Acknowledgements

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Hello everyone,

Today’s client, Kanaka Bar, is a First Nation’s band in British Columbia’s Fraser Canyon, approximately 150 km northeast of Vancouver and 250 km by road along the Trans-Canada Highway. Kanaka Bar has a history of settlement ranging back over 4,000 years. Today, Kanaka Bar has over 700 acres of land with a registered membership population of 230 people. Kanaka Bar is the largest employer in the Fraser Canyon, paying wages and salaries of approximately $140,000/month to 48 employees.

Until 1978, the land owned by the community had been used by developers outside of the community. Kanaka Bar’s leadership decided they could reverse the negativity from those projects by taking initiative and becoming their own developers. In 1990, they applied for a license to develop a hydroelectric project that was later completed in 2013. The $180-million project generates electricity that is sold to BC Hydro for distribution to British Columbia.

Following a change in Kanaka’s codified laws in 2013; a Chief Executive Officer was hired to handle the community’s finances and administration, and to manage government-funded projects. In late 2015, a Program Administrator and Chief Operating Officer were hired to assist the CEO with his responsibilities. By the end of March 2016, the CEO will be replaced with a committee and changes to the community’s project management will be made.

Kanaka Bar has come to us today to develop a plan that will allow it to use its lands and resources to maintain a self-sufficient, sustainable, and vibrant community.

Members of the Kanaka Bar community are looking forward to your presentation of proposed solutions. You will have twenty minutes to present, followed by ten minutes to field questions and clarify your proposal. Our research team has compiled a collection of relevant information for your reference, which is attached to this briefing.

Best of luck!

Kerry Stanley, Yi Liu
Before the arrival of Europeans, indigenous peoples occupied Northern America for thousands of years, satisfying all material and spiritual needs through surrounding natural resources.

However, their self-sufficient lives have been radically changed since European explorers first arrived on this continent in the 11th century. These newcomers founded North America’s first European colony at L’Anse aux Meadows in Newfoundland, and marks the beginning of European exploration, migration, and colonization. By the early 1600s, the Europeans had established several colonies on a large scale.

Following the Seven Years’ War whereby France ceded to Britain its control over North America east of the Mississippi River, including all of Canada, King George III issued a Royal Proclamation in 1763, which stated how the colonies were to be administered. This document established a firm western boundary for the colonies, and all the lands to the west of this boundary became “Indian Territories.” Within the Indian Territories, all settlement and trade was to be controlled by the Indian Department, which became the primary point of contact between First Nations peoples and the colonies. Historically, the Royal Proclamation became the first public recognition of First Nations rights to lands and title in Canadian law.
July 1st, 1867 marked the confederation of four British mainland colonies to form the
dominion of Canada. The Government of Canada was formed, receiving from Britain
ownership, control, and authority over the new provinces of Canada East (Quebec), Canada
West (Ontario), New Brunswick, and Nova Scotia. Gradually, the rest of Canada’s territories
joined Confederation including British Columbia in 1871. For First Nations communities
across the country, this meant the responsibility for relations was now in the hands of The
Government of Canada. Even though the majority of population of British Columbia in 1871
consisted of First Nations, they were given no power in the important land and territorial
decision making of the province.
In 1876, the federal government introduced the *Indian Act* (the Act), which consolidated previous regulations pertaining to First Nations. The Act authorized greater power to the federal Indian Department and would have deep and long-lasting impacts on First Nations across Canada.

Under the Act’s legal authority, the department intervened in a wide variety of internal band issues, including managing Indian lands, resources, and capital, controlling access to intoxicants (namely, alcoholic beverages), and promoting “civilization.” Through the following half century, the Act was amended nearly every year, to strengthen the “assimilation” and “civilization” of First Nations. Citing the same purpose, residential schools were launched in 1883 according to the Canadian government’s Indian Affairs policy. Based on the premise that European civilization was superior to indigenous culture, residential schools forced First Nations children to abandon their traditional languages, dress, religion, and lifestyle. Though the actual educational attainment was low, the curriculum was modelled after the mainstream education system, including the subjects of reading, writing, arithmetic, English, and French. By 1996, when the last federally operated residential school was closed, approximately 150,000 First Nations, Inuit, and Metis children had passed through the residential school system, and at least 6,000 of them died while attending schools. Residential schools caused significant harm to Aboriginal children; survivors reported experiencing verbal and sexual abuse during their time in residential schools, which led to, among other negative consequences, post-traumatic stress disorder, depression, alcoholism, and criminal activity.

