

Regional Economic Development Plan - Dehcho

Prepared for the GNWT Department of
Industry, Tourism and Investment

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1. INTRODUCTION



1.1 PURPOSE OF THE REGIONAL ECONOMIC DEVELOPMENT PLAN

The mandate of the Minister of Industry, Tourism, and Investment (ITI) is to promote economic self-sufficiency through funding, support, and marketing initiatives designed to foster a positive economic environment in the Northwest Territories (NWT). ITI is working with various stakeholders and Governments throughout the territory to help diversify regional economies and to increase employment opportunities in the communities.

The purpose of this project, led by ITI, is to identify economic opportunities in each of the administrative Regions in the NWT and develop six Regional Economic Development Plans (REDPs). The development of REDPs is a mandate item under the 19th Legislative Assembly of the Northwest Territories as the Government of the Northwest Territories (GNWT) continues to work towards diversifying the economy of the NWT.

More specifically, this project entailed:

- Developing a list of engagement participants for the Region in association with local facilitators and ITI;
- Engaging with key regional stakeholders, Governments, and participants through surveys, interviews, and group sessions;
- Increasing the understanding of the importance of economic development;
- Identifying economic strengths, constraints, and development opportunities, in the Region; and
- Identifying priorities for action as identified by respondents to take advantage of strengths and opportunities, and to address constraints.

The REDP includes:

- A socio-economic profile of the Region;
- A summary of regional strengths, constraints, and development opportunities; and
- A summary of key economic development priorities for the Region reflecting the results of our research and consultation with key regional stakeholders, Indigenous Governments, Community/Municipal Governments, and participants.

The NWT consists of five administrative regions including the Dehcho, South Slave, Beaufort Delta, Sahtu, and North Slave Regions. A sixth REDP was developed for the communities covered under the Tłı̄chq Land Claims and Self-Government Agreement. The map in Figure 1 highlights the boundaries and communities located in each region.

The Dehcho Region is in the southwestern corner of the NWT, bordering the Yukon to the west, the Sahtu Region to the north, the North Slave and South Slave Regions to the east, and British Columbia and Alberta to the south.

Figure 1: Map of the NWT Administrative Regions



1.2 HOW THE PLAN WAS DEVELOPED

This plan was developed through extensive engagement with key stakeholders and Governments as well as an in-depth review of the relevant statistics, reports, and existing local and sectoral strategies. The engagement process included:

- **A survey of regional stakeholders and other key informants.** The survey was posted online using the "Have Your Say" portal, the GNWT's public engagement website, and was designed to obtain input on identifying opportunities and mitigating challenges and threats to economic growth and gather recommendations for actions that could be taken to promote development.
- **In-person discussions and focus group in Fort Simpson.** The purpose of the sessions was to obtain input on developing the economy, and identify the opportunities and constraints to development, and identify priorities for action as identified by respondents.
- **Interviews with key stakeholders and Governments.** The purpose of the key stakeholder interviews was to give those with interest, expertise, and knowledge applicable to the regional economy the opportunity to share their opinions on the opportunities for development.

As demonstrated in the following table, 57 key stakeholders were engaged in the process of developing the plan for the Dehcho Region, including four key stakeholders who participated in interviews, 19 community representatives who were engaged in focus group discussions, nine regional stakeholders, and 25 sectoral and territorial representatives who participated in the survey.

Table 1: Engagement Activities in the Dehcho Region

Engagement Method	Number of participants
Interviews with regional representatives	4
Focus groups	19
Surveys with regional stakeholders	9
Survey of sectoral or territorial representatives	25
Total	57

In preparing the plan, we have also conducted a review of research reports, plans, strategies, profiles, and other documents relevant to the Dehcho Region and more generally, the NWT.

We used inclusive engagement approaches to increase participation by stakeholders from different backgrounds. Participants were provided multiple ways to participate including online surveys, phone or in-person interviews and group discussions. Multiple phone or email reminders were sent to stakeholders to encourage their participation. We hired a local facilitator in the Region who assisted with identifying local stakeholders, organized group discussions, recruited participants, promoted the engagements through social media, advertisements, and e-blasts. For example, the in-person group discussion in Fort Simpson was promoted through e-blasts, social media posts, and multiple phone and email reminders. The engagement was also promoted by the GNWT through the ITI website, social media, and emails. The group discussion was organized in the evening (6.00pm to 9.00pm) to facilitate attendance from the public.

1.3 STRUCTURE OF THE PLAN

Chapter 2 provides an overview of current economic conditions and presents a socio-economic profile of the Region. Chapter 3 summarizes the results of the engagement process regarding the economic outlook, the economic strengths on which the Region can build, constraints to development, development opportunities, and finally key priorities for action as identified by respondents.

2. SOCIO-ECONOMIC PROFILE OF THE REGION



2.1 REGIONAL OVERVIEW

The Dehcho Region is in the south-western corner of the Northwest Territories, bordering the Yukon to the west, the Sahtu Region to the north, the North Slave and South Slave Regions to the east, and British Columbia and Alberta to the south. The Dehcho is comprised of a diverse array of geographical landscapes which includes the Mackenzie Mountains, the Liard and Mackenzie Rivers, Virginia Falls, wetlands, and boreal forests.

The Dehcho Region is comprised of six communities: Smbaa K’e, Wrigley, Nahanni Butte, Fort Simpson, Fort Liard, and Jean Marie River. The population of the Region is 2,169, with most of the population declaring to be of Indigenous descent. The communities in the Region range in size from the smallest, Jean Marie River with a population of 92 people, to the largest, Fort Simpson with a population of 1,230 people. Fort Simpson is the main administrative and transportation hub for the Region.

2.2 POPULATION AND DEMOGRAPHICS

As of 2022, there were an estimated 45,605 people living in the NWT. Of these, approximately 5% lived in the communities of the Dehcho Region. As indicated in Table 2, residents are heavily concentrated in Fort Simpson, home to 57% of the Region’s population, and Fort Liard which accounts for another 24%.

