

Aboriginal Forestry Workshop Economic Development Opportunities in British Columbia

February 1 – 2, 2011

Chief Louis Centre
Kamloops, British Columbia

Meeting Summary Report



Report Prepared by:
Hunter-Courchene Consulting Group Inc.



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MEETING SUMMARY

INTRODUCTION

A workshop was held on February 1st and 2nd in Kamloops, British Columbia to discuss Aboriginal Forestry opportunities in British Columbia. The Kamloops workshop was one of 8 meetings which took place across the country intended to provide participants with an overview of the new Federal Framework for Aboriginal Economic Development which focuses on creating opportunities and generating results with the government taking a “whole of government” approach to Aboriginal economic development.

These sessions were held to identify potential economic development opportunities, requirements and possible partners for Aboriginal communities in forestry. Invitees included members from the private sector, the forestry industry, provincial and federal governments and First Nations who all contributed in identifying forest-based opportunities with the greatest potential to return benefits to Aboriginal communities. The workshop provided for great collaboration and idea sharing amongst participants, along with the opportunity to make new connections and partnerships, which could help support future endeavours.

These meetings were also held to inform Aboriginal forest practitioners of the new strategy being undertaken by the Government of Canada and to encourage economic development via forest-based activities, the Aboriginal Forestry Initiative.

PART I - BACKGROUND

Mr. Ken McDonald, Director of Lands, Environment and Economic Development, Indian and Northern Affairs Canada (INAC) – British Columbia, and Dr. Bill Wilson, Director of (Entomology & Phytosanitary Research and Programs), Natural Resources Canada (NRCan) – British Columbia/Yukon, provided opening remarks.

Mr. McDonald stated that they were looking at projects that were viable from a business perspective and he also stressed the importance of partnerships. He mentioned that there was a competitive process for funding and the focus was on networking and bringing together different pieces. Dr. Wilson mentioned that he appreciated the participants taking time to come to this workshop. He hoped that they would identify areas and the types of activities that could be built into a business plan on Aboriginal forestry in order to compete for the government’s economic development dollars. He stressed that it was a highly competitive process and they needed to come forward with a strong business model.

THE NEW FEDERAL APPROACH TO ABORIGINAL ECONOMIC DEVELOPMENT IN FORESTRY

Mr. Gorazd Ruseski, INAC

Mr. Brian Wilson, NRCan-CFS

Please check delivery against the presentation materials distributed at the workshop. This summary offers only abridged details of what was discussed.

Mr. Gorazd Ruseski, INAC, and Mr. Brian Wilson, NRCan, provided an overview of the Federal Framework for Aboriginal Economic Development. They provided a joint PowerPoint presentation entitled "Federal Framework for Aboriginal Economic Development: Supporting Opportunities in Aboriginal Forestry".

Mr. Ruseski stated that the Federal Framework was a whole of government approach and it would be the guide for all future programs on Aboriginal economic development. He provided some history of the federal government's involvement in Aboriginal economic development and some background on the development process of the Framework. He said that while there was much more work to do, they could build on some successes. He stated that the Framework emphasized capitalizing on opportunities, responding to new and changing economic conditions and leveraging partnerships. Taking into consideration what they had identified during the development process, there were a number of strategic priorities developed – strengthening Aboriginal entrepreneurship; developing Aboriginal human capital; enhancing the value of Aboriginal assets; forging new and effective partnerships; and, as the foundation of all of these, focusing the role of the federal government. He stated that there were over twenty federal government departments with a mandate in Aboriginal economic development and

they were looking at increasing coordination, while taking a flexible approach and focusing on results.

Mr. Wilson stated that they were looking at a new approach to Aboriginal forestry, which involved multiple departments and tapping into the spending power of all those departments. He said that this was the first of eight workshops being held across the country to look at the range of possibilities with regards to Aboriginal economic development in the forestry sector. They were looking for regional scale opportunities with a strong business case for investing the federal government Aboriginal economic development funds in the forestry sector. They were looking for projects with a multi-year sustained approach and multi-community approach, where it made sense. He said that when it came to forestry initiatives, they had to make a strong case outlining how those initiatives addressed the strategic priorities in the Framework. He provided some diverse examples of projects and partnerships that CFS facilitated that had, or have the potential to impact the regional economy; including the Whitefeather/Two Feather projects in Ontario, the First Nations "Local Materials, Local Labour" Housing Initiative, the First Nations Forestry Inventory Project in Manitoba and the New Brunswick Aboriginal Forestry Initiative.

OTHER FEDERAL DEPARTMENTS IN ABORIGINAL FORESTRY

Service Canada

Mr. Greg Anstruther

Mr. Greg Anstruther, Service Canada, provided an overview of his PowerPoint presentation entitled "Aboriginal Skills and Employment Training Strategy" dated February 1, 2011. He said that the Aboriginal Skills and Employment Training Strategy (ASETS) replaced the Aboriginal Hu-



man Resources Development Strategy (AHRDS) on April 1, 2010, and involved five-year agreements designed to increase the employability of Aboriginal people. For British Columbia, the budget was \$124.7M. They supported a network of 15 Aboriginal service delivery organizations that designed and delivered employment programs and services for Aboriginal people with points of service across BC. These service delivery organizations completed strategic business plans and several noted forestry as a priority. He stated that he had contact information for all these agreement holders in BC/YT for the participants.

PART II – ABORIGINAL FORESTRY EXPERIENCES IN BRITISH COLUMBIA

*British Columbia First Nations Forestry Council
Mr. Keith Atkinson, Chief Executive Officer*

Mr. Atkinson provided an overview of his PowerPoint presentation entitled "First Nations Forestry – Priorities and Opportunities" dated January 2011. He said that this was a massive opportunity in front of them and he hoped that they would come up with some ideas that would benefit them all. He stated that his organization's vision had two streams – one was to work with First Nation leaders and the federal and provincial governments to address the pine beetle issue and the other was to increase First Nation participation in forestry in British Columbia.

