

Aboriginal Forestry Opportunities Workshop – Ontario

February 16 – 17, 2011

Fort William First Nation Community Centre
Thunder Bay, Ontario

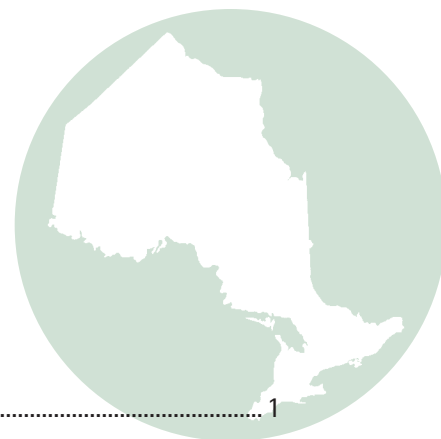
Meeting Summary Report



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MEETING SUMMARY

INTRODUCTION

A workshop was held on February 16th and 17th in Thunder Bay, Ontario to discuss Aboriginal Forestry opportunities in Ontario. The Thunder Bay 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. Rod Smith, Director, Operations and Spatial Analysis, Natural Resources Canada (NRCan) and Mr. Chris Hamden, Acting Director, Strategy Direction and Policy, Indian and Northern Affairs Canada (INAC) welcomed the participants to the meeting and provided an overview of the workshop. Mr. Smith stated that the objective of the workshop was to identify opportunities in Forestry and the associated Forestry Sector. The input received from participants would form the basis of an Aboriginal Forest Sector Plan, enabling federal departments to work with Aboriginal interests and all other interested partners throughout the Sector. He provided an outline of the current process of regional sessions.

Mr. Hamden thanked the participants for attending the workshop. He also thanked the Chief and Council of the Fort William First Nation to allow the session to occur on their traditional territory. He noted that INAC was undergoing a reorganization and the Lands and Trusts Sector would become the Lands and Economic Development Sector. He believed it was a great opportunity because communities could not really have an economic development base until lands and tenures were in place. Mr. Hamden said that the upcoming fiscal year, beginning April 1, 2011, would be a transition year with the new organizational structure in place. He stated that beginning in 2012-2013 new programming would be rolling out. Mr. Hamden said that there were some great opportunities that would be occurring and he looked forward to hearing from the participants.

THE NEW FEDERAL APPROACH TO ABORIGINAL ECONOMIC DEVELOPMENT IN FORESTRY

Mr. Neil Burnett, Indian and Northern Affairs Canada

Mr. Trevor Longpre, Natural Resources Canada

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

Mr. Longpre thanked the organizers for the invitation to the meeting, while Mr. Burnett also acknowledged the presence of the Elder; Mr. Burnett added that the discussion would be focused on the framework and about how it related to the Aboriginal forestry sector. He went on to say that the framework was about engagement and about how to do things better. The framework was about what to do and how to do it. He mentioned that the last time it was reviewed was over twenty years ago and since then conditions have changed a lot. He acknowledged that the government needed to take a look at how it did business. He pointed out that there was more capacity among Aboriginal leadership and that fifteen million hectares have been added to reserves through land claim settlements.

In terms of the new strategy, it focused on opportunities and generating results with the government taking a whole new approach. He pointed out that there were twenty departments in government with a mandate for Aboriginal economic development and that they needed to work more closely together.

The goal was also to strengthen Aboriginal entrepreneurship and the message the government had been receiving was that it was all about access to capital. Human Resources and Skills Development Canada (HRSDC) was developing Aboriginal human capital along with better

program integration happening in all departments. Other goals included modernizing land management regimes and forging new and effective partnerships along with getting the federal family together and getting private sector investments. He mentioned that a lot of work was being done on program renovation on supporting Aboriginal economic development.

Mr. Longpre noted that to be more responsive to emerging opportunities in the forest sector, the federal government, guided by the framework, was developing a whole-of-government approach. In contribution to that approach, the Canadian Forest Service (CFS) is shifting its role, to become facilitators of Aboriginal forestry projects and partnerships.

He said communities often were not aware about existing opportunities in forestry and he felt that the government could play a role (through knowledge exchange and creation) to address that. Also, he said that they could assist communities to find funding through various government programs and through partnerships.

He added that, through the framework, the government could move from fragmented support to better coordination – but he reminded participants that this change was not going to happen overnight. One of the first actions, and one of the purposes of this workshop, was to discuss opportunity areas and project ideas and develop a story to tell in Ottawa in order to make other departments aware of the investment opportunities that Aboriginal forestry represented.

He noted that once this workshop and similar sessions being held across the country were completed, the findings would be reviewed with the National Council of the First Nations Forestry Program, and that CFS' new approach to supporting Aboriginal forestry would launch in April 2011.



Mr. Longpre concluded the presentation by showing examples where CFS facilitated the development of diverse projects and partnerships that have had, or have the potential for regional-scale impacts to the economy. One example was a pilot housing project in three remote communities, where CFS facilitated a partnership between Frontiers Foundation, and HRSDC, with participating Aboriginal communities.

Another example of best practices was the New Brunswick Aboriginal Skills and Employment Partnership (ASEP) project, which saw many First Nations, industry, the Province of New Brunswick, and the federal government partner to offer diverse training-to-employment opportunities, even in occupations not traditionally considered forestry-specific – such as truck driving.

In closing, he suggested that those interested should not wait for a call for proposals from the CFS, but should rather begin developing their ideas and projects now, as there are many federal and provincial departments, with many funding programs, each with their own deadlines and application procedures.

HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA – SERVICE CANADA

Ms. Trish Trainor – Manager, Regional Operations, Labour Market and Social Development Program Branch, Service Canada

Ms. Trish Trainor, Manager, Regional Operations, Labour Market and Social Development Program Branch, Service Canada stated that her presentation would focus on the Aboriginal Skills and Employment Strategy (ASETS) and the Skills and Partnership Fund (SPF). ASETS was the successor to the Aboriginal Human Resources Development Strategy (AHRDS) and was launched in October 2010. The agreement holders currently had five (5) year agreements. Ms. Trainor mentioned that there were eighteen (18) agreement hold-

ers in Ontario representing \$65M. She said that the agreement holders were located across the province and included: 13 First Nation agreement holders; 1 Inuit agreement holder; 1 Métis agreement holder; and, 3 urban agreement holders.

There were three (3) strategic priorities under ASETS; the first being demand-driven skills development. Labour market needs would be determined and the agreement holders would ensure that the training and employment opportunities were geared to those outcomes, ensuring long-term employment. The second priority was partnerships. Agreement holders would look for opportunities to enter into partnerships with employers and other government departments to provide training programs or employment opportunities for clients. The final priority was accountability for improved results. Agreement holders would track how many clients they were able to employ and train to demonstrate how successful the programming was.

Ms. Trainor stated that ASETS was focused on the labour market; youth; and, childcare. The program provided wage subsidies for self-employment; provided opportunities for work experience; provided programs geared to youth; provided skills and program development; and, agreement holders delivered childcare services. She mentioned that ASETS would deliver labour market programming; provide services and childcare supports and enhance skills developments. The program dealt with multi-barrier clients and the program sought to ultimately increase employability and integration into the labour market. Ms. Trainor noted that ASETS was the primary program for Aboriginal employment through HRSDC. She also mentioned that Service Canada was the delivery arm of HRSDC within the provinces and territories.