Table 2: Dehcho Region Population, 2022

Region and Communities	Population	% of Dehcho Region Population	% of NWT Population
Fort Liard	523	24%	1%
Fort Simpson	1,230	57%	3%
Jean Marie River	92	4%	0.2%
Nahanni Butte	101	5%	0.2%
Smbaa K’e (Trout Lake)	97	4%	0.2%
Wrigley	126	6%	0.3%
Dehcho	2,169	100%	5%
Northwest Territories	45,605		100%

Source: NWT Bureau of Statistics

Between 2009 and 2022, the Dehcho Region experienced a small decrease in population of 2%, while the NWT grew in population by 5%. This decrease was driven primarily by 3% and 7% population declines in Fort Simpson and Fort Liard, respectively. The greatest population decline was observed in Wrigley and Nahanni Butte (-8%), while Jean Marie River experienced growth of 26%.

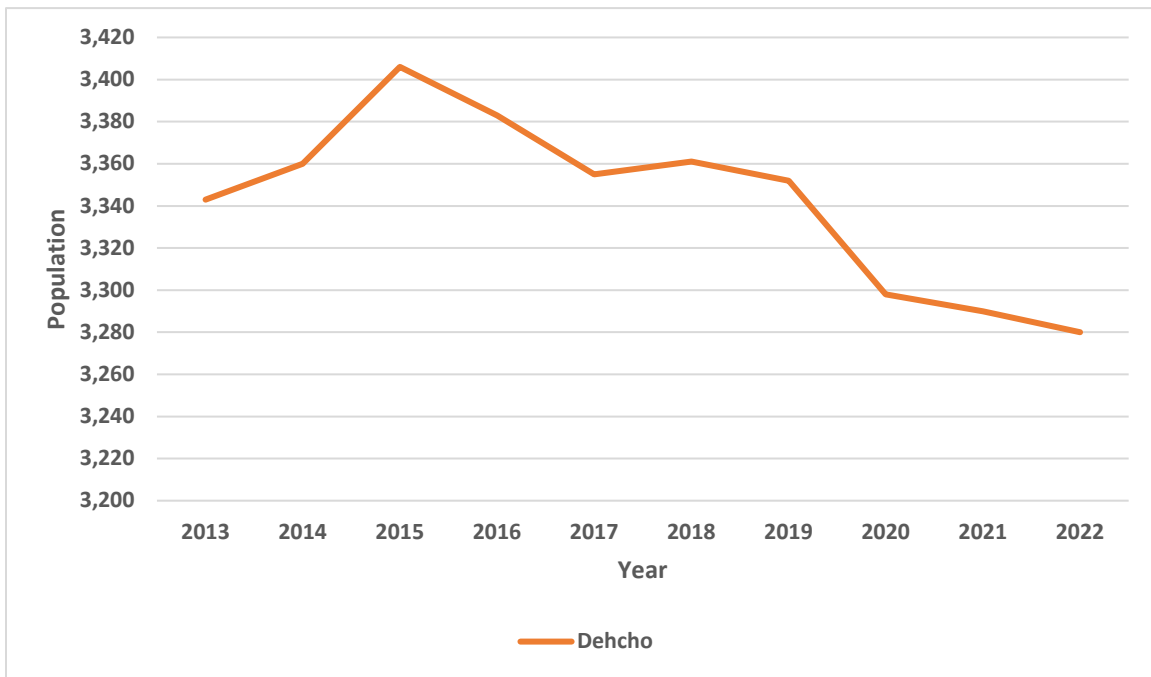
Table 3: Dehcho Communities Population Change, 2009-2022

Region/Community	2022 Population	2009 Population	% Change
Fort Liard	523	564	-7%
Fort Simpson	1,230	1,270	-3%
Jean Marie River	92	73	26%
Nahanni Butte	101	110	-8%
Sambaa K'e (Trout Lake)	97	99	-2%
Wrigley	126	137	-8%
Dehcho	2,169	2,253	-2%

Source: NWT Bureau of Statistics

Chart 1 shows that the population of the Dehcho steadily declined from 2015 to 2022, with a minor increase in population in 2018.

Chart 1: Total Population in Region, 2013 to 2022



In 2019, the NWT Bureau of Statistics developed population projections for the territory to 2035. According to these projections, the population of the Dehcho Region is forecasted to shrink by approximately 10%, from 2,224 in 2018 to 2,003 by 2035. During this same period, the population of the NWT overall is forecasted to grow from 44,541 in 2018 to 45,676 (an increase of 1,353 residents), which represents an increase of 2.5% (equal to 0.1% per year which is well below the national average of 1.2%).

Table 4: Projected Population of the Dehcho Region in 2035

Location	2018 Actual		2035 Projected		% Change 2018-2035
Fort Liard	537	1.2%	518	1.1%	-3.5%
Fort Simpson	1,296	2.9%	1,063	2.3%	-18.0%
Jean Marie River	89	0.2%	137	0.3%	53.9%
Nahanni Butte	99	0.2%	101	0.2%	2.0%
Sambaa K'e (Trout Lake)	89	0.2%	83	0.2%	-6.7%
Wrigley	114	0.3%	101	0.2%	-11.4%
Dehcho	2,224	5%	2,003	4.4%	-9.9%
NWT Total	44,541		45,676	100.0%	2.5%

Source: NWT Bureau of Statistics projections

84% of the Dehcho Region's population identifies as Indigenous, well above the territorial average of 51%. As seen in the following table, the percentage of the population who are Indigenous is relatively consistent at 89 -100% across the Region's smaller communities, while Fort Simpson sits at 72%.

Table 5: Indigenous Representation

Location	Indigenous Population	% of Indigenous language speakers
NWT	51%	33%
Dehcho	84%	51%
Fort Liard	89%	62%
Fort Simpson	72%	38%
Jean Marie River	--	47%
Nahanni Butte	91%	66%
Sambaa K'e (Trout Lake)	--	77%
Wrigley	100%	59%

Source: NWT Bureau of Statistics

The population of the Dehcho Region is slightly older than the territorial population, with 74% being over the age of 25 compared to 68% of the NWT as a whole and 65% of the Dehcho Region's population is of working age¹, which is equal to the NWT average.

¹ Working age is defined as those between the ages of 15 and 59.