With regards to the mountain pine beetle issue, they had accessed funds that had flowed to 103 communities affected for fire management, addressing impacts on the ecosystems and the economy. He mentioned that there were many discussions on bioenergy and, while there were many challenges, they were looking at pilot projects.

He said that they were also looking at opportunities for international investment and there were certain requirements around legal decisions that required First Nations involvement in those initiatives. There were challenges around identifying markets and around accessing tenures. He said that they needed access to tenures and First Nations control was needed in order to meet their employment targets. There were huge opportunities in increased control and tenures but they did not have the foresters to do the work. Training challenges had to be addressed; they needed more First Nation people trained and these trainees had to have positions to move into. First Nations also were looking for a share of the resources and resource revenues and wanted to ensure that the land use plans incorporated First Nation thinking.

He stated that they felt that the FNFP was good as it allowed for small amounts of funding for individuals and communities and this could be leveraged to access other funds. They needed to continue their work to address the mountain pine beetle issue and they had to address fire management and safety issues as well as building capacity in the communities. He mentioned the First Nation Stewardship program and suggested that maybe the work on the mountain pine beetle could continue under this program.

Mr. Atkinson stated that the provincial tenure system was not the model that the First Nations wanted to operate in because it did not reflect their First Nation beliefs. He said that more research needed to go into how to include a First Nation perspective in that system. More support and funding were needed to support First Nations forestry and additional opportunities were needed to discuss the issues on a regional and national basis.

ABORIGINAL FORESTRY INDUSTRIES COUNCIL

Mr. Victor Godin

Mr. Godin began his presentation by stating that he wanted to talk about the fact that most First Nations did not have continuing management education. He stated that there were many programs for training workers in the communities but still many well-trained workers were unemployed because management had failed. He said that the AFIC had started an Aboriginal Institute for Management Excellence operated by a volunteer faculty with one or two day courses on management functions. He said that these courses included how to lobby government and how ensure they were open for business. They had done surveys and found that 40% of employees did not believe their managers had an understanding about their employee's jobs and this was a serious situation. He said that another issue was that many either did not have annual reviews or they did their own.

There were some complicated issues that managers had to be familiar with such as tax impacts on revenue sharing options and stumpage revenues. He said that First Nation leadership had to have a high level of business smarts or else it would be the "uninformed signing up for the unknown". First Nations needed to strengthen their ability to analyze proposals. He said that the inability to do this led to some issues and he gave the example of the development or purchase of a sawmill as a quick fix. He stressed it was important to be well aware of the risks as well as the upside.

Another area that First Nation leadership had to be familiar with was lobbying since they spent 30% of their time dealing with government. He stated that lobbying was all about results; if there were no results, it had failed. It was not

just sending a letter or hiring a lawyer, it was a process and they needed to see results. First Nations often do not get the results they needed; they were often the last one to know about new program development or program elimination.

He stated that, in forestry, there were 172 agreements with First Nations with a total harvest of less than 1%. He said that if they harvested more than 1%, they would be seen as out performing. He asked who came up with that number. He stated that \$4B was spent on Olympic construction and asked what percentage of material came from First Nations. He said good lobbying involved doing their homework and identifying their own opportunities to get their fair share. He stated that procurement was a good idea and that he had good experiences with quotas in the United States.

Finally, he stated a high-risk investment country internationally had a number of common factors and these included an economy managed by an outsider, lack of economic vision, high employment, and young people leaving the country. This was very similar to First Nation communities. Management training programs filled an important need for First Nations because they could not own their businesses until they could manage them effectively.

MÉTIS NATION BRITISH COLUMBIA PRESENTATION

Mr. Gary Ducommun

Mr. Ducommun stated that the Métis had not been engaged in forestry to the same degree as First Nations, but he wanted to provide his perspectives on their background and why they should be more involved. He stated that many Métis people still did not know who they were because they had been around for hundreds of years but they were only formally recognized in



FIRST NATIONS HUMAN RESOURCE LABOUR COUNCIL

Ms. Martha Matthews

1982. 60,000 persons identified themselves as Métis in British Columbia according to the 2006 Census. He mentioned that the Powley decision had ensured that there would be protection for the Métis culture but there had not been a lot of movement on that. In BC, they had done some research and it was found that traditional land use activities went back hundreds of years and they wanted to ensure that this was protected. He provided some examples of how Métis persons had been involved in forestry in the province both historically and currently.

He stated that the province of BC did not recognize Métis people and the province were the ones who controlled forestry in the province. He mentioned that there were some good stories in relation to industry where they had been able to work with different companies. In addition, the Métis Nation had worked in the areas of skills development and employment initiatives in the province and their demographics were similar to First Nations. He added that they had not done a lot in the forestry sector but were looking at increasing their work in that area.

He closed his presentation stating that the province did not recognize the Métis and industry did not have to engage them but there were benefits to be gained through engagement.

After Mr. Ducommun's presentation, a participant noted that there had always been more Métis entrepreneurs in forestry. Mr. Ducommun stated that he agreed and he felt there were two reasons for this – many Métis people wanted to work in position connected to the land and also they went where they could find work. He stated that their working relationships had been good over time and he would like to see the Métis included in the planning stages of development as well. He mentioned that they could help because they had a lot of traditional knowledge and they could also fill labour gaps, as they had a pool of people that could be trained and employed.

Ms. Matthews provided an overview of her PowerPoint presentation entitled "First Nations Human Resource Labour Council". She explained that fourteen of ASETS (formerly AHRDA) holders were First Nations and she mentioned that she had also brought contact information for these agreement holders to this meeting. She said that as the AHRDS was completed, ASETS came into place and the Council was an organization of those ASET holders. She said that Council worked as a unified voice to achieve employment parity. She mentioned that Canada had turned over some labour market development funds to the BC Ministry of Housing and Social Development for programs and the Council was working with them to ensure that Aboriginal people received the services they needed under the new program.