Ms. Trainor stated that the SPF was open to all Aboriginal organizations and would receive \$210M over five (5) years. The first call for proposals (CFP) ended October 1, 2010 and those applications were currently being assessed. She

mentioned that no forestry projects had been submitted in Ontario. She said that the next CFP deadline was March 4, 2011. Ms. Trainor indicated that no project should be longer than three (3) years and multi-year projects could receive up to \$1.5M per fiscal year. She said that there were no limits on the number of clients required for the program.

Ms. Trainor said that eligible recipients included Band Councils and Aboriginal controlled organizations. The key element to the SPF was partnerships and HRSDC wanted to see a written commitment from employers that if workers received the appropriate training, they would be hired. The SPF was application based and more information could be found on the website.

Participant Comments/Questions

A participant asked how many application deadlines there were per year for the SPF. Ms. Trainor responded that there were four (4) application deadlines per year. There would be \$10M available in the first year and \$50M available each year for the following three (3) years. She said that if the funding was expended in the first two (2) CFPs, the remaining two (2) calls may not occur or a targeted CFP would occur.

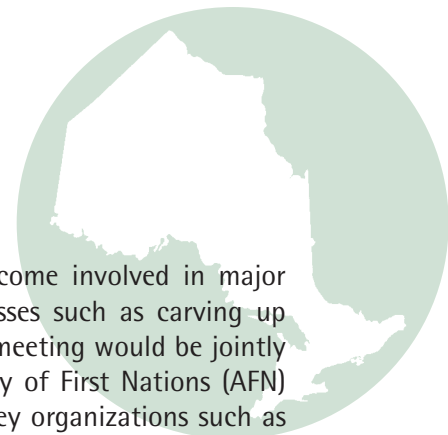
A participant asked whether a First Nation could be their own partner to provide programming for their own Band members. It was mentioned that it would be possible as long as the project fell under the three (3) priorities of the SPF including: skills development, including the development of essential skills, such as basic literacy; related to some emerging labour market demands in the future; and, leading to full-time employment. She noted that the key for any proposal would be the partnerships and their expertise and/or contribution that supported the overall project.

The question was raised as to whether projects had to come to the table with committed jobs downstream of the training. Ms. Trainor said that there was a need to meet employment targets, including how many clients were going to be trained and how many clients would end up with full-time employment. In addition, proponents had to provide a 25% contribution, whether that was an in-kind contribution or funding.

A participant asked whether it was possible to train 15 people for 10 jobs. Ms. Trainor said that within the program there was usually a certain level for client dropout, however, the targets still had to be clearly defined and reasonable.

A participant said that his observation was that HRSDC had never been a good fit for the Aboriginal forest sector. He said that programs were demand-driven and training had to lead to employment. The participant stated that there were few employers within the Aboriginal forest sector. He noted that a situation existed where there was a long-term demand where Aboriginal companies would be working in the Forest Sector, but those companies have not yet emerged. He said that communities were aware of the skills needed, but the piece that was missing was the companies guaranteeing jobs. He said there was a need for flexibility within the existing programs, and stated that the lack of employers was probably one of the reasons why HRSDC had not received any applications within the Forest Sector. Ms. Trainor commented that training to employment was only one of the components, although it was the primary component. Skills development was also an eligible activity.

The question was raised as to what percentage of the SPF focused on skills development vs. training. Ms. Trainor responded that currently, there was no regional allocation, nor sector allocation at this early stage of the program. She



said that each proposal was looked at individually on its own merit as to how well it met the program criteria.

It was noted that the assessment process also took into consideration the total cost per participant and total cost per job in terms of ranking the value for money. Ms. Trainor said that the rate was approximately \$40K per trainee resulting in full-time employment. She mentioned that there was also a 15% administration cap, which included administration and project delivery costs. She said that the same ranges were used for all of the strategic priority areas.

It was also mentioned that life skills development would be an acceptable activity that could be considered under skills development because many clients faced multi-barriers and life skills would lead to better job retention and could include building basic skills as well as getting a GED, for example.

PART II – STATUS OF ABORIGINAL FORESTRY OPPORTUNITIES, CHALLENGES AND INITIATIVES

Aboriginal Perspective – “Scoping the Opportunities”

Mr. Harry Bombay, Executive Director, National Aboriginal Forestry Association

Mr. Harry Bombay, Executive Director, National Aboriginal Forestry Association (NAFA), said there was a need to work on strategic issues within the Forest Sector. First Nations had to be institutionally involved in decision-making processes; however, he recognized that First Nations currently lacked the appropriate organizational structures to do that. He mentioned that in March 2011, a national meeting would be held in Ottawa, ON, to discuss strategic issues and how

First Nations could become involved in major decision-making processes such as carving up the Boreal Forest. The meeting would be jointly hosted by the Assembly of First Nations (AFN) and NAFA and other key organizations such as Nishnawbe Aski Nation (NAN) from across the country.

Mr. Bombay said that his presentation would focus on opportunities for First Nations in the Forest Sector. He stated that NAFA had been in existence close to twenty (20) years and was a poorly funded organization. He mentioned that there had been tremendous change in the Forest Sector. Mr. Bombay said that going back a number of years, First Nations did not hold any forest tenure across the country and there were only a handful of registered Aboriginal professional foresters. However, First Nations now held forest tenures across the country; had initiated a number of businesses across the country; had initiated a number of forestry businesses across the country; had more trained Aboriginal foresters across the countries; and, were more involved in the decision-making processes. He noted, however, that Aboriginal Treaty Rights had not yet received the appropriate level of recognition.

Mr. Bombay said that with respect to mechanisms to advance First Nations as Stewards of the land, some First Nations had moved beyond consultation and had negotiated agreements where the First Nation was the agreement holder as well as the tenure holder. First Nations had also integrated forest management responsibilities into their governance structures across the country. NAFA had also been able to focus some of the forest research to assist First Nations in determining forest practices, however, more work still needed to be done, particularly around Human Resources development.

He mentioned that when First Nations became Stewards of the land, they also became involved in upstream services, such as forest management and forest management services. More First Nations were becoming involved in watershed management and protected area management

as well. NAFA believed that First Nations should be more involved in best-end use approaches, eco-based tourism, as well as enhanced traditional land use activities that could lead to Non-Timber Forest Products (NTFPs) for example.

First Nations had to become involved in the broader issues on the management side of forestry. He stated that the diversification of the Aboriginal forest-based economy meant that a tree planter could become a forest manager, for example. Mr. Bombay indicated that most Aboriginal companies were involved in forest production; out of the 1,200 – 1,400 companies, 85% were concentrated in those areas, such as providing labour and wood supply. First Nations needed to do less harvesting and more management, servicing and processing.

Mr. Bombay indicated that another potential opportunity was to create a market-orientation. He said that the First Nation Forestry Council in British Columbia was doing some work on branding, primarily for First Nation forestry products out of the province. NAFA had been involved in that work to some extent, however, was interested in making that type of initiative national. He said there was a need for international trade promotion and creating alliances with certification bodies. Mr. Bombay said that there was a need to promote more inter-Tribal trade between First Nations and First Nation forestry companies

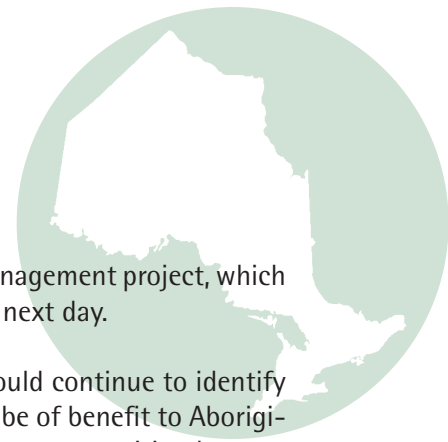
He said that an Aboriginal inclusion process required a Forest Framework Agreement Policy and Aboriginal Forest Tenures. Mr. Bombay said that there had been significant change in Ontario where some First Nations were about to assume sustainable forest licenses in the province. He mentioned that Ontario, New Brunswick and British Columbia were looking at the forest tenure systems and had entered into a formal tenure review process. He said that NAFA was

hopeful that some of the needs and aspirations of First Nations could be addressed through the tenure system and he believed that the provincial tenure systems were key for forest-based development and new emerging opportunities.