Table 6: Population by Age Group, 2022

Age Group	NWT		Dehcho Region	
	#	%	#	%
0 - 4 Years	2,794	6%	78	4%
5 - 9 Years	2,992	6%	83	4%
10 - 14 Years	2,997	6%	86	4%
15 - 24 Years	5,964	13%	244	13%
25 - 44 Years	14,328	31%	586	30%
45 - 59 Years	9,263	20%	427	22%
60 Yrs. & Older	7,267	15%	425	22%
Total	45,605	100%	1929	100%

Source: NWT Bureau of Statistics

According to the 2021 Census, the median age in the Dehcho Region is higher than that of the NWT at 40.0 and 35.6, respectively, while both are lower than the median age of the Canadian population at 41.6. The distribution of average ages shows a similar trend, where the Dehcho Region sits at 40.2 relative to the territorial average of 36.4.

Table 7: Dehcho, NWT, and Canada Population Age, 2021

2021 Census Data	Dehcho	NWT	Canada
Average Age	40.2	36.4	41.9
Median Age	40.0	35.6	41.6

Source: Statistics Canada (from Statistics Canada website for the City of Yellowknife and the Northwest Territories)

The percentage of the Dehcho population with a high school diploma or higher education increased gradually in most communities from 1991 to 2021, but remains low relative to the territorial average of 74% in 2021.

Table 8: Percentage of Population with High School Diploma or Higher Education

Location	1991	2001	2011	2021
NWT	60%	65%	69%	74%
Dehcho	41%	45%	49%	55%
Fort Liard	32%	33%	31%	39%
Fort Simpson	52%	62%	60%	69%
Jean Marie River	57%	0%	56%	70%
Nahanni Butte	46%	..	36%	38%
Sambaa K'e (Trout Lake)	60%	17%	40%	..
Wrigley	33%	39%	25%	42%

Source: NWT Bureau of Statistics

2.3 ECONOMIC SECTORS

The economic sectors that have historically dominated the Dehcho economy include the public sector, construction, retail, and education. In addition, there are emerging sectors that have potential for growth, including: tourism, mining, agriculture and country food, manufacturing, forestry, and the traditional economy.

2.4 EMPLOYMENT, INCOME, AND LABOUR MARKET

Employment

As demonstrated in Table 9, employment, income, and education levels in Dehcho Region communities fall short of the territorial average. While Fort Simpson outperforms the Region's smaller communities in these indicators, it still exhibits lower income and higher unemployment relative to the NWT.

Table 9: Selected Regional Statistics, 2021²

Selected Characteristics	Fort Liard	Fort Simpson	Sambaa K'e	Jean Marie River	Nahanni Butte	Wrigley	NWT
Employment rate (2021)	39%	58%	-	50%	50%	42%	65%
Unemployment (2021)	15%	11%	-	0%	36%	22%	9%
Average income (2020)	\$38,750	\$63,235	-	-	-	-	\$69,802
Average family income (2020)	\$79,536	\$136,929	-	-	-	-	\$149,197
% with high school diploma (2021)	39%	69%	-	70%	38%	42%	74%

Source: NWT Bureau of Statistics

Table 10 provides labour market participation rates for all communities in the Dehcho Region. As demonstrated in the table, in 2021, of the 1,650 people in the Region 15 years of age or older, 830 (50%) were employed, 135 (8%) were unemployed, and 680 (41%) were not in the labour force. The percentage of those employed was the highest in Fort Simpson (58%) and ranged from 39% - 50% in the rest of the communities.

² No data was available for Sambaa K'e (Trout Lake)

Table 10: Labour Market Participation, 2021³

Labour Force Activity	Fort Liard	Fort Simpson	Sambaa K'e	Jean Marie River	Nahanni Butte	Wrigley	Dehcho
Population 15 & Over	360	920	-	50	70	95	1650
Employed	140	535	-	25	35	40	830
Unemployed	25	65	-	0	20	10	135
Not in the Labour Force	195	315	-	25	15	50	680
% of Employed	39%	58%	-	50%	50%	42%	50%

Source: NWT Bureau of Statistics

As indicated in Table 11, among those employed the percentage of those who had full-time jobs ranged from 83% in Fort Simpson to 37% in Jean Marie River, while the other communities all fall in the range of 53-74%. In line with trends across the territory, large employment gaps exist across education levels and between Indigenous and non-Indigenous people. The territorial average employment rate for those without a high school diploma was only 38%, while the employment rate of those with a high school diploma or higher education is 77%. A similar discrepancy exists across most communities in the Dehcho Region.

Table 11: Employment Data by Characteristic, 2019

Employment Profile (2019)	Fort Liard	Fort Simpson	Jean Marie River	Nahanni Butte	Sambaa K'e (Trout Lake)	Wrigley	NWT
Employment Full/Part Time							
% Full-Time	74%	83%	37%	58%	53%	62%	83%
% Part-Time	26%	17%	63%	42%	47%	38%	17%
Education Level and Employment							
Employment Rates for Those with Less than High School Diploma	23%	34%	32%	42%	39%	40%	38%
Employment Rates for Those with High School Diploma or Greater	54%	76%	52%	74%	54%	42%	77%
Gender and Employment							
Males	31%	64%	30%	51%	50%	49%	66%
Females	37%	60%	50%	47%	40%	29%	65%
Indigenous Background and Employment							
Indigenous	29%	50%	37%	50%	43%	38%	50%
Non-Indigenous	63%	88%	100%	46%	100%	100%	80%

Source: NWT Bureau of Statistics

³ No data was available for Sambaa K'e (Trout Lake)

Labour Market

The Dehcho Region's labour market is dominated by the public sector, with 27.6% of the workforce being employed by the public sector – approximately five times the national average according to the 2021 Census. Other major employment industries include construction, health care and social assistance, retail trade, and educational services.

