

Urban Aboriginal Economic Development National Network



Background Brief: Nuu-chah-nulth Economic Development Corporation

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About the Urban Aboriginal Economic Development Network: The Urban Aboriginal Economic Development National Network is an open and inclusive multi-stakeholder network of researchers and practitioners working in urban Aboriginal and Métis communities. This includes organizations, universities, federal/provincial/municipal and Aboriginal governments, private industry, community groups, and NGO's. The network's focus is on mobilizing economic development knowledge and strengthening organizational capacity.

This paper can be found on the network website: <http://abdc.bc.ca/uaed>

Nuu-chah-nulth Economic Development Corporation

Vision Statement

To continue to develop and grow to be the best Aboriginal Corporation dealing with financial, banking and business development services which will play a major role in helping Nuuchahnulth communities become healthy, wealthy and socio-economically independent by seizing all existing and emerging opportunities and building on the new economy. (NEDC. About)

Nuuchahnulth territory is situated on Vancouver Island, British Columbia, extending at the west coast of the Island from the Brooks peninsula to Port Renfrew and east to Gold River and Port Alberni.

NEDC was incorporated in 1984 as a non-profit organization under the *Canada Corporations Act*, and as such is exempt from income tax according to section 149 of the *Canadian Income Tax Act*. The goal and purpose of this corporation is to support economic and social independence for the Nuuchahnulth “through the contribution of financial assistance and advisory services to individual and tribal business development initiatives” (NEDC. About). NEDC aims at advocating and assisting the development of new businesses as well as supporting existing Aboriginal on- or off-reserve enterprises in Nuuchahnulth territory. In 1997, NEDC changed its focus and clientele from services exclusively offered to Nuuchahnulth to including all persons of Aboriginal descent who live within Nuuchahnulth territory.

Financing is granted to both individually and community owned businesses. NEDC also offers financial assistance for feasibility studies and business plans for large projects. Part of NEDC’s purpose is to access other sources of funding for tribal and individual enterprises and providing ongoing advice in business and financial matters. Capacity building is supported through offering assistance towards obtaining and enhancing management skills, improving Nuuchahnulth employment opportunities, and actively promoting youth entrepreneurship. Next to these service providing goals and purposes stands the corporate goal of financial self-sufficiency and service expansion for NEDC.

A fifteen member Board of Directors leads the corporate structure of NEDC. The fifteen members represent each of the fourteen member tribes of the Nuuchahnulth Tribal Council (NTC) and one NTC appointee, usually the NTC Vice-President. The current Chair person of the NEDC Board of Directors is Ida Mills from Ditidaht First Nation; Vice-Chair is Brenda Read from Hupacasath First Nation.

NEDC Financial Assistance

NEDC offers financial assistance through three programs: Loans, Business Equity, and Youth Entrepreneurship.

Loans are grouped in three categories. Commercial loans are offered for new businesses as well as expansion or acquisition of existing enterprises; for a limited number of eligible clients, there are forgivable or non-repayable loans; and for individuals or groups planning business development, NEDC provides contributions to feasibility studies and the development of business plans.

The basic structure of NEDC loans determines that only commercial financing is offered, equity is required with each loan, the standard interest rate is 12%, individuals receive a maximum loan of \$475,000, tribes a maximum of \$500,000, and there is no minimum loan amount for any kind of borrower.

To be eligible for NEDC loans, applicants have to be one of the Nuu-chah-nulth tribes, a member of one of the tribes, or be of Aboriginal descent, live within Nuu-chah-nulth territory and propose to locate their business there as well. The minimum age for loan eligibility is 19 years, and all applicants are subject to a credit check. To apply for a loan, applicants contact the NEDC office and present their ideas to a Business Service Officer or Business Development Officer. They submit a client application form and a business plan, which will be analyzed by NEDC. When an application has been reviewed and accepted, it is submitted to the delegated approval process.

The *Business Equity* program is delivered in partnership with Aboriginal Business Canada (ABC). ABC is a federal initiative which provides financial assistance, information and resource material, and referrals to other possible sources of business funding with the goal of maximizing Aboriginal participation in the Canadian economy. NEDC has taken on the role of delivering ABC services on Vancouver Island. Eligibility for ABC assistance through NEDC is defined as follows: Individuals, associations, and other legal entities who are Canadian status or non-status First Nations, Inuit, or Métis qualify; they have to be at least 19 years of age, and live and conduct business on Vancouver Island. Applications are accepted by both NEDC and ABC. Once an application has been approved, the project will be observed for the duration of the financing agreement “to ensure the client continues to meet their contractual obligations and to determine the success of the project” (NEDC. Business Equity).