She mentioned that the Council met on a regular basis on ASETS and she mentioned that they had undertaken a number of lobby efforts in order to increase funding with this new program, but despite changes in demographics, they had not received funding increases since 1996. She said that the Council worked together for the benefit of all their citizens in BC and the agreement holders had a responsibility to provide training for all Aboriginal people, status or non-status and on- or off-reserve, in the province. The agreement itself was with Service Canada and it was a five-year agreement scheduled to run from 2011–2015. She stated that they had to leverage partnerships because of the fact that they were still looking at funding at the 1996 level so they were required to do more with less. She stated that they were resourced in the amount of \$125M and they had a number of offices around the province and they also had funds for partnership development. She wanted to get the message out that they were looking for partners and they had funds to support that.

She mentioned that the acquisition of essential skills was a focus and these were identified by federal and provincial governments based on international studies. This involved looking at particular jobs and identifying which skills an individual needed in order to be employed in those positions. She added that they also received funding for childcare, as this was a barrier that everyone faced in trying to access employment. The amount for childcare had not increased and there was a great need.

The FNHRLC had a memorandum of understanding (MOU) with the First Nation Leadership Council. They also had an MOU with the Ministry of Housing and Social Development to work with them to help clients on income support

while they went through training program and to protect their Employment Insurance benefits while in training. She said that their labour pool included everyone in the province regardless of residency.

She explained that they were preparing the workforce to meet the demand based on changing demographics in the Canadian population and the fact that Aboriginal population was very young and growing quickly. They were also looking at addressing changes in the labour market and gave the example of fallers who had to be recertified. The Council also worked with industry and noted that they had hosted a trade forum in Prince George (2010).

PART III - SMALL GROUP SESSIONS

Based on the discussions and presentations, the participants identified a number of priority areas that were grouped into the following themes:

- Services to government and industry
- Housing
- Resource Management and Protection (Land Remediation)
- Product Branding and Marketing (trends and niches, value added, green products, organizing towards international markets)
- Bioenergy
- Tenure and Access to Forestry Resources

The participants were asked to break into six groups to look at each theme and consider the following questions:

- Q1 What are the real business opportunities under this theme?
- Q2 Advantages (pros) and risks (cons)?
- Q3 What are the tools and partners necessary to bring it to fruition?
- Q4 Were there any tangible activities already underway from which to start?
- Q5 How did it fit into each of the Framework pillars?

The participants were able to rotate through a number of theme groups during this period. The following information was provided by the small group participants. Following the flipchart notes is the summary of each group's report back to the plenary.



THEME #1 – SERVICES TO GOVERNMENT AND INDUSTRY

Q1 – What are the real business opportunities under this theme?

- Government/Aboriginal/Industry – how to get first contract (catalyst)
- Process to development procurement strategy
- Match buyers and sellers (data/networks)
- "how to"
- G&Cs should be Aboriginal procurement
- Need collaborative and flexible process (change/learn)
- Scoring for Aboriginal inclusion
- Development of professional services (also provide services to Aboriginal)
- Youth (foundation) – services – environmental, fire management

Q2 – Advantages (pros) and risks (cons)?

- Protecting against too prescriptive policies /regulations (allow freedom/flexibility)
- Negotiated contracts – stepping stone from sole-contracts to larger opportunities

Q3 – What are the tools and partners necessary to bring it to fruition?

- Government procurement strategy to draw in industry (set out roles)
- Whole-of-government approach and long term
- Policy development
- Leadership drive to form partnerships
- Education institutions (and industry co-ops)
- Snapshot – who buys goods and services and who is selling (registry)
- Cross cultural communications (bridging values and culture) – community and business

Q4 – Were there any tangible activities already underway from which to start?

- Government/Industry/Aboriginal Strategy (Registry)
- Public Inventory of Aboriginal Businesses (match buyers and sellers)
- Upgrade Aboriginal businesses to meet requirements to win contracts (training and credentials)
- Consultations – referrals (guidelines for Industry and BC)
- Traditional knowledge – database/records on traditional land use (value asset)
- Youth Outreach programs (awareness)

The presenter mentioned that there were a few areas considered for action. One of these items was the development of a procurement strategy focused on identifying businesses that provide services and matching these to businesses requiring the services. It was noted that this should be between Aboriginal and non-Aboriginal but also between Aboriginal and Aboriginal. It was also noted that the participants viewed the government as a facilitator in that process. It was suggested that there should be a registry of providers and buyers and further development of the markets to match businesses to their markets. In terms of identifying Aboriginal business that could provide products and services, it was noted that there was work going on under the Framework but it was thought that there should be more movement into the private sector since current directories were not available to the public and not always up to date. It was hoped that government could assist in making those links between communities and businesses on what this registry might look like.

In terms of government procurement, it was suggested that more attention be given to looking at grants and contributions.

It was suggested that Aboriginal businesses needed to be more effectively involved in business and they needed to identify the competencies at that level. Aboriginal businesses needed more support accessing their first contracts and support seeing the project to successful completion.

In terms of youth initiatives, they needed a stronger foundation for their training and had to address basic needs such as acquiring their driver's licenses.

With regards to traditional knowledge and traditional land use, this was an asset that needed to be managed. The provision of this traditional knowledge was a necessary service that could be provided to government and also non-Aboriginal industry.

After the presentation, a participant noted that they needed to look at the existing procurement strategies that have been around for some time. She suggested that they needed to look at the effectiveness of these strategies so they would not have to start at the beginning but build on positive aspects and address any gaps.

THEME #2 – HOUSING

Q1 - What are the real business opportunities under this theme?

- Local consumptions, local materials
- Local populations are growing, need new housing but also need employment
- Local design and labour leads to pride of ownership
- Safe house and communities
- Going beyond your community, in the open market supplying components

Q2 - Advantages (pros) and risks (cons)?