Table 12: Labour Force by Industry, 2021

Labour Market Profile (2021)			
North American Industry Classification System (NAICS)	Dehcho	NWT	Canada
91 Public administration	27.6%	27.4%	6.2%
23 Construction	10.2%	6.1%	7.6%
62 Health care and social assistance	8.4%	10.8%	12.7%
61 Educational services	6.9%	8.1%	7.3%
44-45 Retail trade	7.6%	9.0%	11.1%
72 Accommodation and food services	5.8%	4.7%	5.6%
48-49 Transportation and warehousing	5.1%	5.9%	5.1%
56 Administrative and support, waste management and remediation services	2.9%	3.3%	4.1%
21 Mining, quarrying, and oil and gas extraction	2.5%	4.3%	1.2%
54 Professional, scientific and technical services	2.2%	4.3%	8.1%
71 Arts, entertainment and recreation	2.2%	1.8%	1.8%
22 Utilities	1.8%	1.4%	0.8%
11 Agriculture, forestry, fishing, and hunting	1.5%	0.8%	2.3%
53 Real estate and rental and leasing	1.5%	1.2%	1.8%
41 Wholesale trade	0.7%	1.3%	3.2%
51 Information and cultural industries	0.7%	1.6%	2.1%
52 Finance and insurance	0.7%	1.2%	4.2%

Source: Statistics Canada Census 2021

The NWT Bureau of Statistics projects future labour demand across the NWT and its Regions using the NWT Occupational Demand Model, which estimates future demand for 140 occupations using three-digit National Occupation Classification (NOC) codes. As seen in the following table, the NWT is anticipated to have 13,700 job openings between 2021 and 2030. However, those job openings are not evenly distributed across regions with the majority (61%) expected to occur in Yellowknife and only 7% (or 950 jobs) is expected to occur in the Dehcho Region.

Table 13: Labour Market Outlook, 2021-2030

Region	Employment (2019)		Expected Job Openings (2021-2030)		Avg. Annual Job Openings
	#	%	#	%	#
Dehcho ⁴	1,470	6%	950	7%	95
Yellowknife	12,550	54%	8,400	61%	840
NWT	23,240	100%	13,700	100%	1,370

Source: NWT Bureau of Statistics

Replacement demand is expected to represent most job openings as current jobs are vacated due to retirement, deaths, or emigration. With a decline in diamond mining expected to reduce employment levels in the coming years, job growth in the territory is expected to be minimal.

Cost of Living

The NWT Bureau of Statistics uses Federal Isolated Post Living Differentials to determine the relative cost of living across communities in the NWT. The differentials are benchmarked to the cost of living in Edmonton (Index=100). In 2018, communities of the Dehcho Region, where measurement was possible, received differentials ranging from 132.5 in Fort Liard to 147.5 in Nahanni Butte, indicating an inflated cost of living. Yellowknife, by contrast, sits at an index value of 122.5.

Table 14: Cost of Living Differential

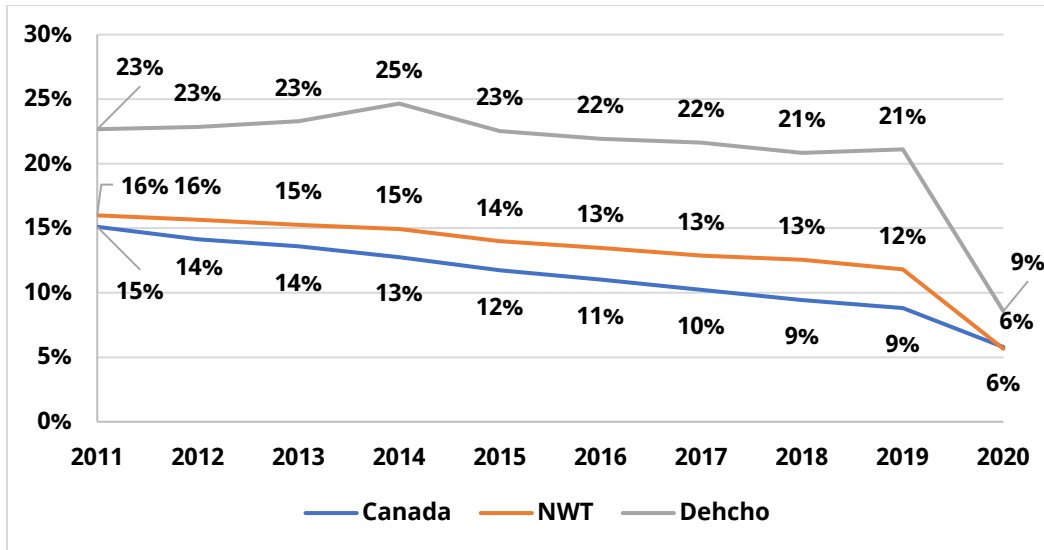
Community	Cost of Living Index (Edmonton = 100)
Fort Liard	132.5
Fort Simpson	142.5
Nahanni Butte	147.5

The rate of families that are considered low income decreased in the Dehcho Region from 23% in 2011 to 9% in 2020, which was higher compared to the territorial average of 6% of all NWT families in 2020. By comparison, Statistics Canada reported that 6% of Canadian families were considered low-income in 2020, considerably lower in comparison to the 15% reported in 2011.⁵ The data from 2020 was impacted by government support provided in response to the COVID-19 pandemic.

⁴ The data should be interpreted with caution. The numbers provided for Dehcho Region represent communities of Fort Liard, Fort Providence, Fort Simpson, Hay River Dene 1, Jean Marie River, Kakisa, Nahanni Butte, Trout Lake, and Wrigley. Two of these communities (Fort Province and Hay River Dene 1) fall outside of the Dehcho Region, but were included in the Dehcho Region report by the NWT Bureau of Statistics.

⁵ Distribution of total income by census family type and age of older partner, parent or individual. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110001201>

Chart 2: Low-Income Families as Percentage, 2011-2020



Source: NWT Bureau of Statistics

Across the Dehcho Region, food prices were significantly higher than the reference point in Yellowknife, averaging an additional 47%. Moreover, the percentage of those who reported difficulties in making ends meet ranged from 18% in Fort Simpson to 38% in Nahanni Butte, relative to a baseline of 16% in Yellowknife. The share of homes in these communities with internet access ranged from 34-51%, apart from Fort Simpson which was 72%.

Table 15: Cost of Living

Community	2019 Food Price Index (YK = 100)	% of Homes with Internet	Difficulty Making Ends Meet (2018)
Fort Liard	145.4	36%	28%
Fort Simpson	147.6	72%	18%
Jean Marie River	--	44%	20%
Nahanni Butte	168.8	35%	38%
Sambaa K'e (Trout Lake)	169.7	51%	33%
Wrigley	--	34%	35%



3. STRENGTHS, WEAKNESSES, DEVELOPMENT OPPORTUNITIES, AND PRIORITIES FOR ACTION

During the interviews, focus groups, and survey involving residents, participants tended to be optimistic regarding the economic outlook for the Dehcho Region. Of the nine representatives who were surveyed, eight viewed the outlook as positive including three who viewed it as very positive. In comparison, only 7 of the 27 sectoral or territorial representatives who were surveyed viewed the economic outlook for their sector or the NWT overall as positive over the next five years.

