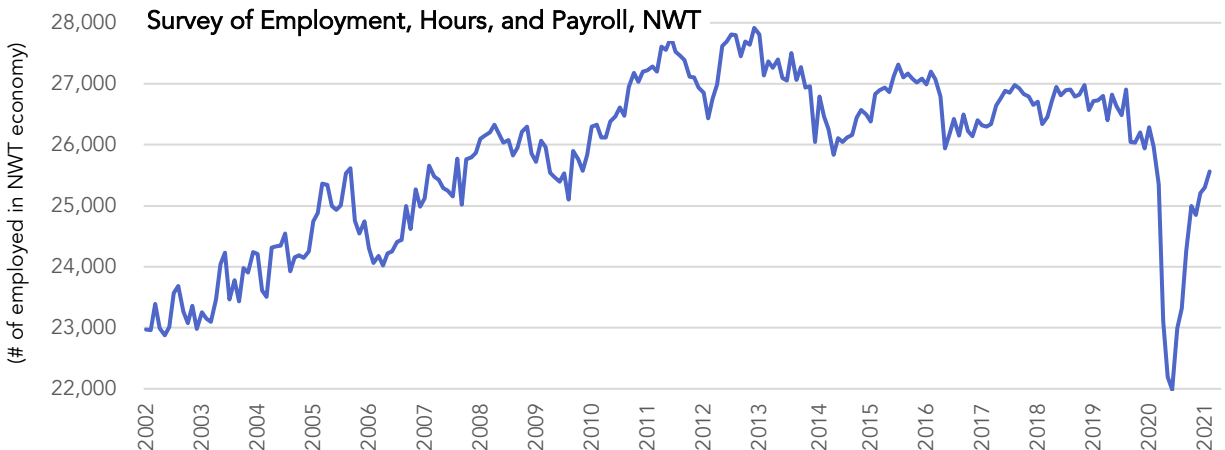
This will not bother everyone. A quick glance at the latest employment data from the *Labour Force Survey* reveals that employment has not only recovered from the low point in April of 2020, but is now (as of April 2021) at the highest level since the summer of 2016. It should also be said that the 21,300 jobs recorded 12 months ago, while a decline from the first three months of 2021, was close to the average monthly jobs total for the previous 24 months. The reality for the NWT is that the downward trend in employment began in 2013, and the low point was not April 2020, but rather December 2019 when employment was 20,500, well below the worst month of the pandemic.

The employment picture has not fully recovered according to the *Survey of Employment, Payroll, and Hours* (SEPH). But those data include people travelling to the NWT for the purpose



of work but who do not take up residency here. These job tourists work throughout the economy, but primarily in mining and construction and tourism-related industries. Most private-sector construction projects were suspended in April and the job tourists working on those projects went home (public projects were deemed essential and therefore were allowed to continue). At the same time, operations at Ekati were suspended and remained so for the remainder of 2020.

Coupled with the broader effects of the economic shutdown, the events at Ekati and at construction sites around the territory brought about approximately 4,000 temporary job losses in the month of April 2020. More than half of those losses were recovered within three months, and another 1,000 over the six months that followed. As of February 2021, total employment was 1,100 off its five-year average; a gap easily explained by the much-reduced workforce at

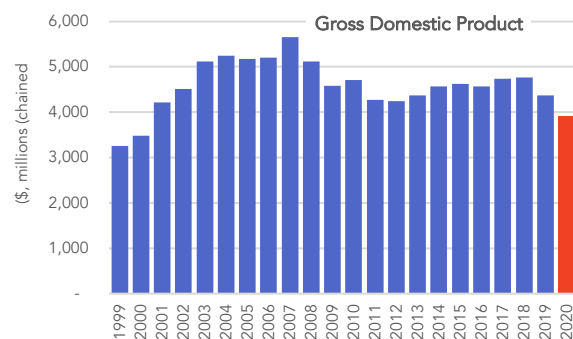


the reopened Ekati mine (its labour force is more than 1,000 below its previous peak), and continued job losses in travel and tourism-related industries still suffering from COVID-19 lockdowns.