Pros

- local material and construction – jobs and pride
- Case law says First Nations have the right to timber
- Green initiative – local and lower energy, etc – needs over time
- Early development when housing will only rise in demand
- More time available and good use of it
- Ensuring safe houses

Risks

- financing
- Land legislation
- Viable economy of scale
- Infrastructure
- Material transportation
- Getting beyond First Nations
- Business requires different skills from governing a band council – need management skills
- Succession with change in government
- It needs to make financial sense – don't want it to result in more debt
- Accommodation for workers – in the bush



- Codes and bylaws
- Requires a new thought system
- Band politics
- Notion of ownership – changing needs over time – buy back?
- Recognizing investment/assets – develop a variety of options
- Learning curve, don't go too big too fast
- No current requirements for First Nations to buy from First Nations (get CMHC to make it a requirement)

Q3 - What are the tools and partners necessary to bring it to fruition?

- Land base needed – most have it –
- Need your land designated for \$ security, INAC made it broad, a TLE
- Need INAC as a flexible collaborator (& funding agency)
- CMHC as a collaborator (didn't get a % reduction)
- Start up funding and renewal option for corporations
- Need multi-year \$ with flexibility (us or ASEP)
- Need best practice examples, model communities
- Banks, technical experts, architects as direct partner to community
- Need to overcome infrastructure challenges (lack of), i.e. water and energy sources
- Partner with industry to build more
- Business plan and community champions
- Appropriate base for construction – size to build (space), location safe from fires
- HRSDC, community colleges, local builders, ASET holder for training facilitation, \$
- First Nation as driver is most important, design the solutions and tools to solve the problem
- How do we connect ® forestry? Design to incorporate your local materials (trees, etc)
- What can be manufactured in the community
- Development of a critical mass/supply chain at right scale to create a business, identify feasible goals
- Community trust
- Know where the dollars will come from all partners

Q4 - Were there any tangible activities already underway from which to start?

- Eco-homes were being developed but having issues with marketing, getting a real business structure in place
- Work outside your own specific nation, if necessary – be adaptable – key will be getting it into non-Aboriginal part of the region, not restrained to First Nations

Q5 - How did it fit into each of the Framework pillars?

- All of them
- How do we make this regional?
- Cluster concept – each community building on their local assets and abilities, then collaborate and share
- Using cast offs from one process (tongue & groove) for another, or \$
- A nation based approach – help each other while developing unique advantages

The presenter mentioned that, using local material and local labour, they could create homes that gave pride to the owners. In terms of tools and partnership, it was noted that land was the primary tool and INAC would be an ongoing collaborator. Other partners would include banks and funding

agencies beyond INAC and CMHC. Technical experts would be needed as well in addition to other First Nation and non-First Nation communities who could provide more information through their experiences. It was also suggested that there would be infrastructure challenges because of the location of some communities and they would need to access water and energy over the long term. Other partners would include HRSDC, ASETS holders and training institutes to provide income support during training.

In terms of the connection between forestry and housing, it was noted that they would incorporate local material and ensure that the project was on the right scale to create a business. It was noted that they would have to set feasible and achievable goals.

There were a number of pros and cons to the idea. Some positive aspects included the fact that it was eco-friendly, used local materials, and housing would always be a requirement in the communities. First Nations had the right to the timber to build their homes (tenure) and it was a good and practical use of the materials. In terms of risks, it was noted that financing could be a challenge because communities could not take on more debt than they could handle. Changes in government at the First Nation level could also impact the project. They needed to ensure viable goals. Infrastructure challenges and transportation costs for isolated communities existed. Also issues remained around living quarters for workers, skills gaps, code and bylaws, and perceptions around home ownership in First Nation communities.

The group felt that this project fit into all the Framework pillars. In terms of making the project regional, it was noted that they could approach the projects as a cluster where several communities could work together develop their own skills and expertise and bring them to the collective. The presenter also noted that there were already activities taking place around this concept such as the building of eco-homes. Finally, it was noted that someone had to champion this idea locally and regionally and they would have to work in partnership with Aboriginal and non-Aboriginal communities.

THEME #3 – RESOURCE MANAGEMENT AND PROTECTION (LAND REMEDIATION)

Q1 - What are the real business opportunities under this theme?

- F.P.O. volumes given to First Nations (a provincial allocation) – A partial accommodation of First Nations – short term fix
- On reserve timber
- Federal/Provincial governments on same page – need adequate notice to get input from province
- FNLM – gets INAC out of the business, waiting list – long process, long term solution on federal land
- Forest certification – resource protection
- Partners – FSC and First Nation involvement
- Need support (\$) for First Nations to get certification



- Identifies First Nation wood as "eco-friendly"
- Treaty and Land claims – ownership/control
- Jobs, job creation
- Tools – need business awareness and acumen
- Remediation – revitalize spawning group, a First Nation principle, not just forestry sector – 1) environmental (cont. sites); 2) MPB; 3) Other – stabilization, global warming
- Tool – mental capital as well as physical capital
- Tool – Inventory/Land use study
- OP + Tool – revenue sharing "IMBAs" – will need skills
- Goods and services – an opportunity
- First Nations can fill gaps in industry

Q2 – Advantages (pros) and risks (cons)?

- Advantage – economic benefits stay in First Nation communities
- Need to develop the skills to manage
- Con – management still being done by consultants
- Tool – need to develop skills in Band – mentoring is vital (missing in training) – education alone not enough
- Advantage – ownership/control of resource before you can manage it
- Forest ranger program was a mentorship program
- Con – Forestry industry is constantly changing
- Framework for tenure system does not have a place for First Nations

Q3 – What are the tools and partners necessary to bring it to fruition?

- Tools and partners – less of an issue than the guaranteed volume
- Mentoring program – shadow positions – not funded – 1 year under mentor then they can't hire, should have to hire
- RPF
- Planning, GIS, cartography
- Who is to do the mentoring? Who pays the bill?
- Post secondary training
- HRSDC \$
- How do we attract young First Nation members into Forestry industry?
- Planning – community driven
- Maps – land base information – engaging!
- FNFC should be front and centre – Aboriginal RPFs
- Directory of First Nations and skills (in use)

Q4 – Were there any tangible activities already underway from which to start?