Table 16: Perceived Economic Outlook

<i>Looking forward over the next five years, do you think the economic outlook for this region is?</i>	Regional		Sectoral or Territorial	
	#	%	#	%
Very positive	3	33%	0	0%
Somewhat positive	5	56%	7	2%
Neither positive nor negative	0	0%	4	16%
Somewhat negative	0	0%	11	44%
Very negative	1	11%	2	8%
Not sure	0	0%	1	4%
Total Participants	9	100%	25	100%

Local representatives see significant opportunities associated with tourism (e.g., through Nahanni National Park and opportunities for fishing, sight-seeing, and touring), infrastructure development (e.g., major infrastructure developments and possible opening of the Prairie Creek mine), and other economic drivers. That was tempered, to some degree, by concerns about the pace of investment, unsettled land claims, and the regulatory environment.

3.1 ECONOMIC STRENGTHS

Some of the strengths on which the economy of the Dehcho Region can build include:

- Transportation infrastructure.** The Dehcho Region is connected to southern Canada by Highway 1, the Mackenzie Highway, which runs from the Alberta border to Wrigley; and by Highway 7, the Liard Trail which is a gravel road that runs from the British Columbia border north through the Dehcho Region, following the Liard River and connects with Highway 1. The proposed \$700 million, 321-km Mackenzie Valley Highway project has been proposed to further extend Highway 1 north from Wrigley, connecting to Tulita and Norman Wells with an all-season gravel road. Work to advance an environmental assessment for the Mackenzie Valley Highway project continues and includes extensive community and public engagement.
- Progress made towards a modern and comprehensive treaty.** There are two modern comprehensive treaties currently in negotiations in the Dehcho Region. The Dehcho Process began negotiations in 1999 on both a Framework Agreement and an Interim Measures Agreement (IMA). In 2001, the parties signed the IMA and the Framework Agreement, which set out the subjects for negotiations to conclude a Lands and Resources Agreement-in-Principle and a Final Agreement. In 2019 it was decided to put the land and resources discussions aside to focus on self-government negotiations. Once finalized, the agreement will protect the rights of both First Nations and Métis people within the Dehcho Region.

For their Final Land and Resources Agreement, the Acho Dene Koe First Nation (ADK) in Fort

Liard signed a Framework Agreement in 2008 and an Agreement-in-Principle (AIP) in 2014. The Framework Agreement committed the parties to a two-phased negotiation approach: Phase One focuses on lands and resources, and Phase Two focuses on self-government.

- **Diverse natural resources across the Region.** The Region has significant mineral, petroleum, forestry, and commercial and recreational fishing resources. Proven mineral reserves include zinc, lead, silver, tungsten, and diamonds. The most advanced mineral project in the Dehcho is NorZinc’s Prairie Creek Lead/Zinc/Silver Project. If this Project were to enter the production phase, the economic impacts for the Region would be significant.
- **Outstanding natural landscape and scenery.** The Dehcho Region has beautiful topography, including three Territorial Parks (Blackstone Territorial Park, Fort Simpson Territorial Park, and Sambaa Deh Falls Territorial Park) and one National Park (Nahanni National Park Reserve, encompassing more than 30,000 square kilometers and is a designated UNESCO world heritage site), abundant wildlife, three world-renowned rivers (the Mackenzie, Liard, and Nahanni), and the Mackenzie Mountains. The Region offers activities ranging from Aurora viewing and visiting fossil deposits to recreational sports such as snowmobiling, cross-country skiing, snow shoeing, and mountaineering. Visitors can also experience river tours, paddling excursions, and take part in authentic Indigenous cultural events.
- **The high level of government employment provides for greater economic stability.** The GNWT is the leading single employer within the Region, with nearly 400 employees.⁶ Under the funding arrangement between Canada and the GNWT, the budget is affected in part by the population of the NWT. As such, the public administration sector serves as somewhat of a steadying force for the economy, to the extent that any economic downturn does not result in a decline in population.
- **The cultural and traditional knowledge held by Indigenous people.** The cultures and traditional knowledge held by Indigenous people within the Region could be combined with western science in decision making and could lead to partnerships and opportunities to work with research centres and academia in areas of climate research, sub-arctic regions, and boreal forests.

⁶ GNWT, Public Service Annual Report 2021/2022

3.2 CONSTRAINTS TO DEVELOPMENT

The regional and sector/territorial representatives who were surveyed were asked to rate the extent to which various issues constrain economic development in the Dehcho Region, on a scale of 1 to 5, where 1 is not at all, 3 is somewhat and 5 is to a great deal. The results are summarized below.

Table 17: Constraints to Development

<i>On a scale of 1 to 5, where 1 is no constraint at all, 3 is somewhat of a constraint, and 5 is a major constraint, how much of a constraint to development are the following issues?</i>	Regional	Sectoral / Territorial ⁷
Number of Respondents	9	25
Cost of business operations	4.6	4.2
Access to land and resources	4.6	3.9
Access to skilled workers	4.3	4.6
Cost of living (e.g., housing, food, energy)	4.2	4.4
Access to markets	4.2	3.8
Access to capital	3.8	3.4
Access to business support	3.3	3.0
Energy infrastructure	3.2	4.2
Development processes, permitting issues and other regulatory issues	3.2	4.1
Transportation access	3.2	3.9
Internet connectivity	2.9	3.6

Major constraints identified in the survey, interviews, and focus groups included:

- **High cost of living and doing business.** Expenditures on food, shelter, transportation, and utilities are significantly higher than the Canadian average. The high cost of transporting raw materials, supplies, and products to the Region, as well as shipping products out by road or air has a major impact on local businesses relative to other jurisdictions.
- **Access to land and resources.** Two modern, comprehensive treaties are currently under negotiation in the Dehcho Region. In the late 1950s and the early 2000s, oil and gas exploration and production were major contributors to the Region’s economy but all activity and production in the Region has since ceased. It is anticipated that, once concluded, the treaties will enhance collaboration and decision-making, open opportunities for development, and increase access to resources.
- **Access to markets.** The small size of local markets, combined with the costs of transporting goods to other markets, affect all aspects of business development and economic growth.