A REVIEW OF ECONOMIC INDUSTRIES

What does this mean? Some would see these data as a return to normal (notwithstanding the continued restrictions on travel), but a closer look shows this is not exactly the case. The preliminary data for Gross Domestic Product were released in early May. The NWT economy, as measured by GDP, fell by 10% in real terms in 2020, the largest drop in the country. Much of the fall can be attributed to the suspension of activities at Ekati, resulting in a 30-percentage point drop in mining output for the year. Economic activity in air transportation declined by more than 60%, traveller accommodations fell by more than 50%, and restaurants and bars saw a decline of 25%. Not including the public sector, real output in service-related industries fell 13%.

But other areas held strong. Public administration, education, health care, and public-sector capital projects barely skipped a beat over the past year. Of course, these are all economic activities sponsored, in large part, by the federal government that sent \$1.5 billion (~\$33,000 for every NWT resident) to the GNWT in 2020-21 in addition to paying for portions of major capital projects. This money arrives at the territory's doorstep every year regardless of what might be going on in the region's economy or throughout the world for that matter.



GROSS DOMESTIC PRODUCT BY INDUSTRY, NORTHWEST TERRITORIES, 2018 TO 2020
 (millions of chained (2012) dollars in basic prices)

	2018	2019	2020
ALL INDUSTRIES	4,763.8	4,376.4	3,920.1
		-8.1%	-10.4%
AGRICULTURE, FORESTRY, FISHING, HUNTING	10.3	10.4	10.0
		1.0%	-3.8%
MINING, QUARRYING, OIL AND GAS	1,804.1	1,336.0	928.7
		-25.9%	-30.5%
UTILITIES	76.0	72.3	65.6
		-4.9%	-9.3%
CONSTRUCTION	366.1	287.6	366.5
		-21.4%	27.4%
MANUFACTURING	10.5	8.3	7.7
		-21.0%	-7.2%
WHOLESALE TRADE	123.1	104.2	66.1
		-15.4%	-36.6%
RETAIL TRADE	165.1	160.6	167.6
		-2.7%	4.4%
TRANSPORTATION AND WAREHOUSING	223.2	223.8	121.6
		0.3%	-45.7%
INFORMATION AND CULTURAL INDUSTRIES	104.5	107.0	105.0
		2.4%	-1.9%
FINANCE AND INSURANCE	123.8	119.6	124.5
		-3.4%	4.1%
REAL ESTATE AND RENTAL AND LEASING	402.3	403.8	413.1
		0.4%	2.3%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL	74.7	76.2	68.9
		2.0%	-9.6%
MANAGEMENT OF COMPANIES	19.6	16.2	13.9
		-17.3%	-14.2%
ADMINISTRATIVE, WASTE AND REMEDIATION	50.9	52.8	48.7
		3.7%	-7.8%
EDUCATIONAL SERVICES	214.7	220.1	202.3
		2.5%	-8.1%
HEALTH CARE AND SOCIAL ASSISTANCE	309.6	319.0	300.4
		3.0%	-5.8%
ARTS, ENTERTAINMENT AND RECREATION	7.4	7.2	3.6
		-2.7%	-50.0%
ACCOMMODATION AND FOOD SERVICES	93.8	95.2	60.2
		1.5%	-36.8%
OTHER SERVICES	57.8	56.3	51.0
		-2.6%	-9.4%
PUBLIC ADMINISTRATION	712.3	722.8	725.7
		1.5%	0.4%
Notes:			
1. Source: Statistics Canada data table: 36-10-0402-01			
2. Prepared by: NWT Bureau of Statistics			
3. Data will not sum to totals since chained dollars are not additive			

The GNWT reroutes the federal grant into public administration, education, health, and capital projects, accounting for 51% of the NWT's economic activity (\$2.3 billion) and 14,600 jobs if the direct, indirect, and induced effects are included in the measurement.¹ In most NWT communities, and especially the small and isolated communities, almost every financial transaction can be traced back to government spending.

This government sponsorship of the NWT economy provides the territory with stability and security. But it falls short of offering a chance for substantial change, aiming instead to achieve a preservation of the status quo. If the territory is to achieve economic and social change, in particular in communities outside Yellowknife, a vibrant private sector is necessary. This is what is currently under threat.