Under the restrictive regulation of the *Indian Act*, First Nations people suffered under painful living conditions. However, thousands of them still fought for their country in both World Wars. Since then, First Nations have expressed their desire for equality with other Canadians while maintaining their cultural heritage and independence. In 1982, the Government of Canada repatriated the *Constitution Act*, and formally entrenched Aboriginal treaty rights in the supreme law of Canada. Notably, two clauses were successfully included in Section 35 of the Constitution: (1) the existing Aboriginal
and treaty rights of the Aboriginal people in Canada are recognized and affirmed; and (2) Aboriginal peoples of Canada include the Indian (now “First Nations”), the Inuit and the Metis. The courts have also stated that the section 35 was designed to conciliate the Aboriginal societies with the sovereignty of the Crown, and that negotiation represents the best approach to advancing reconciliation.

Given the expanding movement for First Nations autonomy, the government, partnering with indigenous peoples, launched the *Inherent Right Policy* to negotiate practical arrangements with Aboriginal groups to make return to self-government a reality. As the government continued to transfer control of local affairs to individual First Nations, new education policies integrated both the fundamental elements of a modern curriculum and aspects of their respective traditions, languages, and cultures. These changes occurred in parallel with the gradual abandonment and closure of the residential school system.

After over a decade of negotiations, the federal government announced in 2007 a landmark compensation package worth nearly $2 billion for residential school survivors, and offered a historic formal apology in 2008. This apology affirmed the government’s commitment to addressing the legacy of residential schools through continuing measures. One avenue through which the damage was addressed was the *Truth and Reconciliation Commission (TRC)*, established in 2008 with the purpose to “research, document, and preserve the experiences of the survivors [of residential schools].” Over a period of six years, the commission collected stories from over 6,000 individuals, and documented these primary sources relating to residential school system for survivors, their families, educators, students, researchers and the public. The establishment and work of TRC marks a continued effort of building dignity, integrity, and fairness in relationships between Aboriginal peoples and mainstream society.

On June 26, 2014, the Supreme Court of Canada declared the Tsilhqot’in Nation title to approximately 1,900 km² of land southwest of Williams Lake in the BC interior. This is the first time in Canadian history that a court has declared Aboriginal title to lands outside of a reserve. This case also established the meaning of Aboriginal title: the exclusive right to occupy the land, manage how the land is used, and enjoy the economic benefit from the use of the land. “This decision ... will be a game-changer in terms of where there is un-extinguished aboriginal title,” said Jody Wilson-Raybould, then-BC regional chief of the Assembly of First Nations.
INTRODUCTION TO KANAKA BAR INDIAN BAND

The Kanaka Bar Indian Band (Kanaka Bar) is located within the Nlaka’pamux Nation between the towns of Lytton and Boston Bar in British Columbia’s Fraser Canyon.

Kanaka Bar’s traditional community name is T’eq’t’aqtn meaning “crossing-place” and studies show that Kanaka lands, estimated at 9,000 hectares, on both sides of the Fraser River were occupied year round in permanent pit houses and that the surrounding watersheds were used for at least 4,000 years.

Over the time, the original barter economy transitioned into a sales economy (post-contact) and eventually a wage economy manifested. All three economies exist today, with Kanaka Bar residents continuing to make traditional items (food, tools, and clothing) for trade and sale. Residents have also adopted western products obtained through agricultural, forestry, and mining activities. Many residents are also employed in these sectors for wages, salaries, and contractor fees. In 2011, the membership’s labour force participation rate was 58.3%, with an employment rate of 41.7%.

The Fraser Canyon economy also has a tourism component, which has not been accessed in any meaningful way at Kanaka Bar with the exception of small-scale sales via eBay and Facebook. Recent sources of revenue for Kanaka Bar include revenue-sharing agreements and clean energy projects, discussed in more detail below.
Kanaka Bar has six reserves totaling approximately 700 acres, with more than 200 acres now expropriated for public rights of ways including two railroads, highways, and BC Hydro. Kanaka Bar has a registered membership population of approximately 230 people with 70 members living on reserve, located on a single road. The on-reserve population fluctuates seasonally and can double in the summer months, as members return for fishing, gathering, seasonal work, and cultural and recreational events. From 2006 to 2011 the Kanaka Bar registered population has seen growth; with a change of approximately 26%. Over the same period of time, the on-reserve population has increased by almost 20%.