⁷ Sectoral and territorial representatives were responding for the sector which they represent (e.g., tourism) and/or for the NWT rather than specifically for the Dehcho Region.

- **Limited access to, participation in, and effectiveness of education and training.** According to focus group participants, high school graduation rates are low and create major challenges to long-term prosperity. Low graduation rates were attributed to a mismatch between the needs of the education system and the needs of the local workforce, and a shortage of qualified instructors. According to stakeholders, to fully participate in the labour market, local youth need access to technical or trade training. However, a local training facility was recently closed due to a lack of instructors. The challenge is not only finding ways to attract instructors but being able to retain them over the medium term. Participants suggested that the Region put more of an emphasis on educating and training instructors locally. There are concerns that youth traveling outside of their local areas to access education and training may not return once finished.
- **Access to capital and business support services.** Focus group participants indicated that, through sources such as Community Futures, the Métis-Dene Development Fund, ITI, the NWT Business Development and Investment Corporation, and the Canadian Northern Economic Development Agency, small businesses have access to capital. The challenge is that entrepreneurs need more support in researching and developing viable businesses that will be able to attract and repay that capital.
- **Development processes, permitting issues, and other regulatory issues.** When asked about existing regulations and processes, participants noted:
 - The government should take a more community-centred approach. Some concern was expressed that government officials in Yellowknife may not understand on-the-ground realities associated with developing and operating businesses in communities. Rather than working with communities to find ways to make a proposed economic development initiative work, there is a tendency just for proposals to be turned down.
 - There is a need to update community plans.
 - Applications for grants and other funding can be cumbersome and the processing time can be long with little communication from the government in the interim. There is a need to streamline processes, given that smaller communities have limited capacity to navigate their way through complicated procedures. Some requirements for funding (e.g., that land be purchased for development) may not be consistent with Indigenous customs, traditions, and ways of life.
 - It is not always clear which regulations are in place or that their impact on communities has been adequately considered. Examples that were cited in the focus group included situating the polytechnic university primarily in Yellowknife instead of spreading campuses across multiple communities, prioritizing large infrastructure projects that serve the interests of Yellowknife, and the government's initial opposition to the construction of the Łíídlıı Kúé First Nation Regional Building in Fort Simpson.
 - Participants highlighted a need to strengthen trust between people in communities and the GNWT in Yellowknife and ensure that communities feel that they are the driving force in major decisions.
- **Climate change.** Climate change is rapidly affecting the Region and is expected to accelerate changes in the growing and hunting seasons. According to participants, animal harvesting, produce farming, fishing, and general access to a winter road are all dependent on the climate,

and these practices are becoming more unpredictable due to climate change. Climate change has also led to milder winters in the North and an increase in average temperatures. This has led to melting of the permafrost, and this has had negative impacts on existing infrastructure including roads, bridges, and houses and buildings. As a result, costs to maintain, repair, and replace infrastructure are likely to increase in the future.

- **Underdeveloped infrastructure.** Some of the examples that were cited as constraining development in the Region included a lack of all-weather roads and bridges, a lack of tourism facilities, services, and infrastructure (e.g., new boat ramps), and internet connectivity issues. While improvements are being made, communities in the Region still report experiencing connectivity issues and the speed of internet is generally slow and has higher costs compared to other regions. A lack of community facilities and support services was identified as one reason some people choose to move to Yellowknife.

3.3 OPPORTUNITIES

The surveyed representatives were asked to rate how much of a priority the government and others should place on promoting various sectors on a scale of 1 to 5, where 1 is no priority at all, 3 is some priority, and 5 is a major priority. The average ratings of regional representatives as well as the sector and territorial representatives are provided in the table below. As indicated, tourism, small business development, arts and culture, and renewable or alternative energy were the sectors rated the highest.

Table 18: Priority Sectors for Development

<i>Given the opportunities available in this region, on a scale of 1 to 5, where 1 is no priority at all, 3 is some priority, and 5 is a major priority, how much of a priority do you think government and others should place on promoting the following sectors:</i>	Regional	Sectoral / Territorial
Number of Respondents	9	25
Tourism	4.7	3.7
Small business development	4.4	3.4
Arts and culture sector	4.4	3.0
Renewable or alternative energy	4.3	3.1
Education and training services	4.0	3.9
Other renewable resources	4.0	2.9
Remediation and site reclamation	3.8	3.6
Traditional economy	3.6	3.0
The tech sector and innovation	3.4	2.8
Country foods	3.2	4.0
Mineral exploration and mine development	3.2	3.3
Agriculture	3.1	3.5
Film Sector	3.1	2.7
Scientific research	3.0	3.8
Commercial fisheries	3.0	3.3
Manufacturing	2.9	3.9
Oil & gas exploration and development	2.9	3.8

In depth discussions of the sectors that were identified in the focus groups, interviews, and surveys are provided below:

- **Tourism.** Given that there is ground access from British Columbia and Alberta, tourism already plays a significant role in the economy of the Dehcho Region and the potential for further growth is significant. Expectations are high as the sector emerges from the pandemic. Parks provide varying levels of service to visitors, from access to running water and electricity to bare camping essentials. Two segments identified for growth include:
 - *Outdoor adventure activities:* in the summer include camping, sightseeing, wildlife viewing, cycling, boating, fishing, hunting, photography, hiking, and visiting historic sites. Winter offers opportunities for Aurora viewing, snow sports such as: snowshoeing, cross country skiing, snowmobile tours and dogsledding. It was also mentioned that the Region might be promoted as a holiday destination for tourists from Asian countries.
 - *Cultural tourism:* Many individuals who visit the Region would like to have an authentic experience of the north. As such, there is a unique opportunity to develop Indigenous arts and crafts, showcase heritage sites, and host cultural festivals or events that will attract tourists and increase their local spending. Examples of cultural tourism activities mentioned included the creation of a local arts and crafts store, events around Indigenous storytelling, conducting boat tours along local rivers, and other land-based activities.