The territory's economy was set for a major transformation before COVID-19, with the pandemic bringing to light some of the issues more quickly. The transformation is being brought about through changes in the resource sector, where the diamond industry is facing downsizing and closures. The new owners of Ekati mine, that employed in excess of 1,600 only 18 months ago, has stated that it intends to resume production and has a modest mine plan for the next few years with plans to transition to larger scale production in the future. An absence of public information means this outlook does not come with a high level of confidence.

Apart from the changes at Ekati, the Diavik mine is still set to close in 2025. It currently employs about 950 people. The Gahcho Kué mine will close three years later. It employs about 600 people. Together, these three mines employed 3,300 people in 2018. Beyond 2028, they might not employ anyone apart from reclamation and environmental monitoring teams. These private-sector operations bring hundreds of millions of dollars into the territorial economy

¹ Based on 2017 data, including 2017 gross output and input-output multipliers published by Statistics Canada.

every year; money that is generated through the sale of diamonds to international markets. This is not only new money to the NWT economy, it's new money to Canada.

There are other resource projects. Small scale production is underway at Thor Lake and north of Yellowknife, and there are indications that mining could eventually resume at Pine Point, NICO, and other small properties, while the Inuvialuit Regional Corporation is looking to develop a small gas field outside Inuvik to satisfy local demand. These are good projects but will not replace even the smallest of the three diamond mines in terms of employment or generate the type of revenues for governments that came from the diamond mines.

Other opportunities for economic diversification are limited. Tourism was the strongest of these prior to the pandemic and had room to grow. It brought in more than \$200 million in revenues in 2019-20. It is unclear how quickly tourists will return and in what numbers, but it is reasonable to believe that the industry will begin a proper recovery in 2022. The remaining diversification options, such as fishing, agriculture, and forestry are small in scale and are dependent on government subsidies for further expansion.

Government will fill some of the gaps. The territorial government has expanded its bureaucracy and has plans for increased capital spending while the federal government is pushing ahead with reclamation projects. Both will help the overall labour market, and the construction industry in particular. Importantly though, the majority of this spending doesn't put the territory in a better economic position to attract private-sector investment. This is a gap.

A REVIEW OF COMMERCIAL MARKETS

There is a general sentiment that the COVID-19 lockdowns have had a devastating effect on the economy, and in particular, on small and medium-sized businesses. This has certainly been the case in Canada's largest cities, where the lockdowns were far more stringent with some communities under curfew orders. Appreciating just how hard it is to run a successful small business and especially those that depend on tourists, these types of controls on the public

were not in place in the NWT. The result has been a far less severe effect on commercial services.

Statistics Canada has completed a survey of business conditions and the results illustrate how the NWT's experience has been different than that of other Canadian jurisdictions. At the start of the pandemic, 25.5% of businesses in the NWT shutdown temporarily. However, unlike places like Ontario, where 6.7% of businesses shutdown and have remained closed, only 2.1% of NWT-based businesses have not reopened.

More telling is a comparison of revenues from 2019 to 2020. In the retail trade industry, which is largely made up of local retailers that service the domestic consumer market, 65% of businesses saw revenues grow. Industries tied into travel and tourism did experience significant declines. For example, 72% of accommodation and food services businesses saw a decline in their revenues.

Within the small business sectors, 35% accessed the Canadian Emergency Business Account, 22% accessed the Canadian Emergency Wage Subsidy, and 19% accessed the Temporary Wage Subsidy. Also interesting, the majority (63%) of businesses that did not access any of these emergency funding programs reported that they did not need them.

One has to be cautious in interpreting the results of a single survey, but one takeaway is that the NWT business community (apart from travel and tourism and a number of select business areas) have not suffered to the same extent that we see reported in downtown Toronto, Vancouver, or Montreal. It speaks to the strength of the domestic market and the fact that the territory escaped the ordeal without any major coronavirus outbreaks and therefore businesses remained open.

The Canada Emergency Response Benefit and Employment Insurance were also major contributors to the domestic market success. In total, the NWT registered 11,890 individual applications for financial relief. This is approximately 1 in 4 residents. Final analysis of these payments has not been completed, but anecdotal evidence suggests these programs were

wildly distributed and were quickly channeled into consumer spending. There can be no doubt that this had a positive influence on NWT small businesses.