- Ahohsaht – Resource management – design a woodlot resource plan – timber and land management plan – includes all resources – comprehensive resource management plan – driven by the community
- Internship Program (provincial) – a concept
- First Nation plans do exist – but collect dust – started CCPs again (a new round of planning) – \$ to plan but not to implement – need to build on existing plans
- First Nation resource management companies – some out there – could be more

Other comments:

- Consider combining them with "Goods and Services" themes
- First Nation land use plan – Canim – own LUP, reconcile with other plans
- Theme does not include First Nation values – plan must also reflect First Nation principles
- Holistic thinking – needed for resource development
- If First Nation plan ® integrate with other plans
- Resource management must be guided by First Nations but incorporate industry
- Industry/Government/First Nation values shouldn't be an issue
- Federal government should assist with program to develop internal resources ® resource management – what industry needs (short-, medium-, and long-term) – design training accordingly
- Seasonal nature of the industry

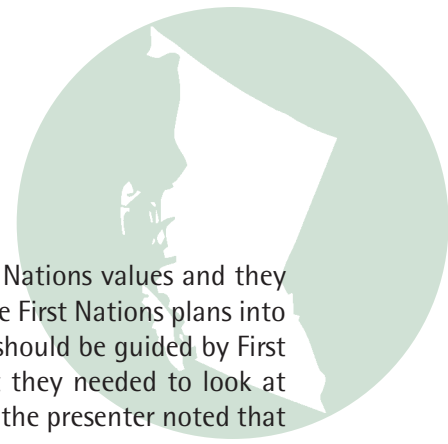
The presenter noted that this theme was very broad and felt that there was overlap between this theme and the others. In terms of real business opportunities, it was noted that they needed the on-reserve timber and access to timber was controlled by INAC. It was noted that one option to address this challenge was through the First Nations Land Management Act (FNLMA) but this was a long-term solution. One of the issues was ensuring that the federal and the provincial governments were on the same page. It was also noted that they needed to access funding support to initiate green projects. Group participants also spoke about the importance of jobs and job creation and the ability to see the opportunity and take advantage of it. It was also noted that procurement was seen as an opportunity. In terms of remediation, they talked needing funding for clean up contaminated sites, slope stabilization and addressing the affects of the pine beetle.

In terms of advantages/disadvantages, it was noted that there were a lot of cons and limiting factors in all areas. In terms of pros, there were economic benefits that would stay in the community and the First Nation would own and control the resources. In terms of cons, they would need to develop skills to manage the resource so it would not be managed by consultants, the provincial tenure system does not reflect First Nation values or aspirations, missing element of mentorship because education was not enough, and the rapidly changing forestry industry in the province.

In terms of tools and partnerships, it was noted that this was less of an issue than guaranteed volumes. In terms of tools, there was a need for funding for a mentorship program, revenue sharing agreements, directory of service providers in order to fill industry gaps, mapping tools/GIS, post secondary training, First Nation RPFs and mental as well as physical capacity. In terms of partnership, it was noted that they could partner with the Stewardship Council and HRSDC for funding.

In terms of tangible activities, it was noted that there were examples of housing projects, land use planning (Canim Lake), provincial internship programs as a model for others, and many planning instruments in the communities. It was noted that there were funds to develop comprehensive community plans but not any funds to implement the plans.

The presenter noted that they did not get a chance to talk about the Framework pillars but felt that this idea would fit within the pillars.



Generally, the presenter noted that resource sharing did not include First Nations values and they needed to look at it holistically. It was stated that they needed to integrate First Nations plans into provincial plans and others. It was suggested that resource management should be guided by First Nations but should also consider industry needs. It was mentioned that they needed to look at industry goals and prepare the training plans to meet those needs. Finally, the presenter noted that they also had to consider the seasonal nature of the forestry business.

THEME #4 – PRODUCT BRANDING AND MARKETING (TRENDS AND NICHE, VALUE ADDED, GREEN PRODUCTS, ORGANIZING TOWARDS INTERNATIONAL MARKETS)

What is branding? Telling the First Nation story - i.e. Fair trade coffee, that makes someone buy the product - one is selling the story

Q1 - What are the real business opportunities under this theme?

- Product – Marketing for all forest products (both timber and non-timber)
- For commodity markets
- There is a need for specific “branding” – First Nations
- Certification is necessary/must be there for branding success (helps sell the brand)
- Brand needs to be BC wide, Canada wide not First Nation band wide – economies of scale (mixed opinions)

Q2 - Advantages (pros) and risks (cons)?

- Pros – market access (access to the market) – yes but who? First Nations, Governments – First Nations or in partnership with other branding organizations
- Cons – maintaining the brand, market inclusion, need to assess the market – will Aboriginal branding make a difference in the market place
- Includes talking to other First Nations who may be doing this
- Other businesses – years of experience in product marketing
- Will price be increased by having a brand – not sure at this point
- Unknown – type of brand? Will it pay? Increase product price, complex process involved in branding
- Branding needs to be product specific – find a niche market
- Specialty products
- First steps – complete a market assessment followed by a feasibility study
- Branding standards (criteria) – needed or not?
- Should be multidimensional (multifaceted) branding
- There is a huge demand for First Nation products – favours a branding system

Q3 - What are the tools and partners necessary to bring it to fruition?

- Partners – provincial government partner
- Other Aboriginal groups with industry – secondary manufacturers
- Market trends – yes – industry groups
- Local knowledge
- Target ® niche markets for Aboriginal specialty products
- Look at specific countries – interests in First Nations i.e. Germany, China
- Look at new, upcoming markets for opportunities – Aboriginal products and branding

- Need to test the market
- Partner with existing branding organizations
- Best practices

Q4 - Were there any tangible activities already underway from which to start?

- China interest with First Nations and for First Nation forest products – some activities exist (logs) – self motivation, self interest
- First Nation businesses – visits to China have been completed – market access, First Nation forest products
- Wood pellets – for energy – in Europe – growing demand in alternate energy sources

Q5 - How did it fit into each of the Framework pillars?