He mentioned that British Columbia had initially moved towards Forest Range Agreements, however, approximately 8 – 9 months ago, legislation was passed in the province that instituted the First Nation Woodland Tenure. He said that there were currently specifically designed tenures for First Nations in British Columbia that would lead to Aboriginal forest-based economic opportunities.

Mr. Bombay said that with respect to challenges and barriers to diversification, there was a lack of downstream focus, i.e. marketing and marketplace presence. It was NAFA's opinion that there was a lack of forest research and development. He mentioned that First Nations had access to certain market niches that non-Aboriginal forest companies may not, such as First Nation product development and market development. There was a need for research and development to pursue that new product development and new market development. He also noted that First Nations had a lot of work to do with respect to skills development, such as wood science, wood processing technologies, bio-materials science and forest bio-products, for example.

Mr. Bombay mentioned that Ontario was currently undergoing a forest tenure review process. The Chiefs of Ontario (COO) had instituted a Forest Sector Technical Working Group to provide formal input into the forest tenure review process. He stated that with respect to sustainable forest license assumption, Mitigoog would be taking over the Kenora Forest. He also mentioned that Munsee Delaware, working with the Seven Generations Educational Institute Initiative on Green Jobs would be implementing



hybrid poplars for carbon credit. He noted that some First Nations were also assuming facilities and creating new forest companies. Mr. Bombay stated that there was a lot of opportunity for First Nations in Ontario.

ONTARIO GOVERNMENT PERSPECTIVE – ABORIGINAL FORESTRY: OPPORTUNITIES AND CHALLENGES IN ONTARIO – AN ONTARIO GOVERNMENT PERSPECTIVE

*Mr. Bill Morrison, A/Aboriginal Policy Officer,
Aboriginal Policy Branch, Ministry of Natural
Resources*

Mr. Bill Morrison, A/Aboriginal Policy Officer, Aboriginal Policy Branch, Ministry of Natural Resources (MNR) reported that Ontario had made significant economic contributions to the Forest Sector. Ontario had shipped \$19B in forest products in 2004 and provided approximately 80,000 jobs in 2006, representing 30% of employment in the north. He noted that Ontario's forest economy was third in Canada behind British Columbia and Québec.

He outlined some challenges to Ontario's forest economy, including global competition and the decline in the housing market in the United States, although that market was showing some increased strength, there was still a long way to go to bring Ontario back to where they were. He recognized that some opportunities such as bio-energy were still quite small, but were growing and did represent the future. Mr. Morrison also mentioned that power costs were increasing.

Mr. Morrison stated that Ontario was increasingly committed to using access to resources to assist with Aboriginal economic development. He mentioned that in the past there had been a lot of localized effort, but it was often dependent on the interests and relationships of a few given people in a particular district. He said that Ontario had put a lot of effort in supporting the

Whitefeather Forest Management project, which would be discussed the next day.

He said that Ontario would continue to identify opportunities that may be of benefit to Aboriginal people when those opportunities became available and with the development and utilization of forest biofibre. He noted that the allocation decisions in the program were intended to consider economic and employment opportunities for communities, including Aboriginal communities. Mr. Morrison stated that priority consideration was given to those proposals that may benefit Aboriginal people.

Mr. Morrison said that modernizing Ontario's forest tenure and pricing system was a large initiative that had drawn a great deal of attention. He noted that the previous summer public information had been released and the consultation process began. The purpose of modernizing the forest tenure was to increase access to wood and develop a new revenue model.

Mr. Morrison stated that the New Relationship Fund, administered by the Minister of Aboriginal Affairs, committed \$15M per year, ending in 2013-14, which could provide some project stability for four (4) years. He mentioned that there were two (2) key components to the Fund, including a core consultation capacity, which was generally \$80K per year per community to develop core internal capacity for consultation. The funding was used to fund specific positions in communities or organizations. The second component was referred to as enhanced capacity building, which provided up to \$50K for projects through a competitive process.

He mentioned that the Northern Training Partnership Fund amounted to \$15M per year for three (3) years. It provided funding for skills training projects, which would assist communities and organizations in resource-related activities as well as with longer-term relationship and partnership building. This Fund was aimed at helping communities find sustainable employment and resource related areas and would ben-

efit prospective employees and provide opportunities for the workers to develop transferable credentials, trades qualifications or certificates, for example.

The Northern Training Partnership Fund also had two (2) key components: a project-based component that provided funding for skills training through the Ministry of Training, Colleges and Universities (MTCU), which made up the majority of the funding. Mr. Morrison said that \$2M of the \$15M annual contribution would be used for the second component, in conjunction with the MNR's Far North Program to support the development of competency in the land use planning area. He noted that the MTCU website had more information on the eligibility criteria and application process.

Mr. Morrison said that one of the key pieces of the MNR's administration was the Far North Act, 2010, which supported the development of community-based land use plans, intended to be developed with the province and the communities, through active engagement with communities. He stated that hopefully, the funding would be sufficient to support the effective engagement by communities for the land use planning for the far north in the identification of protected areas and resource development opportunities.

Mr. Morrison continued that another opportunity was that there was an aging population of northern Ontario in contrast to a growing youth Aboriginal population, with 39% of the Aboriginal population being under the age of 20 years old. He stated that young Aboriginal people may be well positioned to take advantage of future economic activities in the Forest Sector. The challenge would be to ensure that the Aboriginal population had the necessary skills and education to be able to delve into the Forest Sector in the future.

Capacity was needed in communities to ensure their success in the Forest Sector, which included sustained access to capital. Mr. Morrison said that the importance of relationships was also key to ensuring success. Training and education would be important as well as how advisory services might best be delivered. For example, while it is likely impractical to have a professional forester in each community, such services might be shared at a regional level.

Participant Comments/Questions

A participant asked whether the Far North Act had a similar funding mechanism as the Canadian Boreal Initiative, which offered grants to First Nations to undertake land use planning on their traditional territory. Mr. Morrison responded that the funding was directly from the Province, which was a separate funding mechanism in that sense. The participant asked whether the Fund offered First Nations a new alternative to the conservation organizations? Mr. Morrison replied positively, stating that that was his understanding.

The comment was made that First Nation communities were opposed to the Far North Act and numerous resolutions had been passed by NAN and they were not participating in the Act. He asked how the Province expected to move forward with the Act when First Nation communities were against the Act? [Mr. Morrison reported after the workshop on information provided by the Ontario MNR, Far North Branch: We appreciate the concerns of First Nations. We have listened to the First Nations and we have acted on what we've heard. Many of their concerns resulted in changes to the Far North Act, 2010 following both First and Second Reading.

The purpose of the Far North Act, 2010 is to enable community based land use planning in the Far North that, among other things, is done in



a manner that is consistent with the recognition and affirmation of existing Aboriginal and treaty rights in section 35 of the Constitution Act, 1982. The Far North Act, 2010 does not deal with the issues of jurisdiction or treaty interpretation.

First Nations have told us that they want to do land use planning. Almost 90% of First Nations who may develop a community based land use plan are already involved to some degree - ranging from initial engagement to more advanced stages of planning.]