A major constraint to the development of the tourism sector is the lack of supporting infrastructure and the cost of travel to the Region. For example, most tourists who visit the NWT for Aurora viewing choose to stay in Yellowknife due to the availability of hotels and the lower cost in comparison to other locations within the territory. It could cost \$4,000 to \$6,000 in airfare for a small family to travel from Yellowknife to Fort Simpson for several days. The sector would benefit from leveraging the Region's proximity to the Nahanni National Park and from more development of hotels, campgrounds, boat ramps, roads, and other infrastructure.

- **Small business development.** The development of infrastructure and bolstering the regional economy creates opportunities for small business development. Representatives noted that much more could be done to create awareness of potential development opportunities among businesses and entrepreneurs, incentivize small businesses to undertake more significant projects, create more of an entrepreneurial culture, and build an environment that is more supportive of businesses (e.g., provide infrastructure, access to financing, training and professional development resources, and other programs).
- **Arts and crafts.** Local artists and artisans are active in the Region, selling their work online, locally through word of mouth, or to tourists. While there is potential to grow this sector, participants noted that support is needed to help artists access raw materials, technology, equipment, training (e.g., on operating machines), and market their creations more effectively online.

- **Agriculture and country foods.** The Dehcho Region has excellent soil, a good climate for production, and vast amounts of arable land. Currently, there are two major producers and six community and school gardens in the Region. The community gardens in the Dehcho region, especially the Samba K'e Community Garden, and a few other home-based agricultural businesses have been growing in the Region over the years. Some of the factors that are constraining growth are the lack of commercial production, issues related to access to land (unsettled land claims), outdated regulations regarding agriculture and farming, and a general lack of agriculture expertise. Participants also highlighted hydroponic gardens and cannabis production as potential areas for development.
- **Manufacturing.** According to participants, there is a need to explore the feasibility of creating more value-added businesses in the Region. There may be opportunities to produce a range of value-added products, including those from locally grown natural resources such as food, beverages (e.g., teas), and forest products. Items produced in the Region could take advantage of market perceptions of the north as "exotic" and coming from the "pristine" or "untouched environment" of the north and sold at a premium. It was suggested that even apparel and arts and crafts (e.g., those made in the style of Indigenous communities of the north) can be sold as luxury items if branded and promoted properly.
- **Research.** Participants noted that there exists an opportunity to build research facilities in the Region and nurture partnerships with research centres and universities across Canada to focus on research related to the sub-arctic region, permafrost, and boreal forests. These partnerships have the potential to bring new investments, create job opportunities, and contribute to the training and uplifting of local youth.
- **Social enterprises.** A few representatives also noted there are opportunities to encourage the development of social enterprises, which are businesses that pursue a social mission through an entrepreneurial approach. The Region experiences many issues, including the lack of social programs, higher instances of health and addiction-related emergencies, and educational attainment-related struggles which can be addressed and mitigated through the growth of social enterprises. Recently, the federal government and municipal governments across Canada have introduced social procurement frameworks, policies, and programs designed to support social entrepreneurship by developing social enterprise policies, providing grants and contributions, offering business development support services, promoting the use of community benefit agreements, and incorporating social clauses and associated requirements into procurement and development permits.
- **Oil & Gas.** Until the early 2000s, oil and gas exploration and production were major contributors to the Region's economy. While all activity and production in the Region has since ceased, the Region still has significant hydrocarbon deposits. According to participants, there is also significant potential to develop natural gas fields. Natural gas is environmentally friendly when compared to other fossil fuels (e.g., coal), which may appeal more to environmentally conscious consumers.
- **Mineral development.** The Dehcho Region has significant mineral deposits including gold, zinc, tungsten, copper, lead, silver, diamonds, and possibly graphite. The Region is host to the Prairie Creek mine, a zinc-lead-silver advanced project owned by NorZinc (formerly Canadian

Zinc) situated in the Nahanni National Park Reserve, which is anticipated to open by the end of 2025. The Prairie Creek Mine has significant potential to bring economic activity to the Region and create employment opportunities for residents. The past producing CanTung tungsten mine is currently on care and maintenance and is beginning the closure process. The CanTung Mine is under the responsibility of the Government of Canada. Finally, Olivut Resources Ltd. has found 29 kimberlites and diamonds at its HOAM Project

- **Construction and major infrastructure development.** The Mackenzie Valley Highway would help create economic activity for the Region. Private sector investments and Canada Mortgage and Housing Corporation funding can be leveraged to address housing shortages and support the development of the construction sector. As the major hub for the Region, Fort Simpson has the potential to undertake more housing and infrastructure development projects. Building multi-family units and single-family units can benefit the community in its efforts to become a major hub.
- **Forestry.** The Dehcho Region has abundant forestry resources that could be utilized locally or shipped to other Regions of the NWT and southern Canada. In the past, many communities had their own sawmills and harvested trees to meet local demand. There is a growing market for wood pellets used for home and commercial building heating. However, factors such as the availability of workers, costs, and the distance to markets have made establishing commercial operations a challenge. Some participants recommended working with large mills outside of the NWT that would be able to establish operations in the Region to harvest the forests. Wood could be trucked to southern Canada and transported north via winter roads and by barge in the summer.
- **Remediation and site reclamation.** It is estimated that there are over 500 sites in the NWT that require or will require assessment, remediation, clean up, and monitoring, and it is estimated that remediation activities in the NWT would be worth approximately \$4.8B over the next 30 years with just under 90% of spending likely to occur in the next 15 years. The annual spend is estimated to be roughly \$291M per year for the next 15 years, generating approximately \$151M per year in Gross Domestic Product (GDP) to the NWT in that timeframe.

In the Dehcho, the past producing Cameron Hills project is currently under care and maintenance and will eventually need to be remediated. The sour gas field consists of 50 well sites, winter roads, summer all-terrain vehicle trails, a gas and oil gathering system, a central battery, temporary and permanent camps, airstrips, borrow pits and bridges. Strategic Oil and Gas was previously a federal responsibility, the GNWT assumed responsibility over the site under the Devolution Agreement on April 1, 2014 but there was no approved closure plan and no reclamation liability estimate to properly calculate financial security. Production from the project stopped in February 2015 due to economic conditions and commodity prices. Currently the field is in the closure phase. The remediation of this project could provide significant opportunities for companies in the Region when the work takes place.