- Yes – all fit – four strategic priorities

The presenter noted that, in terms of branding and marketing, the Aboriginal brand was a positive thing for First Nation business in selling products locally, domestically and internationally. The discussion was lively, he explained, and each group agreed that it was a good idea and should be worked on. There were First Nation companies already doing this but this was mostly a new and emerging area that needed to be pursued and discussed across the country. It was noted that branding was telling a story and, based on this story, the consumer should want to access the product. The examples of fair trade coffee and organic vegetables were given.

The presenter stated that the groups felt that this was real opportunity and specific branding and certification seemed to go along with that. It was noted that branding should help sell all types of products, timber and non-timber products. There were some questions around whether branding should be specific to a Nation/Community or broader than that. There was some disagreement among the participants on this point.

It was noted that there were many advantages and disadvantages to branding. It was agreed that once a brand was established, it had to be maintained and adjusted over time. Without a proper branding process, it may lead to market exclusion, as some markets would not accept the branding. This was seen as smaller issue because the concept was seen as mostly an advantage. They had also discussed the idea that branding may increase the product cost. There were many unknowns like what type of brand and if it would pay. It was a complex process particularly around international markets. It was suggested that they might want to work with and learn from others who had undertaken this work already. It was noted that they should develop a specific product and find a niche, as specialty products lend themselves naturally to branding. This would require market testing first and, if that was positive, they could continue on with feasibility studies. There were questions raised around standards in branding and it was stated that criteria needed to be followed. There were also questions around if they should be multidimensional in terms of branding or covering more than one product.

The fact was that there seemed to be a huge demand for First Nations product, timber and non-timber, and this seemed to call for some kind of branding.



The presenter mentioned that there had to be partners when undertaking this work and specifically the provincial government had to be involved in terms of wood supply. They also needed industry partners, particularly secondary manufacturers. They needed to identify market trends in order to ensure that there would be a market in the future and they needed to use local traditional knowledge. There were markets currently identified in China and Germany but they also needed to look at what the markets would be in the future. They would also have to undertake market testing of the products.

It was noted that there were a number of tangible activities already underway as some communities were already working with companies from abroad on developing their products. It was stated that there was a need for caution when taking this path. A delegation of First Nations went to China on an exchange already and there were other opportunities like that. The interest from Europe for wood pellets was also discussed.

In terms of the Framework, it seemed that it ties into at least three of the four pillars. In conclusion, the presenters noted that this topic seemed to be simple but when discussing it in more detail, there were many complex considerations. There were many questions still and, if it were pursued further, they would need an entire session bringing in those with more experience and knowledge on this topic together to discuss it.

It was noted by a participant that, under HRSDC, there were number of sector councils and there were Aboriginal specific parts of those councils. It was suggested that this was another area to explore.

Another participant mentioned that the organization she worked with had done a lot of work in this area. She noted it could be a challenging and expensive undertaking because it was hard to get a branded product onto shelves until it was as part of a consortium. The idea of niche market was an appealing one but, from a market access point of view, it was more expensive than it was beneficial. She mentioned that they did it in fishing sector and they were starting to look at wood products and they would be happy to share what they had learned. In terms of certification, she explained an eco-trust that they had developed with 25 wood owners and even when the wood market had crashed in 2009, they maintained their FSC market share. She was not sure why this was the case so they were looking at that. The other idea she mentioned was traceability where the product could be tracked in terms of where it came from and what kind of processes it had gone through before hitting the shelves. She said that traditionally this was a regulatory requirement but they had flipped this so the producers could define the rules. This was done with fish so they were testing it with wood.

The presenter noted that this topic was complex – it was expensive and there were a lot of considerations. However, there appeared to be opportunities here. It was noted by another participant that it would be beneficial to partner with others with more knowledge.

Another participant noted that certification and wood branding seemed like a great idea but he stated that they needed to ensure that they got the buy in from the community. He also noted that they needed to build capacity in the community. He stated that they needed to move forward proactively.

THEME #5 - BIOENERGY

Q1 - What are the real business opportunities under this theme?

- BC Hydro – Call for proposals and standing offer
- MPB
- Untapped reserve in hemlock and balsam (northwest)
- Increased training opportunities – fallers, heavy equipment operations, linemen
- Must do – ability to tap into foreign markets, ability to harvest more untapped reserves
- Community self-sufficiency
- Biofuels
- Biocoal – adaptation charcoal
- Biocarbon
- Grow hemp (cheaper to grow, harvest and manufacture)
- Good branding opportunity for First Nations

Q2 - Advantages (pros) and risks (cons)?

Policy driven business

Pros

- Reducing community risk
- Recycling – using otherwise unused resource
- Declining competition (fossil fuels) – burning wood waste versus diesel
- Economic opportunity
- Cleaner energy
- Feel good factor
- Reduces diesel generators
- Good skill match likely available
- Capitalization costs for feeder stock low
- Wealth retention
- Skills transfer
- Youth engagement – new opportunities
- Long term forestry activities
- Reduce carbon footprint
- Cost saving and provides energy to run the mill
- Utilize surplus fibre
- Potential to obtain ISO/FSC/Forest Stewardship Council certification
- Hotter and cleaner burning fuel
- Fully utilizing the tree
- Minimizing waste
- Sustainable
- Ag waste and bioenergy can be used together
- Community heating system – community building – kilns

Cons

- Overharvesting - - nutrients
- More remote/rural, more costly to transport
- Increase comp for energy co's (both pro and con)



- Zero sum (recycling)
- Perception – may be negative as is still combustible
- BC Call for proposals (frequently unknown)
- Cost of start up plant
- Fluctuations in market
- 1 – 2 year contracts – long term certainty unknown
- Forest licenses in five year intervals
- Availability of fibre (most trees in hands of big industry)
- Full potential unknown
- Diminishing supply of fibre
- Viability long term unknown – need a plan
- Cost of entry considered high
- Marketplace driven by European demand
- Be cautious – know what governments support
- 100 km radius usage otherwise cost of transport too high

Q3 - What are the tools and partners necessary to bring it to fruition?