It is also important to note that workers at the Diavik and Gahcho Kué mines that were ordered to stay home continued to receive full wages, while workers at Ekati received a portion of their wage for several months. So, throughout this ordeal, family income levels were well supported. One outcome is that businesses that rely on this domestic demand actually saw an increase in revenues.

WHERE ARE WE NOW?

There are a few key takeaways from this economic overview. One, the global pandemic has had a devastating effect on the travel and tourism-related industries, and some service providers. The travel industry will return to normal when Canadians are allowed to travel freely within the country, while the tourism industry might have to wait a little longer. Most service providers have returned to normal or close to it. Two, the territory's largest private-sector industry is declining and this has very little to do with the pandemic. And three, the NWT economy is sustained through transfers from the federal government and these will continue. However, this is not a path toward long-term growth and prosperity.

Together, the outlook tells us that the NWT economy is entering a period of transformation that could last ten years or more. On the other side of this transformation there will still be mining, tourism, and commercial services, but the level and extent to which these are able to grow and flourish will be dependent on how well the territory manages the transition. More to the point, it will depend on what the territory does with the annual influx of government money. Can it be leveraged into something new, or will it be used to secure the status quo?

This is the NWT's challenge.

EMERGING STRONGER

There is a compelling argument against a return to normal. Normal in the NWT economy means

- a territorial economy dependent, almost entirely, on federal government spending
- regions outside the North Slave depending, almost entirely, on territorial government spending
- numerous families living outside Yellowknife and the territory's regional centres without a lot of options or opportunities to raise their standard of living
- widening income inequality, and
- public investments that cannot keep pace with rising demand.

It is important to remember that the pandemic was fought with a tremendous support package from the federal government and by paid leave. In a post-pandemic world, these supports largely disappear and a return to normal will be guided by the broader economic outlook presented earlier that includes mine closures and limited new investments. In that sense, the return to normal might actually be a return to something worse than normal.

Some have proclaimed that the pandemic represents a "once-in-a-lifetime" opportunity for change. This is probably an exaggeration. There's nothing about the pandemic itself that sets the territory up for change. If anything, it has likely made people long for a return to normalcy, despite what it might mean for those trying to earn a living outside the public sector or those living below the poverty line. More important, the human and financial resources needed for change have been stretched for the past year and might not be available for the work needed to bring about change. If it is a moment for change as some have stated, the territory's leaders are going to have to put in a lot of work to make it so.

The pandemic has shown the world the power of collective action. It has given many people pause to consider what is important and how they interact with others. This reflection is taking place at the institutional and organisational level as well. How groups interact; that is, how they

cooperate, coordinate, and work together on common goals will determine whether any change will be realised.

What does this mean? How does it happen? It is not easy to summarize what this form of “Emerging Stronger” means in a practical sense. Within the Indigenous community and outside government, the themes are centred on greater participation of Indigenous peoples in the economic affairs of the territory including decision-making, investment, and ownership.

However, it would be naïve to think that the kind of change being promoted will have a material effect if not supported by money. And if it is going to be government money alone, the changes implied by the Emerging Stronger ideals will be in name only. The economic realities described in the previous chapter are not sidestepped or made irrelevant through MOUs or any other bureaucratic reconfigurations.

In a piece published by Arctic 360, this challenge of money is addressed directly.² The author doesn’t propose a solution so much as identify the challenge. The paper uses the *New Deal* introduced in the United States to address the collapse of economic and financial operations during the Great Depression as an example of what is needed now to bring change to the North. The breakthrough highlighted from the *New Deal* was innovation in financial markets that were supported by the federal government that increased the flow of private-sector investment in the American economy and in American families.

The author admittedly did not know what innovations are required for the North, largely because they will require much discussion and debate by knowledge holders in this area. The recommendation put forth is that we should first agree that private-sector investment is a necessary condition for long-term transformation of the North and that it will not materialise on

² Shadian, Jessica. (2020). Along the (Very) Northern Trail of Canada’s Roosevelt Moment. Arctic 360. September 2020. <https://www.arctic360.org>

its own. Furthermore, that it will require a fundamental change is government's vision for the North and a new understanding of how that vision can be achieved.