A participant stated that it was difficult to advance a civil agenda within the Constitutional Framework because the Framework was so antiquated and disjointed that there was no middle ground, which was disheartening.

The question was raised as to what would occur when the New Relationship Fund sunset March 31, 2014? She asked what would replace that program? She said that First Nations would have their Resource Directors trained by that time and how could they continue the work without those funds? She was worried that would set First Nations back because currently, there was no funding in their current budgets to enable First Nations to keep that position that was so important to each community. One suggestion provided was resource revenue sharing.

The participant continued and asked when discussions would be occurring for the renewal of the New Relationship Fund because March 2014 was not far off and First Nations could not afford to wait a year for new funding to be put in place. Mr. Morrison said that he did not have the answer for that particular question but would take that question back to his department. [Mr. Morrison reported after the workshop on information provided by the Ontario Ministry of Aboriginal Affairs: There will be a formal evaluation of the NRF program next year and in 2013-14. The review will identify areas for improvement and, at that time, appropriate changes to the program will be considered.]

Mr. Morrison recognized that the participants had raised some questions that he was unable to answer and he believed that there was no formal Ontario Government response to some of the positions stated by participants. He said that he would seek further clarification and report back.

A participant stated that he had heard that there were many future opportunities, however, the reality was that the opportunities currently existed and every day that passed by, was an opportunity lost for First Nation communities. There was a need to close the gap between First Nations and the rest of Canada to ensure that First Nations could access opportunities today, in order to make a difference for their children tomorrow.

A point of clarification was asked regarding whether the role of the Policy Branch in the MNR was harmonious with the Ontario Ministry of Aboriginal Affairs (MAA)? He also asked whether the restructuring of the forest sector in Ontario to the Ministry of Northern Development, Mining and Forestry (MNDMF) meant that the New Relationship Fund was a provincial fund? Mr. Morrison responded that the relationship between the MNR and MAA was intended to be consistent. He said that if the MNR took a specific position in the context of a resource management area, for example, it was intended to be consistent with the Province. Similarly, MNDMF should be consistent with the MAA.

VALUE-ADDED SECTOR PERSPECTIVE – NORTHERN ONTARIO VALUE-ADDED INITIATIVE – “MAKING THE CONNECTION”

Mr. Percy Champagne, Industry Advisor, Northwestern Ontario, FP Innovations – Wood Products

Mr. Percy Champagne, Industry Advisor, Northwestern Ontario, FP Innovations – Wood Prod-

ucts, stated that the Northern Ontario Value-Added (NOVA) Initiative was funded through provincial and federal dollars. He mentioned that NOVA offered introductory and technical seminars; technical support; and, product and process development studies where they would fund up to \$20K to companies who provided a 25% monetary contribution to project costs.

NOVA worked with several First Nation clients and businesses, however, he recognized that they had not delved far into First Nation communities. NOVA was willing and able, however, it did take time to make those connections. Mr. Champagne said that it was difficult to pursue opportunities and persistence was required. He stated that NOVA could steer communities in the right direction if they were unable to directly assist communities.

He mentioned that some opportunities were not suited for all communities and he recognized that one great idea would not benefit each community. He said that each community should look at their own idea and carefully measure the merits of that idea. Mr. Champagne said that one opportunity for First Nations to take advantage of was working with colleges and universities to take advantage of the experience and knowledge of researchers, scientists and forestry engineers, for example.

He mentioned that with respect to central heating and power (CHP) benefits, fuel was readily available and some capital costs may be offset. The purpose was to make community living more cost efficient as well as to create employment within the community. He said that it made more sense to operate a Cogen facility in a community, should the opportunity be achievable, where 80 – 90% of the profits would stay within the community, as opposed to employing oil workers in Alberta to produce oil and natural

gas that was transported to communities, where 0% of the proceeds went the community.

Mr. Champagne said that there should be an opportunity to receive funding for an idea and have a business plan developed for that project at Stage 2 or Stage 3. He mentioned that it was difficult for a company or an individual to secure \$20K – \$100K to develop a business plan using professional resources. There should be some way to make a decision in the earlier stages of project development, so that a lot of time, effort and money did not have to be put in at the Request For Proposal (RFP) stage.

He stated that there was a misconception that a company had to be big to be competitive and profitable. Mr. Champagne said that large companies responsible for \$10M and hundreds of employees were still just making a living for a better life at the end of the day. He mentioned that some people may be more successful at cabinet making, for example, because at the end of the day, they were making a living and sending their children to school. He said that big business was not always the right opportunity to pursue. Small opportunities would also make a profit and have done so for many people over the years.

Mr. Champagne mentioned that business was limited in scope and very little was known about the type of harvesting in the forest eco-system for Non-Timber Forest Products (NTFPs). He recognized that NTFPs were a high interest area and he believed that research would lead the way, utilizing the knowledge and experience of First Nations.

Mr. Champagne shared a case study with the participants. He said that a small, isolated community built 6 – 14 homes a year and all building materials were transported over ice roads or by boat. Unemployment in the community was



high. The community was situated in the middle of a forest and so the community purchased a portable saw mill. Operators were then trained, timber and lumber were cut and a woodworking shop was built. The shop employees were trained in the profession of using shop tools and built coffee tables, bunk beds, etc., essentially any wood products that could be made in the communities. As the volume of lumber increases, employees may be trained in lumber grading, etc. Materials could be provided to build homes and home design may vary as some people may want to build a home from the timbers cut from the mill. Mr. Champagne said that the participants could then visualize and create the rest of the story. He said that there was no limit on where products could be shipped if they were made, particularly with today's advanced technology and wood processing and finishing.

Participant Comments/Questions

A participant asked what was in place to protect the proprietary information of First Nations that NOVA worked with? Mr. Champagne responded that NOVA was a not-for-profit corporation. They also signed confidentiality agreements with First Nations. A participant commented that his First Nation was currently working with FP Innovations on a wood torrefaction investigation and a confidentiality agreement, protecting the First Nation was signed by FP Innovations.

BIO-ENERGY SECTOR PERSPECTIVE – ATIKOKAN RENEWABLE FUELS

Mr. Ed Fukushima, Senior Partner, Atikokan Renewable Fuels

Mr. Ed Fukushima, Senior Partner, Atikokan Renewable Fuels, said that most of the opportunities for manufacturing and marketing wood pellets and using biogen were very large. He said that his company Automation Now Inc. was involved in bio-refinery, making green diesel and were initially looking into the Fibretech plant

because the plant was selling some equipment, however his company ending up purchasing the entire plant.

He stated that there were two (2) key things that happened with respect to the timeframe. The first was that the MNDMF opened a provincial wood supply competition and at the same time the Ontario Power Generation (OPG) distributed a request for information and pricing (RFIP) for a wood pellet supply for the possible conversion of the coal generation stations in Ontario. Atikokan Renewable Fuels decided to convert the Fibretech plant to produce 100% Biomass pellets.

The RFIP stated that "proposals that will receive the highest scores both proposals and criteria include those that demonstrate economic benefits through a signed agreement with Aboriginal person or community." Mr. Fukushima said that was a key component, so his company set out immediately to build those relationships with the First Nation communities attached to forests.

He mentioned Atikokan Renewable Fuels currently had an arrangement with Great Northern Bio Energy (GNBE). GNBE undertook all of the wood processing, including receiving, scaling and debarking for Atikokan Renewable Fuels. GNBE basically processed \$10M worth of fibre for his company.