Tools

- Access to fibre
- Identify methods to convert fibre to energy
- Understand governments policies on bioenergy
- Proforma models – business plans - \$, ROI – what is the pay back? People and tenure will vary
- Results of proforma will determine if partners are needed
- Identify potential markets
- Fibre connections (Province of BC) – links First Nations with suppliers
- Research – refining technology – higher cost effectiveness and competition
- Scope out cost benefit of the opportunity
- Community opportunity versus individuals – need community and neighbouring communities (regional) to buy in
- Identify type and quantity of fibre required
- Identify training and educational requirements
- Carbon credits – could leverage funding to support the initiative
- Identify the demand – driven by the economy – a good opportunity today may not be tomorrow

Partners

- Investors – potential funding sources
- Power companies/energy companies
- Ports (international) – transportation infrastructure, i.e. rail essential
- Forest companies
- Waste disposal
- Forest fuel management – nature and non-nature
- Car manufacturers
- Oil and gas companies
- Adjacent community/region – sharing, costs, risks and revenues
- Federal, provincial and municipal governments
- Green ethical funds
- Existing mills (pulp, saw, pellets)
- Agriculture and hot houses – waste management

Q4 - Were there any tangible activities already underway from which to start?

- Demonstration projects (pilot) – co-venture pellet production (Ontario) – selling energy back to the grid
- Feasibility studies – likely completed – results need to be shared
- Foreign research tech – ferric and Papercand – forest innovations
- UBC Phil Grau – research – grain energy
- BC bioenergy partnership
- Pellet boiler – Burns Lake – Green heat initiative – European technology – natural gas use replaced with bioenergy – boiler used to heat buildings – sawdust modelling
- Northern Bioenergy Partnership – Prince George – information available
- Denmark/Norway – R&D, business modelling, lots of experience
- BC Hydro call for proposals
- Government departments i.e. NRCan research
- Pulp mill – offset energy – reduce carbon footprint
- Forest fuel management projects that can support this market
- Forest Industries magazine – articles
- Attend bioenergy shows

Q5 - How did it fit into each of the Framework pillars?

- Strengthening entrepreneurship
- Developing Aboriginal human capital
- Enhancing value of Aboriginal assets
- Forging new and effective partnership

The presenter stated that group felt that there was a real opportunity in bioenergy, which was defined as a process generating energy from the development of other products. She mentioned that they had discussed the opportunities through the BC call for proposals and standing offer process but noted that frequency was an issue. Other considerations included the mountain pine beetle initiatives, untapped reserves of hemlock and balsam, community self-sufficiency through the use of biofuel and biocoal, possibilities around hemp and the ability to tap foreign markets.

In terms of pros and cons, it was noted that bioenergy was policy driven. She provided an overview of the list of pros/cons and the tools/partnerships outlined in the flipchart notes. The presenter then provided an overview of the tangible activities that were being undertaken at this time or have been done in the past. Finally, she stated that they felt that the projects fit under all the pillars of the Framework.

It was noted by a participant that there were a number of sessions being held in BC on bioenergy and a session had recently taken place in Prince George. Another participant noted that they looked at wood burning energy production and found that the investors were leery if the tenure for the wood was not there. It was noted that they were not just looking at waste wood so there was a cost related to developing the product. There were also other issues with BC Hydro and municipal government so they needed to be very creative how a project like this would be put together.



THEME #6 – TENURE AND ACCESS TO FORESTRY RESOURCES

Q1 - What are the real business opportunities under this theme?

- BCTS – should give up volume and allow First Nations to put on open market
- Cash made available to buy volume (tenures) both short and long term and replaceable volume
- Regimented system of briefings on forestry decisions/matters to First Nations councils (new councillors)
- First Nation advantage regarding marketing First Nation timber and the need to integrate First Nations timber products into export strategy

Q2 - Advantages (pros) and risks (cons)?

Cons

- Multi-jurisdictional issues between First Nations
- Admin heavy for short term (start up)
- Friction
- When renegotiating SLA 2006 – should not impact on First Nation ventures that rely on new forest tenure and still remain registered as independent remanufacturers

Pros

- Support all pillars under the framework
- The following would be realized if long term tenures avails itself:
- The ability to gain marketable carbon credits
- The ability to fund educational/skills for local members – sustainable
- Decreased reliance on consultants and increase capacity

Q3 - What are the tools and partners necessary to bring it to fruition?

Tools

- Need more replaceable logging volume
- Big enough tenure (economies of scale) – that is how you will train and retain people
- Purchase tenures from other entities
- The need for First Nation council and tech reps to meet together on forestry decisions – education of council
- Funding/Assistance to conduct viability assessment of provincial tenures First Nations may enter into
- Re-inventory of existing tenures to possibly increase AAC – addition vol/M3 made available to First Nations
- Education (continuing) – marketing (steps), development costing, silviculture – software, technical education courses
- Communications and protocols with First Nations and province

Partners

- INAC – funding and assistance to purchase tenures if they come available – Banks as well
- Partner with industry
- Industry to re-allocate AAC to First Nations

Q4 - Were there any tangible activities already underway from which to start?

- First Nation woodlands license (bill 28) – area based
- Partnerships (new and existing) – with industry – use people through the AHRDAs – skills building

- Note: was commented that it was easier to work with industry than provincial government – wants long agreements/slow process with less volume
- FNFC to help with resourcing
- The need for regional coordination bodies for First Nations between multiple First Nations (i.e. stuwix out of Merritt) – model has worked well, easier and less overwhelming for industry
- Leverage First Nations existing volume (pooling volume)
- First Nations need to be at the table for any SLA talks
- Local First Nations discussions should go forward instead of waiting for the province i.e. local First Nation authority

Q5 - How did it fit into each of the Framework pillars?