The underlying message was that public-sector investment is not enough. Nor can government remain in the business of trying to be all things to all residents, owning every asset, and directing every investment. Indigenous groups and private-sector investors must be viewed as viable alternatives, along with an appreciation for what the private-sector market can accomplish if allowed to flourish. There are some gains to be made through such things as new procurement practices that favour domestic and Indigenous business, and through re-focused spending. But the gains from such actions have to be measured at the margin. That is, what are the gains over and above what would have been achieved had procurement and spending proceeded as usual? Unfortunately, too much weight is given to the total effect of these proposed changes rather than the marginal effect, which results in the actual benefit being massively overstated.

Nevertheless, this represents a change in vision for the North and will not happen overnight. Transformation through Indigenous integration and private-sector investment innovation will take time, even if all governments were today on the same page and fully supportive. Emerging from the pandemic is a more immediate concern. And in that sense, the territory cannot wait for the institutional changes implied by the longer-term vision.

Communities need investments now. The NWT Indigenous Leaders Coalition was established to address that gap before the pandemic, and if nothing else, its role has only grown more important in light of the pandemic. It is the viewpoint of many Indigenous leaders that they have the money that government's need and are **willing investors in their own communities**.

If the territory truly wants to emerge stronger, it will have to establish a vision that includes more cooperative participation in the investments needed. And in that sense, the pandemic does represent the perfect opportunity for change. In truth, the territory has no other choice unless a return to status quo is preferred.

FIVE-YEAR PLAN ADDENDUM

A review of the NWT Indigenous Leaders Economic Coalition's *Five-Year Plan* conducted in October 2020 found it included some inconsistencies in its design and a lack of focus. It was not made clear

- if the Coalition would be guided strictly by profits or consider broader economic objectives,
- whether investments were to be made exclusively in the territory and its communities or if Coalition money could go outside the NWT,
- or whether there would be a specific range of investments (certain industries or businesses areas) that would be entertained or if the Coalition could invest in any opportunity regardless of size or scope.

The approaching end to the pandemic is being viewed as a time to emerge stronger. The previous chapter highlighted some of the key elements of that. Some were decidedly long-term such as attracting private-sector direct investment through financial innovations and security. The Coalition cannot wait for those bigger opportunities to manifest before taking action, and there are no guarantees that those opportunities will actually occur or that the grand plan to emerge stronger will ever materialise. The territory is in need of investors today.

This chapter offers ideas on how the new economic landscape and emerging stronger ideals might influence the Coalition's *Five-Year Plan* and how the Coalition could respond to those changes. This should be viewed as an addition to the original Review of the plan.

A NEW AREA OF FOCUS FOR COALITION

There are a few *new* or *emerging* opportunities for the Coalition. These existed prior to the pandemic, but are either more obvious or more pressing now. These opportunities center largely around one broad theme, public sector support, that can include capital investment and the provision of public services. This theme is based on the recognition of two important facts.

- (1) The Canadian government fought the pandemic with the public's finances, spending close to \$400 billion more than it collected in revenues over the 2020-21 fiscal year, and while there are expectations that governments' will continue to spend through the recovery phase, there will come a time when the excess spending will stop and it will be replaced by a period of austerity.
- (2) As COVID-19 recovery money disappears, the territorial government will need new partnerships and financial support. Indigenous governments, businesses, and organisations can provide both.

Emerging from the pandemic is an opportunity for the Coalition to form a relationship with the territorial government as an investor in community capital assets and potentially even become service providers. We can't know just yet the extent to which governments will need these partnerships, how they will form, or how far into the public realm they might stretch, but this general pathway is an almost certainty, and can be a long-term win-win for all parties.

- Communities need investment,
- The GNWT's funding is limited, and
- The Coalition is keen to be investors in the communities it represents.

All that is missing is the relationship to make it happen.

As stated earlier, the year-long lockdown has exposed weaknesses in the NWT's economy, infrastructure, and even in its vision. And, as suggested, these are areas where some of the actions needed to emerge stronger do not have to cost more money than might have been spent otherwise, but they are areas that require new ideas, concrete action, and clarity of intent. And within that, there is a desire amongst NWT Indigenous leaders to take on a greater role.