Table 19: Economic Strengths, Constraints and Opportunities for Development

DEHCHO	
STRENGTHS	<ul style="list-style-type: none"> • Transportation infrastructure • Progress towards modern, comprehensive treaty • Diverse natural resources • Outstanding natural landscape and scenery • Government employment provides greater economic stability • Cultural and traditional knowledge held by Indigenous people
CONSTRAINTS TO DEVELOPMENT	<ul style="list-style-type: none"> • High cost of living and doing business • Access to land and resources • Access to markets • Access to effective education and training • Access to capital and business support services • Development processes, permitting, and other issues • Underdeveloped infrastructure
OPPORTUNITIES	<ul style="list-style-type: none"> • Tourism • Small business development • Arts and crafts • Agriculture and country foods • Manufacturing • Research • Social enterprises • Oil & Gas • Mineral development • Construction and major developments • Forestry

3.4 PRIORITIES FOR ACTION

Dehcho regional representatives who were surveyed, as well as representatives who were surveyed about sectors or the NWT overall, were asked to select, from a list, up to ten actions that should be a high priority for the government and others in promoting economic development. As indicated in Table 20, the most identified priorities were to increase access to business support services, attract more tourists to the Region, improve transportation access and infrastructure, further incorporate Indigenous traditional and local knowledge into education programs, and increase access to business mentorship programs and related small business education and training for entrepreneurs and businesses.

Other possible priorities that were identified by the focus group, through interviews, and by survey included:

- Improve the level of collaboration between different communities and stakeholder groups. One option would be to create regional working groups who would research local issues and needs and develop joint funding proposals.
- Develop unique education models which would be better tailored to how individuals learn and built upon the interests of youth and their areas of strength.
- Take steps to protect the environment and mitigate the impacts of climate change.
- Better incorporate traditional knowledge into development plans.

**Table 20: Recommendations Regarding Economic Development
Priorities for the Government and Others**

<i>Recognizing that government and others can focus on only so many priorities, which of the following potential actions would you consider to be a high priority for your respective region? (Please select your top 10 choices)</i>	Regional	Sectoral / Territorial
Number of Respondents	9	25
Increase access to business support services	78%	8%
Attract more tourists to the region	67%	48%
Improve transportation access	67%	44%
Further incorporate Indigenous traditional and local knowledge into education programs	67%	32%
Increase access to business mentorship programs and related small business education and training for entrepreneurs and businesses	67%	28%
Help grow local and regional markets for products	56%	40%
Improve pathfinding services linking businesses to funding programs and support	56%	32%
Increase access to early-stage capital	56%	32%
Facilitate e-marketing and use of digital platforms and social media to market products and services from the NWT	44%	32%
Implement business and investment attraction initiatives/business incentives	44%	20%
Further develop energy infrastructure	33%	72%
Increase access to loan financing	33%	16%
Increase access to fast reliable and affordable internet	22%	64%
Increase access to post-secondary education and training programs	22%	40%
Attract workers and residents from outside of Canada	22%	36%
Make more strategic use of government procurement to promote economic development	22%	32%
Encourage development of strong industry associations and sector partnerships	22%	24%
Stage events and other mechanisms that provide opportunities for networking	22%	4%
Address regulatory issues	11%	72%
Attract workers and residents from other parts of Canada	11%	44%
Increase access to youth entrepreneurship training	11%	32%
Invest in coworking spaces makerspaces arts & craft centres and incubators	11%	24%
Strengthen connections between education and business	-	60%
Transform Aurora College into a polytechnic university	-	24%

Representatives were then asked, given the priorities that they had identified, what are the three most important actions that the government could take to support economic development in the Dehcho Region were. The most common recommendations were to:

- Focus on the development of small businesses. This could involve increasing access to:
 - Business mentorship and entrepreneurship development programs;
 - Start-up capital, loans, and grants;
 - Business contracts and tenders; and
 - Support for social media and marketing strategy development and execution.
- Accelerate infrastructure development (e.g., tourism facilities including accommodations, all-weather roads, a bridge to Nahanni Butte, housing and temporary lodging, and the completion of Highways 1 and 7).
- Attract tourists, skilled workers, entrepreneurs, and investors to the Region.
- Review and update existing government regulations, processes and policies, and include Indigenous governments in all permitting and licensing processes for the Region.
- Improve access to, and reduce the cost of, air transportation.

Participants then provided a range of recommendations and comments on how the economic development of the Region can be better supported. These included:

- **Focus on educational attainment:** The most important priority for the Region is to improve educational outcomes, graduation rates, and the skills and knowledge of community members.
- **Emphasize economic diversification.** Achieving sustainable economic growth across a range of businesses and sectors will ensure economic resilience in the future.
- **Housing:** Addressing the massive housing shortage should be a priority. One option is to better utilize existing housing stock. Some of the housing shortage could be alleviated through the restoration and renovation of existing housing that is vacant. Many housing units in Fort Simpson owned by the federal government are empty (possibly due to contamination) and could be renovated and made available to community members.
- **Tourism:** Improving roadways will increase tourist inflows, particularly by those travelling by ground from British Columbia, Alberta, Yukon, and Alaska. Creating more tourist attractions based on local nature and culture will help attract people to the regional tourism centre/facility.
- **Prevention and mitigation.** Investments in infrastructure are needed to prevent ecological catastrophes such as flooding. The economy of Fort Simpson is still recovering from the impact of the 2021 flooding, when residents had to be evacuated when waters from the Liard River rose to historic heights. Reducing the likelihood of these types of events should be a priority.
- **Mental health and wellness.** Addressing social problems should be considered a part of economic development. Empowered families are more likely to take care of themselves; investment in mitigating social issues produces results slowly and gradually, but they are effective and necessary long-term.
- **Reduce business costs.** Wages are the highest cost for most businesses in the Region, particularly those in the tourism sector. Wage subsidies for local businesses to hire qualified employees could be an effective approach to help the local economy.

- **Create a business-friendly regulatory framework.** The challenge is to ensure that the regulatory environment supports, rather than constrains, the growth of local businesses. Policies and regulations should be created with local needs in mind. This may require decentralizing the decision-making process and providing more decision-making power to the Regions and communities themselves.
- **Attract residents to the Region.** The Region is projected to experience a decline in population, while Canada is projected to receive 500,000 new immigrants over the next few years. With proper policies and programs, some of these immigrants can be encouraged to make their homes in the Dehcho Region.