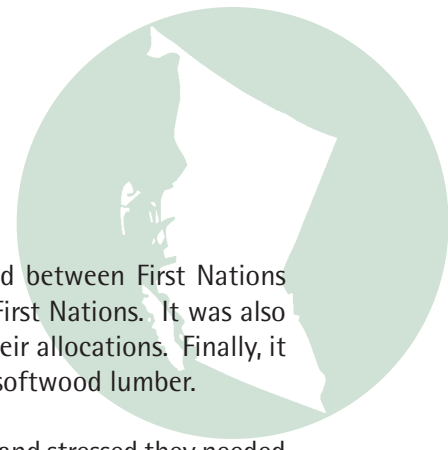
- Strengthening Aboriginal entrepreneurship
- Developing Aboriginal human capital
- Enhancing the value of Aboriginal assets
- Forging new and effective partnerships'
- Business acumen in First Nation communities is fundamental
- Tenure and access to forest resources is the foundation

The presenter stated that they felt that there would be real opportunities but someone would have to give up volume for the First Nations. It was noted that they needed to discuss replaceable tenures and a regimented system of briefing on tenures making sure that there was a link between leadership and the technicians. It was also noted that First Nation timber products needed to be part of the export strategy.

In terms of pros/cons, it was noted that one of the cons was that there was multi-jurisdictional issues between First Nations and a lack of regional coordination bodies. In addition, if local communities could assume a long-term tenure, the start up and initial costs would be substantial. It was also noted that the softwood lumber agreement negotiation should not affect independent entities. In terms of pros, the project supported all pillars of the framework, it could provide for marketable carbon credits, could fund educational needs for local members, and decrease dependency on consultants and build capacity in the community. It was noted that all of these advantages could be gained through access to long-term tenures.

In terms of tools, they needed more replaceable logging volume and to increase First Nations ability to purchase tenures from other entities. It was noted that they were dealing with the provincial system on tenure but there were actions that the federal side could take to assist with. It was noted that they needed continuing education in a number of areas including marketing, development cost analysis, silviculture, and technical education courses. They also stated a need for increased communications and the development of protocols with First Nations in the province. Finally, they needed funds to purchase tenures and industry should reallocate the AAC to First Nations.

Tangible activities underway included the identification of community forest licenses that were area based and training and skill building partnerships with AHRDAs. It was noted that it was easier to work with industry than the province because they could access more volume for less work from



industry. They needed regional coordination bodies for First Nations and between First Nations because it was easier for industry to deal with one body than individual First Nations. It was also suggested that the First Nations could leverage more volume by pooling their allocations. Finally, it was noted that the First Nations needed to be involved in future talks on softwood lumber.

In terms of the framework, the group felt that this project fit into all pillars and stressed they needed access to tenure. Building business acumen in the First Nations communities was also fundamental.

PART IV – FINAL PLENARY/ CLOSING REMARKS

The final plenary was an opportunity for participants to make their final comments regarding the Aboriginal forestry in BC. One of the participants mentioned that they felt that one of the most important issues was training and capacity development. It was noted that skills were lacking in many communities and the existing structures did not address these training needs.

It was noted that there should be a push made for the communities to access long-term resources. This participant mentioned that most of the topics discussed would not come to fruition unless the community could access revenue generation and sustainable long-term resources.

A participant noted that they had used the FNFP funding as a foundation to leverage funding for other projects and stressed that they had to be able to continue to access that funding.

Another person added that they needed those long-term tenures and they had to learn to work with industry. He said that they had to start making the deals that would benefit everyone. He stated that from there they could start working on the different ideas that they had been talking about at this session.

One of the participants noted that they had to ensure funding was flexible enough so that the community could develop their own plans and work with government on implementation. It was stressed that this should be how it worked; not figuring out how to fit into the govern-

ment's plans. This participant also mentioned that the federal minister of INAC had mentioned that the funding for community economic development was part of the mountain pine beetle funding but it was not; it was part of the economic stimulus funding.

Another participant spoke about the need for a holistic approach and also the need to include an education strategy, as this would form the basis for future training, employability and filling the gaps in the labour market in the future.

One of the participants mentioned that they were going to build a business case for BC on forestry, as they had the largest forestry resource base. It is important that they recognized that supporting economic development at the local level provided community benefits far beyond just the individual entrepreneur.

CLOSING REMARKS

*Mr. McDonald, Indian and Northern Affairs
Dr. Bill Wilson, Natural Resources Canada*

Mr. McDonald stated that he had listened to the discussions that had taken place over the past two days and he said that the types of discussions they had around coordinating the resources between departments was what they were looking for in terms of the Special Projects Initiative (SPI). He said that they had to look at big and bold ideas in order to compete with other ideas for Aboriginal economic development. He mentioned some of the ideas that they had talked about and recognized that access to forestry resources was a main concern. He said that beyond that there were also many issues such as marketing and branding, trans-

portation and capacity. He stated that their business case had to take all these issues into consideration. Of particular interest was capacity building, he mentioned, and this referred not only to training for employment but also within local governance structures. He also mentioned that he had noted their ideas around housing and how First Nations should control that. He stated that they needed to take control of the issue and make it theirs and he said that this would find a responsive ear in government.

He mentioned a collective approach involving many communities would have a greater impact in terms of funding decisions rather than projects on an individual community basis. He believed that this was a more strategic approach. Finally, he added that they had to look at collective opportunities that were sustainable in the communities.

Dr. Wilson thanked the participants and the presenters from each group for their work. He

said that they were getting a clear idea of the complexity of the issues. He provided some information on the ingredients (land, labour, capital) that they would need stressing. They would need to figure out what combination of each of these would lead to a successful outcome. He said that they had to consider alternatives because the idea of big sawmills and more timber was not the answer. This was an opportunity to come up with some different ideas and different approaches. He provided some information on next steps stating that they would write up the results from the discussions and bring that back to the participants. There were still questions to be asked and talked about and they wanted to ensure that they heard the participant comments clearly and accurately. He said that they also wanted to ensure that there was broader inclusion into these discussions and said that the summary document could be shared with other First Nation who could not be represented at this session.