Many members would like to permanently return to the Kanaka Bar community; however, they have been deterred by the limited availability of housing and suitable lands for new housing developments as well as a lack of employment opportunities. At present, Kanaka Bar has identified approximately 31.35 hectares of reserve lands appropriate for agriculture, industrial activity, and other forms of development.
As of 2016, Kanaka Bar was the largest employer in the Fraser Canyon, paying wages and salaries of approximately $140,000/month to 48 employees, mostly band members. According to Statistics Canada (2011), the median age of the population is 28 and 94.1% of members speak English. The educational level of the population over 15 years of age is evenly split between high school diploma, trade/apprenticeship certificate, and no diploma/certificate/degree, along with a few university degrees.

There are currently 20 residences on reserve. Ten of these homes are single-family households and ten are considered to be two-family households. Of these homes, Aboriginal Affairs and Northern Development Canada (AANDC) acknowledges that 10 dwellings require major repairs, while most within the community feel their homes are in “good” condition.

At its core, Kanaka Bar’s governance structure consists of a council of four presided by a tie-breaking Chief, Patrick Mitchell. As of September 2012, there were a number of concerns regarding the larger organizational structure of Kanaka Bar, including: (1) the lack of rules for elections and governance; (2) no separation of politics and business; (3) no separation of government funding and own source funding; and (4) too much responsibilities and authority vested in one person.

In order to address these concerns and improve governance structure, many changes in management structure were made during the past three years. In January 2013, an election code and a governance code were added to Kanaka’s codified laws to complement the membership code. Four months later, a Chief Executive Officer was hired to share responsibilities with Chief and Council. The CEO was mainly in charge of Finance, Administration, and government-funded projects, while Chief and Council managed own-source-funded projects. From April 2015, the CEO also took charge of Health & Culture and own-source-funded projects, including Kwoiek Creek Resources Inc. & Kanaka Land and Holding Ltd.

In October 2015, a Program Administrator and a Chief Operating Officer were hired to share the CEO’s responsibilities. The Program Administrator is now mainly in charge of Education & Training, Social Development, Health & Culture, and Infrastructure & Maintenance while the Chief Operating Officer manages Kwoiek Creek Resources Inc., Siwash Watershed Resources Inc., Kanaka Land and Holdings Ltd., and Kanaka Bar Employment Services Ltd.

By the end of March 2016, a new Finance and Audit committee will replace the position of Chief Executive Officer. In addition, own-source-funded projects will be separated from government-funded projects. The Kanaka Bar community continues with the implementation of the Membership Code, Election Code and Governance Code, and the improvement of its management structure.
After nearly 40 years of transforming the community, Kanaka Bar plans to use transfer dollars from government, own source revenue, revenue sharing agreements, and taxation revenue to:

- create new and meaningful relationships with government and private sector;
- create meaningful and sustainable employment opportunities within Kanaka and region to support a vibrant regional economy;
- develop membership and regional capacity by offering training and work experience; and
- implement the March 31, 2015 Land Use Plan (development opportunities and constraints on reserve).

Successes to Date

Key Kanaka Bar successes to date include:

- Kwoiek Creek Hydro Project: developed in a manner consistent with their Nation’s traditional laws, inherent title to the lands, and use of its resources; generating diverse own source revenues
• Financial Management Board certification (2014) and borrowing member of First Nation Finance Authority: now has access to capital financing at competitive market rates

• Taxation Authority: small consistent annual revenue streams

• Revenue sharing Agreements: producing variable annual amounts with a fixed term; payments end if not renewed
  - Forest Consultation and Revenue Sharing Agreement (37.5% of stumpage fees)
  - Economic Community Development Agreement (a portion of mineral taxes at a rate of less than 1% of mine revenue)
  - Clean Energy Business Fund: 20% of land and water rentals

The turning point for Kanaka Bar came around 1978, when the community realized that they could reverse the negativity caused by others’ developments by becoming a developer on its own. In 1990, they applied for a license to develop the hydroelectric potential of Kwoiek Creek.

The ensuing extensive preparations for the project included passing through two BC Environmental Assessment Office reviews, and attempting to partner with three different companies before finding a match in Innergex, an independent renewable power producer. The project moved forward following notification of the 15 member communities and 2 tribal councils of the Nlaka'pamux Nation, with seven communities electing to participate in a First Nations Advisory Group, identifying potential impacts and mitigations.