He said that they were working with Sand Point First Nation; however, the First Nation was still waiting for the MNDMF wood allocation. The plans included developing an 8-ton power pellet plant; biomass Cogen and heating; and, a small-scale sawmill. They were also working with Whitesand First Nation; however, the First Nation was also waiting for the MNDMF wood allocation. The plans also included developing an 8-ton power pellet plant; small sawmill; and, a Cogen with the opportunity to take the town of Armstrong off diesel powered electrical generation.

The plants would product conventional 6mm Hardwood Super Premium Wood Pellets. The construction of the plants would include First Nation builders and would cost approximately \$75M to construct within a two-year period.

Mr. Fukushima noted that standard wood pellets would become a competitive commodity product globally. He said that as part of their supply chain, Atikokan Renewable Fuels worked with Lakehead University Research with respect to their company's intellectual property (IP). He stated that to make next generation fuel, the product would be shared with their supply chain partners. He mentioned that they had done the research on torrefaction and they would basically be making a charcoal type of product out of fibre that was weather resistant and had a high BTU. He said that by proving the manufacturing capabilities of the additives, it would make Northwestern Ontario a leader in that particular product group.

Mr. Fukushima stated that the renewable densified fuel was the size of a couple of wine corks. The fuel replicated coal and was water resistant. It could be hauled up on winter roads and be stored outdoors. It could be manufactured in the north and there were drying capabilities. The fuel could be used for generation and drying and there was no need to store or protect it. He mentioned that they currently had a large European and Asian market and were producing the fuel in the United States as well.

Mr. Fukushima said that with respect to training opportunities, Atikokan Renewable Fuels would have a supply chain and noted that one plant would be up and running before the other plant and would serve as the training ground for new employees. He also mentioned that a pre-apprenticeship training program could be implemented and many workers would be required in the fields of heavy equipment tech-

nician; industrial mechanic (millwright); heavy equipment operator; etc., for example.

He referred the participants to the matrix in his presentation and indicated that Atikokan Renewable Fuels had signed agreements with all partners in the development of sharing of technology; training; marketing; building the facility; and, operating the facility. The facilities that would be constructed in Whitesand First Nation and Sand Point First Nation would be owned by the First Nations. Atikokan Renewable Fuels was assisting them with the development of their business plans and would assist them with the operations of the plants until the First Nations were able to get their own people trained and working.

Mr. Fukushima said that with the supply chain, most of the projects were big. He stated that a person could start small in the pellet business and sell the product down the street, but the big players would eventually run that person out of town. He stated that there was a need to go big. Atikokan Renewable Fuels had a large volume with the supply chain and that was what they were marketing. They had secured large European power producers who had a guaranteed source of supply and redundancy of production. He noted that if one facility burned down, for example, the other two facilities could fill the void. Mr. Fukushima stated that it was no longer the case of the cheapest price; it was about the quality of the product; innovation; and, guarantee of supply.

FOREST INDUSTRY PERSPECTIVE – A TEMBEC PERSPECTIVE

Mr. Chris McDonell, Manager, Aboriginal and Environmental Relations, Tembec

Mr. McDonnell, Manager, Aboriginal and Environmental Relations, Tembec, stated that he



worked for a fairly large forestry company and he worked most of his time with communities. He stated that Tembec wanted to reconcile their business activities with the interests and visions of the communities.

He provided some background information on Tembec. He said that Tembec was created in 1973 and currently had 6000 employees and 25 facilities in Canada, United States and France. There have been many changes in recent years and he stated that their numbers were about half of what they were four years ago. He talked about Tembec's approach to diversification to address this situation including a foray into the specialty products of pulp.

Tembec's core business activities included: forestry; facilities; human resources; marketplace; and, communication/information technology. In the area of environmental stewardship, there were a number of issues, including species-at-risk; climate change; forest conservation; and, biomass.

He continued that forestry was an industry in transformation and provided an overview of the economic context. As he mentioned previously, Tembec was approximately half the size they previously were with some exceptions such as the accelerated harvesting in British Columbia due to the mountain pine beetle issue. He stated that there were strategies in place to reposition the company and he outlined some approaches they were taking. Tembec was looking at pulp and wood chips, as there were a number of uses for those products, in addition to being able to use all components of the tree.

In terms of Aboriginal opportunities, he mentioned that he was encouraged to see others in the business world looking beyond the bottom line to doing what was right and looking at how those Aboriginal opportunities could actually support the business line. The business case for

Aboriginal engagement continued to grow in the forestry sector. The capacity and willingness of all sides to engage had increased in the last five years and through that engagement Tembec would be able to address a number of situations including the forecasted labour shortage of the future. Positioning Aboriginal people to be job-ready required a collaborative strategy looking at forecasting for future positions and planning to fill specific gaps beyond traditional roles such as in information technology, accounting and others.

There were a number of challenges, including: tentative economic recovery within the sector; use of industry dollars focused on competitiveness strategies such as upgrading facilities; staff reductions at management level affecting ability to partner; and, an uncertain biomass market. He said that, in terms of the path forward, the FNFP program was an important piece but he hoped that the proposed changes led to greater access and an enhancement of the FNFP objectives. He stated that there was a need to have longer-term envelopes of funding. The idea of increasing coordination between departments and pooling available resources made sense as long as the approach was not "one size fits all". There was also a need to recognize the need for capacity in order for business engagement to take place.

Participant Comments/Questions

One of the participants noted that the treaties had given First Nations certain rights with regards to forestry and there was a considerable amount of revenue to be made. He stated that the First Nations wanted to have greater participation in forestry but there were many challenges posed by the provincial government. He stated that First Nations were not getting their rightful return on the harvesting of forests in Ontario, as he felt that First Nations were promised a percentage of each tree on Crown lands.

For the future, for their youth, he said that there was a need to look at ways to rectify the situation.

ABORIGINAL FORESTRY EDUCATION PERSPECTIVE – FORESTRY EDUCATION IN ONTARIO

Dr. M.A. (Peggy) Smith, RPF, Associate Professor, Faculty of Natural Resources Management, Lakehead University

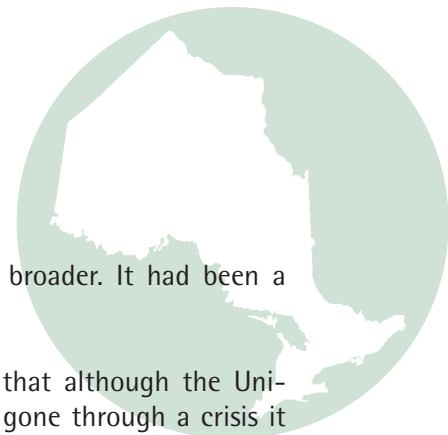
Ms. Smith stated that the focus for Aboriginal forestry education should be on post-secondary programs. She explained that, until Aboriginal people got diplomas and degrees from colleges and universities, they would continue to remain hewers of wood. They would not have decision-making power until this was achieved. Aboriginal communities needed to pursue and encourage their youth to make this their priority. She said that First Nation initiatives were driving a lot of the curriculum in educational institutions and provided a few examples.

She noted that, in 1991, when she graduated, there were five Aboriginal professional foresters registered across Canada. There was no Aboriginal content in education programs and no recruitment efforts in Aboriginal communities. At that time, Aboriginal students were not considered a serious pool and universities and colleges had no relationship with them. Next, she explained that the situation had changed. Natural Resources Canada (NRCan) had recently developed a brochure on Aboriginal Forestry. There were now 225 Aboriginal forestry professionals and 800 technologists and technicians. Also, between 1996-2006 there had been an 80% increase in the number of Aboriginal apprenticeships in forestry related occupations. More students had attended colleges and universities and these institutions now had Aboriginal specific content

in their forestry curriculum. She also noted two Aboriginal people had graduated with PhDs in forestry with another close to graduation. That presence in some of the universities meant they could inform what was being taught. She restated that Aboriginal communities were starting to drive the curriculum.