This is not a statement of entitlement. Indigenous leaders believe its elevated role will come through increased participation in the territory's development through direct investment into the economic foundations of the territory. It is this vision that led to the creation of the

Coalition in the first place. The question the Coalition now is “How can it form the necessary relationships and become critical partners in the government’s public sector responsibilities?”

As part of the critique on the investment guidelines established for the Coalition, Impact Economics put forward the idea that increased Indigenous participation in the economy through investment can be based on an assessment of existing gaps that are otherwise preventing society from reaching a desired high and sustainable quality of life. This approach is supported by numerous comments and/or recommendations made by Indigenous leaders at the Coalition’s forum in November 2019. There was strong sentiment expressed during that meeting that investments must benefit the local population. This was not a recommendation that the investments include a social component necessarily—there was widespread agreement that investments should return a profit or at least breakeven—but it can be interpreted as a recommendation that the Coalition’s investments provide meaningful downstream benefits to Indigenous people living in the territory.

IDENTIFYING PUBLIC SECTOR GAPS AND THE POTENTIAL WITHIN THEM

As a part of the initial critique of the Five-Year Plan, Impact Economic presented an approach to identifying investment opportunities. The real intent was to bring a framework and clarity to the future actions of the Coalition. It was pointed out that there is an almost endless list of gaps in the NWT, whether it is in public infrastructure or services, commercial capital, or consumer goods and services. Gaps can be viewed in terms of social and economic performance—health status, education levels, financial wellbeing, community safety, food security. They can also be seen in economic sectors or industries. For example, there are gaps between the performance and potential in mineral exploration, tourism, and commercial and non-commercial services.

It is easy to identify these gaps, but the existence of a gap is not a sufficient condition for an investment. A gap implies some kind of disequilibrium. The question the Coalition must ask is whether there is a business case associated with the misalignment of demand and supply. That is, is there a financial interest in closing the gap?

The new economic and fiscal reality facing the territory and its government coupled with a seemingly genuine interest in emerging stronger, the focus of this Addendum is to direct Coalition’s focus increasingly toward public sector gaps. A clear statement is needed here that this is not a recommendation to ignore private-sector opportunities—the fallout from the economic transition could create great investment opportunities—rather, it is a recommendation that to combine what we know of the economy and the current spirit of change means the timing is right for pursuing a closer relationship with the territorial government through partnerships, investments, and potential service provision.

The Coalition might want to revisit the assessment of gaps through the lens of government needs. The territorial government is actively involved (either directly or indirectly) in numerous aspects of the NWT economy.

Physical Capital/Infrastructure

- Housing
- Power Transmission
- Broadband Transmission
- Warehousing
- Airports and Ancillary Buildings
- Health care and Education facilities

Public Services

- Health Care
- Education
- Training
- Safety

Private Sector Support

- Tourism
- Fisheries
- Forestry

- Agriculture

Within these many areas, government owns and sometimes operates capital assets and they provide different types of supports and services. There are business opportunities in the ownership, maintenance, and service provision in these areas. Examples include

- Financing the construction of public buildings for lease,
- Public private partnerships agreements on the construction and operation of major infrastructure, such as airports and hospitals,
- Development of businesses to provide public services (either in new areas of public need or as a private-sector replacement of a public service)

These three examples can be scaled to match government's interest and need, with some being small-scale community-based initiatives and others being major regional or pan regional projects. The examples can also be adjusted to fit different areas of government business and might combine the needs of the public with the needs of a region or a community.

It is not possible to be more specific without first building a relationship with the territorial government and learning how and where the Coalition might best support the broader public goals of the territory.

NEXT STEPS FOR COALITION INVESTMENT PLANNING

It is critical that the Coalition defines its purpose before establishing its approach—form follows function. In the absence of a Plan that establishes clear objectives and rules, the Coalition's approach to investing will lack focus.

With the purpose defined, the ideas put forth in this Addendum can be considered. That is, in recognition of the underlying trends in the NWT economy, the current interest in emerging stronger, and the desire of most Coalition members to contribute to their communities' wellbeing, the path towards a new relationship with the territorial government seems the best one at this time. There will be private-sector opportunities completely independent of this, but

for the next ten years, the majority of business opportunities will be tied to government and its needs and responsibilities. If Indigenous leaders want to play a part in shaping the territory's future, this is a partnership that must be formed.