The $180 million project’s financial viability was established with a commitment from BC Hydro to purchase power for 40 years. Construction of the 49.9 MW run-of-river project was completed in December 2013, and provided meaningful employment to 18 Kanaka Bar members in project-related security, labour, equipment operation, and carpentry roles over the course of two years. Now operating at full capacity, the average annual production is estimated at 223,400 MWh, enough to power approximately 22,000 homes.
Goals & Objectives

For Kanaka Bar, the pathway towards a reinvigorated Fraser Canyon is economic diversity. The community is excited to pursue new development initiatives, sourcing ideas through meaningful public conversations with direct input provided by members. With a self-determined attitude to bring about change in their community the members have brought forward initiatives from every end of the economic spectrum. However the list created was long and broad, resulting in decision-paralysis.

To find their focus, prioritize projects, and create a practical plan and implement it, is Kanaka Bar’s next challenge.

“Kanaka Bar is committed to using its lands and resources to maintain a self-sufficient, sustainable, and vibrant community.”

Kanaka Bar strives to achieve self-sufficiency. Successful projects will provide the community with the capacity, experience, and confidence to reach a sustainable economic equilibrium. In Kanaka Bar, sustainable objectives would create a community where members can gain stable employment, have a dependable and secure food supply, and improve educational support for long-term success. It is a priority to feed the long-term vibrancy and prosperity of the community, and every project will need to contain this important element.

The goal of self-sufficiency is supported by tangible objectives in employment, food supply, financial targets, and energy.

In targeting employment, projects will need to provide job training to residents that can increase their capacity and use of transferrable skill sets, as well as deliver secure wages and work. Building up the knowledge base in the community would have a cascade of positive effects on future projects.

Food security is an important objective for residents who were, at one time, self-sufficient with traditional food sources. Residents and community leaders desire a healthy and stable food supply, one that could potentially be fully supplied within the region with the implementation of a new project. Further, if a self-sustaining food supply could be established, it would be of benefit to sell the surplus. A foundation of healthy living would support the spirit and longevity of future generations.

Exploring projects in energy development has seen previous success in Kanaka Bar. Besides subsistence uses, energy presents opportunity to diversify financial resources, a major objective that is aligned with self-sufficiency. New income streams from these projects
would aim to generate sustainable returns to help reach monetary goals in the community. In its efforts to achieve autonomy, Kanaka Bar aims to reduce its dependence on transfer dollars, currently 40-50% of its funding, in favour of own-source revenues.

The community is determined and willing to be a part of a meaningful process to find innovative and sustainable solutions to the challenging state of their region.

In order to achieve the goals and objectives of Kanaka Bar, it is critical to ensure that there are both adequate lands and resources available for the community membership today, as well as for future generations. This requires an understanding of the lands and resources currently available to the community, and an appreciation of the balance between the needs of today and tomorrow. Please refer to additional maps in Land Use Plan / Appendix.

Challenges and Constraints

“If you are not happy with the status quo - do something about it. Don’t wait for or expect a third party to come along and save you.”

- Chief Patrick Michell, Kanaka Bar Indian Band

In addition to adverse impacts created by colonization, Kanaka Bar faces other challenges resulting from environmental factors as well as declining activity in both the tourism and resources extraction industries. Specifically, there is a lack of reserve land for housing, shortage of water for cultivation. The near-desert climate in the area make it challenging for agriculture;
annual precipitation averages 43cm. There has been little interest from external developers with obvious forestry and mining opportunities exhausted and public traffic diverted to the Coquihalla Pass.

The dearth of economic opportunities have driven community members to relocate to other geographical areas instead of staying in their community’s traditional territory. Taking control of their present and future, the economic development that Kanaka Bar has initiated and seen to completion has had tremendous social impact on the Kanaka Bar community as members, spouses, and friends are now able to secure employment, training, and other benefits locally.

However, there are still many challenges associated with further economic development. There continues to be no outside developers interested in the traditional territory, there is no meaningful federal, provincial, or municipal interest in development, the proximal fee simple landowners are living in complacency, the available land is steep, and there are resource and capacity limitations at the community level. The available smaller portions of land that is then developable in many cases is not accessible by road, has no connection to power, water or sewage, and may potentially involve encroachment and contamination issues.