Dr. Smith spoke about some of the milestones that had been reached. In 1991, the National Aboriginal Forestry Association (NAFA) was established. This was important because it was a national strategic direction that explicitly addressed capacity building in Aboriginal communities. This was lost with the National Forest Strategy (NFS). In 1994, the FNFP was established and the University of British Columbia established a First Nation Forestry Coordinator position. Education was a key component of the FNFP and it did more than any other organization to promote the inclusion of Aboriginal issues in the curriculum.

Next, she contrasted the 1998-2003 and the 2003-2008 NFS document. In 1998, the provincial and federal levels of government and non-governmental organizations (NGOs) committed to a forest sector education human resources strategy. As well, commitments were made to develop an Aboriginal research agenda, strengthen organizations, and address the needs of Aboriginal people. She noted that limited employment resulted and there was no long-term funding provided. In 2003, the new document switched the focus to include the protection and recognition of treaty rights, which she commented had not occurred at the workshop. She believed a major issue was that the government program still did not acknowledge Aboriginal treaty rights. The new NFS also called for the inclusion of Aboriginal issues in the management of forest and land resources. She felt this situation had not moved far enough. She wanted to have the roles and responsibilities of all stake-



holders studied especially measures put in place to ensure that government fulfilled its fiduciary responsibilities. Dr. Smith noted that there had been some movement on the duty to consult.

She pointed out that the most recent NFS was for 2008 and beyond and was no longer a five-year plan. The NFS stated that Aboriginal people and their businesses had a role to play in the forest economy. She noted it was a limited economic development approach and it needed to be much more complex.

Dr. Smith noted that university and college programs were suffering as a result of decline in the forestry sector. There had been declining enrollment yet the need for those graduates had increased. Climate change, new business opportunities, and forest protection demanded more graduates. Educational programs were in jeopardy. She stated that at the University of Toronto the faculty status had been lost, as had the Aboriginal Resource Tech program at Sault College. She explained that that program had offered an important avenue to get students into the university level. Six or eight students had entered university through the program and it was now gone. As positive steps, she described Confederation College's work with Whitefeather Forest Initiative to incorporate traditional ecological knowledge (TEK) in the forestry technician curriculum. In addition, they had coordinated the First Nations Natural Resources Youth Employment Program that had been founded in 2000 by NAFA and Bowater-Abitibi.

She referred to Mr. Bombay's comment that there had been an increase in Junior Ranger style programs in other parts in the country (British Columbia, Alberta, and Manitoba). Dr. Smith agreed that this was significant because close to 300 students had gone through the program. It was noted that the integration of non-Aboriginal students into the program had been contemplated. The program was viewed as a means to develop relationships with First Nation groups; to build that bridge; and really

evolve into something broader. It had been a great success story.

Dr. Smith commented that although the University of Toronto had gone through a crisis it continued to march along. They had introduced a collaborative program in which students went to Haida Gwaii for a semester. Also, an Ontario option for the program was under consideration for the future. There was also collaboration with Aboriginal Initiatives to start a medicine and foods program. Lakehead University continued to graduate the largest the number of Aboriginal graduates from the Undergraduate Forestry Program although numbers had declined since the loss of the Sault College program. Research and consultancy projects with a number of First Nations were ongoing.

In conclusion, she described some First Nations initiatives. Throughout the province, First Nations were driving curriculum change and community capacity development. Whitefeather Trillium Funds were used to develop curriculum with Confederation College. Also, Munsee-Delaware Trillium funds had established a First Nations Forestry Training Partnership. This trained 25 technicians focusing on green jobs in forestry and renewable energy. Also, the Northeast Superior Regional Chiefs Forum had begun work with the Northeast Superior Forest Community to build youth capacity through workshops, newsletters, and courses. They also wanted to establish a Centre of Excellence.

A participant reflected on his work with the Ministry of Natural Resources (MNR). He described how First Nation employment had moved from tree planters and firefighters when they said enough was enough. Court cases, changes in government, blockades had all facilitated change. He urged First Nations to assert their treaty and Aboriginal rights to improve economic opportunities. Dr. Smith commented that the rights issue was not at the table. It was an underlying issue for the workshops.

Mr. Bombay stated that it was a mixture of both. He said that when a few initiatives were suc-

cessful then confidence grew in First Nations' ability to do the job. Progress was the result. He felt First Nations had influenced forest policy to some degree. For instance, there was the NFS, which set targets and goals to work towards in an orderly manner. He noted that there had been little incremental changes, but they had not yet reached some of those key milestones.

CASE STUDY OF SUCCESSFUL ABORIGINAL FORESTRY INITIATIVE – FOR FUTURE GENERATIONS – GUIDED BY OUR ELDERS – A VALUE- BASED STRATEGY FOR ECONOMIC RENEWAL FOR PIKANGIKUM FIRST NATION – THE WHITEFEATHER FOREST INITIATIVE

*Mr. Alex Peters and Mr. Andrew Chapeskie,
Whitefeather Forest Management*

Mr. Alex Peters, Whitefeather Forest Management said that the initiative began in 1996 and was created by the Elders. He referred to the map on the first slide of the presentation and said that their area included 1.3 million hectares and included trap line areas. He said that it was the Elders and the head trappers that got together when the fur industry went down. Mr. Peters said that in the past, all of the families would move into their trap lines beginning in September and some would stay on their trap lines until March. However, that activity died with the Elders. In the summer, the community did commercial fishing but that ended when the community was told that their fish were contaminated. The following year, the fishermen went back and saw lodges being constructed on the lake and had discovered that they had been tricked into leaving their way of life.

It was 1996 and the community had no economic opportunities or any way to support themselves and the remaining Elders in the community said that it was time for a change. The Elders told the community to look into the forests for resources and saw the trees. The Elders commissioned the Chief to look for a partner to determine how much their forest was worth and a study was completed in 3 – 4 years. A partner was found in Vancouver, British Columbia and informed the community that their forest was a gem; a jewel; and that was when the Initiative began.

Following the study, the community visited the district MNR office and the Chief said that he wanted to start a sawmill and start cutting. The Chief was informed by the District Manager that if the Chief cut a tree, he would be put in jail, however, if the community started their land use planning process, they could have discussions about cutting. Mr. Peters said that two (2) years following that meeting, they had an agreement in place and partnership with the MNR. He said that the partnership was good and they were able to iron out any differences they had. He mentioned that they had some miners staking the area within a year after signing the partnership agreement. The community went and cut those stakes down and informed the MNR that if they were going to have a good land use plan, they did not want any interference from other departments or companies. Mr. Peters said that the community did not have any miners or mining companies going into their area without permission from the community.

Mr. Peters stated that in 2006, the land use plan was signed off by the MNR, which took ten (10) years. He said they had a celebration in the community and it was good.

Two years ago, the community undertook an environmental assessment and it was difficult to get through that process and get the envi-



ronmentalists to agree with the community. The Elders looked at forestry as their first priority. After a few years they looked at other resources that would help the community, such as mining; eco-tourism; road corridors; and, hydro corridors. The one resource that the Elders did not want the community to touch was the river and the lakes and specifically said that they did not want the rivers or lakes dammed.