Eligible applicants for the *Youth Entrepreneurship* initiative are 19 to 35 years old, of Aboriginal ancestry, and residing and proposing to operate their business within Nuu-chah-nulth territory, on- or off-reserve. This initiative contains four components. *Loan funds* are the first one. Youth loans are granted over amounts of up to \$15,000 with an equity requirement that is reduced from 15% to 10%. The second component is *assistance and aftercare* in form of a designated Business Service Officer who is available for advice before and after loan approval. The third component, *community workshops*, offers information on NEDC planning, marketing, and financing for youth who are interested in entrepreneurship. Lastly, there is a *mentorship* program which facilitates partnerships between young, new business owners and more experienced community professionals who can assist in planning and executing a business plan.

Further NEDC Programs

Apart from the financial assistance programs, NEDC offers a number of related services.

With annual NEDC *Business Awards*, NEDC clients, Aboriginal businesses within the Nuu-chah-nulth region, and Nuu-chah-nulth businesses in any location are recognized and honoured in five categories:

- Best Environmental & Sustainable Business
- Artist of the Year
- Best Cultural Business
- Best Youth Business (>36 years of age owner)
- Business of the Year

NEDC is currently accepting nominations for its Business Awards 2010 to be awarded in October 2010 at the NEDC Award Ceremony, in which the community celebrates economic development and growth.

Another NEDC initiative is an annual *Business Plan Competition*. This event is designed to help NEDC clients and competition participants gain valuable experience in developing and presenting business plans in a contrived situation to prepare them for entrepreneurship. Information, training, and support material are provided to participants, who get a chance to practice business planning and develop ideas for real business ventures.

In order to provide support for new business owners and to increase their chances of success in the early stages of their operations, NEDC facilitates *Business Mentoring*. More experienced business owners and entrepreneurs share their expertise, experiences, and feedback with new businesses with the intent to develop a strong business network, help new business owners define their business goals, and pass on management skills. All NEDC clients who have been approved for NEDC services are eligible to become protégés in the Business Mentoring initiative. In order to become a mentor, one must have proven success and skills in their own business operations. The goals for the protégés after one year of mentorship under a more experienced entrepreneur are “a clearer understanding of the business environment, improved business planning and evaluating skills, a broader resource base, and heightened confidence in their ability to run their business” (NEDC. Business Mentoring). NEDC’s role in this initiative is to facilitate the relationship between mentor and protégé. Individuals interested in the mentor or protégé role are invited to contact NEDC.

The *Nuu-chah-nulth Business Directory* lists the growing number of Nuu-chah-nulth businesses and related service providers as a resource for those who are interested in employing Nuu-chah-nulth businesses or becoming involved in any other way. The NEDC website also provides links to those businesses from the directory that have internet presence.

Finally, the *NEDC Newsletter*, which was initiated in July 2009, shares events, news, information on statistics, and economic and business research. NEDC has created a mailing list

with an invitation to anyone interested to join as a form of networking, advertising, and information sharing through the newsletter and through information on upcoming events.

NEDC in an Urban Aboriginal Economic Development (UAED) Context

As an example of an Aboriginal non-profit financial institution, NEDC introduces a range of financial services and sources which are beneficial to Aboriginal individuals and communities and their economic development. NEDC goals point out important aspects of successful, viable Aboriginal corporations and service providers: communities have to aim at growing and developing economic progress through financial means that enable them to take advantage of opportunities; and sustainability is crucial for businesses supported by NEDC and for NEDC itself.

NEDC also demonstrates the benefits of partnering with other funds and organizations to facilitate access to available funding. In this case, NEDC makes government funding available to the community. Without NEDC as facilitator, the community might lack skills, knowledge, and personnel to find funding sources and work its way through complicated application procedures – problems that commonly impede access to government funding, especially for individuals and small groups.

The social enterprise aspect of NEDC becomes especially clear in their services other than financing. NEDC highlights support elements that lead to sustainability and success for businesses and communities. It becomes obvious that sustainable development not only depends on funding but also on the support network. NEDC has found ways to facilitate the sharing of knowledge, teaching within the community, and learning from each other – all part of traditional teaching methods. Furthermore, NEDC has identified areas such as business planning that call for formal training, teaching and information material, and practice and has developed strategies to deliver the necessary support to the community. Finally, incentives and recognition of success in the form of awards acknowledge the abilities of communities and individuals and invite others to follow the good examples.

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Sources and Related Links

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