Due to the many challenges associated with developing at Kanaka Bar, the community has had to commit to seek suitable opportunities for themselves despite a lack of in-house expertise needed to identify, address, and implement projects.

**LAND USE CHALLENGES** | **DESCRIPTION**
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**Animal Interactions and Protection of Wildlife Habitat** | Kanaka Bar reserves is a habitat for elk, bear, deer, rabbits, dogs, raccoons, lynx, and cougars. It has been recognized that the more the community does on the landscape, the more likely the wildlife will be bothered.

**Contaminants** | Members suggested that there is a risk of contamination on reserve lands and other lands in close proximity to Kanaka. For example, asbestos and transportation fuels are known to be on lands in the Kanaka area. These sites carry liabilities and additional development costs associated with clean up.

**Sewage** | Community experiences with abandoned and existing septic fields and professional studies have shown that the ground is “slow” to drain and as a result wastewater from community homes requires lots of planning and maintenance work. This may present challenges to the development of future residential sites.

**Waste/Garbage** | Old landfills and dumps, highway and railway blow off, cars, household garbage, waste building materials, and derelict appliances present challenges to future land use.

**Water Availability** | Water availability may be restricted at some reserve locations. When possible, Kanaka has identified existing water allocations on reserve and within the surrounding areas.

**Financial** | Low or negative ROI; as a community, the financial target on projects is to break-even in the near term with a view to long-term prosperity.

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1. Fee simple is the standard and most common type of land ownership in common-law countries.
Opportunities

Despite the challenges presented in the region, there are still promising economic development opportunities that have the potential to contribute to meeting the community’s goals. Kanaka bar has identified approximately 41 hectares available to be used for development with further opportunity to acquire land off-reserve.

Key Opportunity: increase community benefits with trickle down regional benefits through foundational, diverse and sustainable land uses both on and off reserve through key foundational projects, including, but not limited to:

Agriculture
Agriculture opportunities in the development of food crops could meet the needs of the community first and provide revenue generation from any surplus. Potential projects include:

- Beekeeping - Honey production for retail sale
- Greenhouses - Year round food production for community and regional sale
- Orchards - Apples, peaches, pears, cherries, or apricots which grow well in the region

Clean Energy
Clean energy projects take significant investment but can provide over 40 years of predictable resources for Kanaka bar. There are opportunities including:

- Wind - Community energy production through wind turbines, offsetting costs with net metering capabilities and providing energy to local buildings
- Solar - Community energy production at homes, in the fields, and on the land to create net metering opportunities
- Hydro - Additional hydro development on the year round creeks under BC Hydro’s Standing Offer Program (SOP), Micro SOP or net metering

Commercial/Industrial
Commercial opportunities are abundant to provide self-sufficient food sources and at scale, generate revenues for the community. These projects leverage member strengths in curating traditional foods.

- Cannery/Food Processing - Producing traditional food products such as dried fish for both community food source and surplus sale
- Convenience Store & Gas station - Small local store that could provide gasoline at a cheaper price with the community’s own pump ($0.60/L instead of $1.10/L)
- Commercial Kitchen - Process locally harvested foods (drying, freezing, smoking or canning) in larger scale volumes for surplus sale

Institutional
- Seniors complex - If established, palliative care housing for elders would allow them to stay with their community and provide employment opportunity.

Tourism
- Campgrounds - public and community sites created could pave the way for further opportunity in summer camps, retreats, and other gatherings
- Cultural experiences - Engage tourists through experiences related to traditional hunting, fishing, hiking, camping, food gathering, and more
The power of choice for Kanaka Bar’s course towards a reinvigorated economy is in your hands.

Prioritize the projects that promote success through the collaboration between federal and provincial entities, First Nations, and developers. Bringing these four entities together creates a quadruple win where common goals are achievable.

The client requires a five-year economic development plan to determine what projects can be successfully implemented and provide foundational change to the community.

Address the process of implementation from beginning to end: does the community implement multiple projects or only a single project? Will projects be pursued concurrently or consecutively? The baseline data gathered following the four-year period from 2016-2020 should provide a vision of which competitive projects will be continued and scaled for the next generation.

Showcase depth in your understanding of the unique constraints of this community and how they can be turned into opportunities. What you decide upon will influence the community. Presented with a horizon of possibilities, decide what projects will be the most important and demonstrate how they will bring positive and sustainable economic change to Kanaka Bar for generations to come.
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