Mr. Peters said that they had a good relationship with the MNR and the MNR was his community's main supports and financial contributors to their Initiative. He noted that the federal support had been scarce at times and one year it was there and the next year it was not there. He stated that within the current fiscal year, the federal dollars had dried up. The MNR continued to fund their Initiative and funding was already in place for the following year.

He mentioned that his community was also doing a project with four (4) Manitoba First Nations and with the Manitoba and Ontario Governments. They were proposing a World Heritage Site with the Pekingese First Nation, Bloodvein First Nation, Poplar River First Nation, Ontario Parks, Manitoba Parks and Manitoba Conservation. The project had received \$10M to date from the Manitoba Government but had not received anything from the Ontario Government despite correspondence being sent to the Ontario Premier requesting that Ontario match the funds provided by the Manitoba Government. They also requested support from the federal government, but had not received anything. Mr. Peters said that they would be presenting the World Heritage Site to the United Nations in September 2011.

Mr. Peters stated that the Elders in his community said that the Whitefeather Forest Management Initiative was an economic renewal for their community. He mentioned that the community had put Aboriginal Treaty Rights on the side, however, were still open to discussions on those rights. The Elders said the Initiative was for the children, grandchildren and the genera-

tions to come. Mr. Peters said his community would work with anyone that was willing to work with them, but the community had to be in the driver's seat and had to continue to direct the Initiative.

He noted that his community received a lot of inquiries from other First Nations to visit their community and talk about the Initiative and his community was always willing to visit other communities. The Elders said that they did not want to be a model for other First Nations because other First Nations had their own specific systems, knowledge and areas. Mr. Peters said that his community did not want to be a model. Finally, he mentioned that there were forty (40) Elders that worked on the Initiative.

Mr. Andrew Chapeskie, Whitefeather Forest Management, added that it had been an absolute pleasure to work with the Elders from the community. The Elders had a new approach to understanding the forest and understanding both the value of the timber and how that value could be used for future generations. The Elders' strategy was to first take inventory in the bush and then determine what they could make. The Elders did not have any preconceived ideas; they first looked at the forest and then decided what would work best. Mr. Chapeskie stated that the Elders said that communities had to understand their bush first, before they could see the best things to make from the bush. He said it was important to look at the resources and then pick the products.

ABORIGINAL CAUCUS REPORT BACK

The Aboriginal representatives participating in the Aboriginal Forestry Initiatives Workshop had an opportunity to meet on the evening of Wednesday, February 16, 2010 at the Victoria Inn, Thunder Bay, ON, to have a general discussion on the Federal Framework for Aboriginal Economic Development and the Aboriginal Forestry Initiative. The participants requested that time be made available on the agenda so that

the Aboriginal representatives could report back on their discussions and pose questions to INAC, NRCan-CFS and the Province. They also requested that the discussion be captured within the report, including all questions and responses.

The INAC and NRCan-CFS representatives committed to responding to the questions to the best of their ability. In the instance that a response could not adequately address the question or no response was provided, INAC and NRCan-CFS committed to finding that response and including it in the final Ontario Region Aboriginal Forestry Initiatives Workshop Report.

Mr. Bombay began the session by asking for clarification on the role of NRCan-CFS in the delivery of the forestry component under the Federal Framework for Aboriginal Economic Development. He also asked what other programming or opportunities were available under the Framework with respect to forestry. He also asked how INAC was going to deliver the Strategic Partnerships Initiative (SPI) and the CFS component of the Framework.

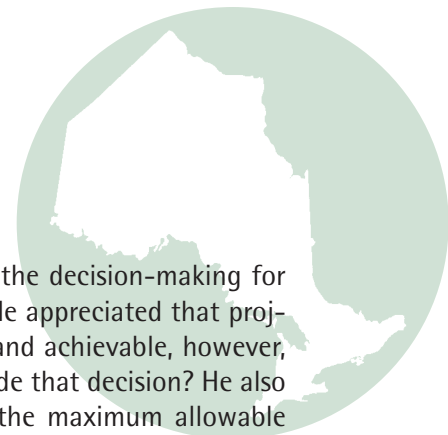
Mr. Burnett mentioned that there were four main pillars of the Framework, which was the foundation of the federal government working together. He noted that SPI was the mechanism to encourage government departments to collaborate and work together. He mentioned that some departments had stringent rules with respect to allowable programs and activities and SPI was able to break down some of those barriers. Mr. Burnett said that in some instances, it may only involve information sharing between departments, however, other instances may be more ambitious, where some departments would be able to redirect some of their funding into a program of a different department, or some departments may be able to have some flexibility around the rules of their existing programs to flow funding to fisheries or forestry for example.

The SPI outlined the vision of the federal government working together.

Mr. Burnett mentioned that when the Framework was announced, there was a budget of \$400M attached to the Framework, enabling INAC to add new investments to the negotiation process; elements that were key to economic development, such as education, for example. He noted that a small portion of those funds (\$85M) would be dedicated to the SPI, which was similar to the SPF fund administered by HRSDC.

He stated that it would be a competitive process amongst federal departments and agencies, to bring forward strong sector strategies (sector plans) for funding.

Mr. Longpre said that with respect to the role of the NRCan-CFS within the Framework, the NRCan-CFS would be leading the coordination of the development of the Forest Sector Plan, and will adopt a facilitation role to coordinate federal and other support for Aboriginal forestry projects and partnerships. He stated that the objective of the SPI funding was to prompt government departments to work together. He noted NRCan-CFS had committed the \$1M formally invested in the FNFO to support Aboriginal forestry research, outreach, and to seed economic development projects. The new funding from the Framework will be geared towards filling gaps. He said that federal departments each had their own call for proposal (CFP) deadlines, project start dates and reporting schedules and there would be gaps for projects that were developed after departmental CFP deadlines or project start dates. For example, if the next Fednor deadline was eight (8) months away, but a business opportunity was currently available, NRCan-CFS could provide seed funding to bridge that eight (8) month gap. He said that NRCan-CFS wanted to facilitate the development of the best possible proposal that would produce the



best possible outcomes with the funding that was available.

Mr. Bombay asked what exactly NRCan-CFS would be delivering and whether the SPI funding was available to First Nations, or was it to be used for federal government departments or other agencies. He asked whether the SPI was designed to foster First Nation partnerships with government in terms of building First Nation infrastructure and creating institutions within First Nations and organizations, or was the funding to be used to create institutions within the federal government.

Mr. Longpre responded that the SPI did not provide funding for departments, First Nations or organizations to operate or expand an institution. The SPI was grants and contribution funding that would go directly to communities. The funding could also be used to leverage additional funding from other sources.

He stated that NRCan-CFS would be playing a facilitation role. NRCan-CFS recognized that there was no value in approaching communities with project ideas, but rather projects would be community-driven. He said that communities had been trying to develop capacity and develop projects that would benefit their own communities. He said that the SPI would provide proponents with the opportunity to bring forward their great ideas and opportunities. If communities required the technical aspects of a particular project, NRCan-CFS could assist communities with their technical needs or facilitate a partnership with another department to ensure the project succeeded. Mr. Longpre recognized that there was still a lot of uncertainty with exactly how the SPI process would work as well as the facilitation role that NRCan-CFS would play, however, the federal government was trying to move quickly with the process.

The comment was made regarding the approval process for program funding and the potential mechanism that would exist under the SPI. The participant asked whether there would be First

Nation involvement in the decision-making for SPI project approvals. He appreciated that projects had to be doable and achievable, however, in whose eyes; who made that decision? He also asked what would be the maximum allowable funding? The participant also commented that the NRCan-CFS ability to facilitate would rest on their ability to actually engage with communities. He said that if there was only one person assigned to facilitate projects for the SPI fund, that individual would be extremely busy. The participant continued, stating that he was attending the meeting on behalf of his Tribal Council that represented six (6) First Nation communities and they had different methods of engaging with the forestry sector. He stated that the vision of the SPI seemed correct, however, the "how", "who", "what", "where" and "when" had yet to be developed. The participant asked whether the small group sessions would enable participants to provide input into the SPI process?

Mr. Longpre said that the small group sessions would move beyond the SPI process to identify potential opportunities or projects NRCan-CFS could expect to come from communities in the future. That would also enable NRCan-CFS to approach their fellow departments and inform them of any potential projects where the departments could become involved.

Mr. Longpre mentioned that with respect to decision-making, the federal government would be discussing ways to ensure there was an Aboriginal governance link to the SPI decision-making. He noted that NRCan-CFS currently had Managerial Committees in each province/territory that allocated the FNFP funding. The National Council was then comprised of members from each of those Managerial Committees. The National Council provided policy advice and broader program direction. NRCan-CFS was currently trying to determine how the decision-making process would look. He hoped that when a good idea was tabled, it would build momentum and larger pots of funding would be available. He said that NRCan-CFS would be tabling

a proposal at the next National Council Meeting to be held in Ottawa, ON, in March 2011 outlining the decision-making process.

A participant said that currently in Ontario, the Managerial Committee was comprised of two (2) government representatives and five (5) First Nation representatives. The participant asked what the First Nation to government representative ratio would be on the "new" Committees? The participant then asked how funding would be broken down because she had heard that 10 – 15% of the SPI would be allocated for government to develop internal capacity to deliver the program.

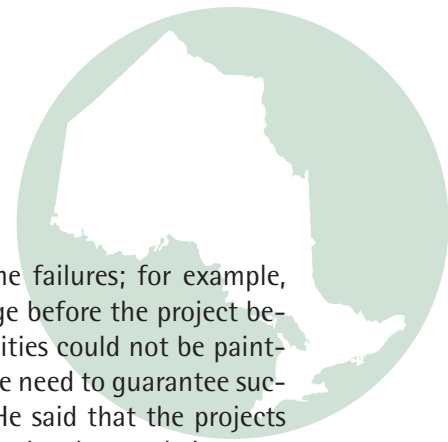
Mr. Longpre said that there was truth in both statements. He stated that the \$85M that was made available under grants and contributions would be allocated for communities. However, funding would also be made available to government, to enable departments to deliver the funding. However, he noted, that the funding available to government was predetermined, and would not infringe on the amounts of grants and contributions funds that are to be made available to communities. He stated that with respect to the make-up of the "new" Committees, that structure still had to be determined. He did mention that they were hoping to ensure the continuation of the role played by the National Council, particularly with respect to receiving policy advice. Mr. Longpre said that beyond that, he could not guess what the decision-making structure would look like.

A participant asked how INAC saw NRCan-CFS being involved in the program? Mr. Burnett responded that NRCan-CFS would facilitate the development of proposals, if requested by communities, within the forestry sector. He said that INAC would support proposals however possible through existing resources, including enabling projects access to larger pots of funding.

The question was asked as to whether a specific amount of funding would be allocated directly to NRCan-CFS? Mr. Burnett said that it would not be necessary because communities would be accessing the bigger share of funding. A participant asked whether there were any guarantees that communities would be able to access funding? Mr. Burnett responded that INAC could not provide any guarantees. He stated that access to the funding would be based on opportunities and the SPI would focus on the biggest opportunities.

Mr. Longpre said that there were so many sectors and the funding could have been divided equally among the sectors, however, it was decided that the best opportunities would receive the best funding. He mentioned that basically the sectors were competing against each other for funding; however, he believed that the forestry sector would be able to provide excellent opportunities. Mr. Longpre stated that the sector hit bottom in 2006 and was currently climbing out and the timing had never been better for Aboriginal communities to become involved in forestry. He mentioned that jurisdictions were changing policy regimes to allow for Aboriginal participation in British Columbia, Ontario, Québec and New Brunswick and all partners were beginning to realize that by working together, more could be achieved.

A participant asked for clarification as to how the federal government seemed to work with the provincial government. The authority lay with the province and the participant asked whether there was any plan to address on-reserve forest management vs. off-reserve forest management and how that would be handled. Mr. Longpre indicated that the federal government believed there were opportunities to manage that issue. He said that the federal government did not expect to be the drivers of the projects, rather the communities would be the drivers and would



have full decision-making authority over the projects. He stated that anywhere there was value added to have NRCan-CFS involved, they would be there.

The participant asked whether it was the responsibility of the First Nation to bring the provincial government and industry partners to the table? Mr. Longpre responded positively and indicated that NRCan-CFS would be able to introduce potential partners to communities in order to build a team. He said if NRCan-CFS was the first member on the team, that was great and if their assistance was not required, that was also great.

A participant mentioned that the federal government had a risk assessment for funding and he asked how that factored into the new program? Mr. Burnett responded that it was his understanding that risk assessment including monitoring and oversight by government. He stated that depending on the risk level of the project, it would determine the level of engagement as well as the length of the contribution. He said that lower risk activities had greater flexibility to enter into multi-year agreements or to undertake a series of initiatives. He continued that some departments could review the proposal beforehand and determine what the risk was, which would influence whether or not the project was funded. Other departments may fund projects and then undertake a risk assessment once the project was underway. Mr. Burnett said that it varied by department. He added that that did not necessarily mean that high-risk projects would not be supported. Mr. Burnett stated that for those projects that departments wanted to support, the department(s) would look at the flexibility and controls that could be put in place to make that project happen.

Mr. Longpre stated that, with respect to the financial aspects of projects, there were rigorous risk assessment methodologies that were applied and he said those methodologies would still be in place. He said that in terms of the broader risk of participating in some projects, NRCan-CFS made it clear that with larger, multi-year proj-

ects, there may be some failures; for example, the market could change before the project began. However, communities could not be painted into a corner with the need to guarantee success on every project. He said that the projects were going to be driven by the needs in communities and the government had to be open to risk. However, he noted that when it came to financial requirements, there was no flexibility, but in terms of supporting and helping to create the best outcomes for communities, the government was open to higher levels of risk than they were in the past.

A participant commented that risk assessment occurred across every department. She mentioned that with HRSDC/Service Canada and the new ASETS agreements, HRSDC was looking at the frequency of monitoring and reporting. She noted that one of the key issues in Ontario was building capacity. The participant said that HRSDC would monitor risk and ensure that checks and balances were in place, which would also inform HRSDC of which areas required more focus and where additional partners could be brought in to build capacity and ensure the overall success of the project.

Mr. Longpre offered the example of various departments working together to support the creation of a widget factory. However, once a risk assessment was done, it was determined that the project was not a good investment decision. He believed the example should not be considered a failure because the project avoided failed investments from the community. Mr. Longpre said that often, when considering whether projects were valid investments for communities, the response was negative in moving the project forward.

A participant commented that she was not clear on the SPI fund. She asked whether NRCan-CFS would receive administration funding from INAC that were designated for First Nations? Mr. Longpre said that the amount of funding available to communities from the \$85M budget was fixed [translating to approximately \$14 million

per year, across all sectors], and that amount would go directly to communities. He mentioned that the unknown decision was how that funding would be spread across the various sectors. Mr. Longpre said that there was a separate fixed amount of the funding for developing government capacity to deliver the SPI.

A participant asked what considerations would be given to access to lands and resources as they affected First Nations in terms of Aboriginal rights and titles in developing the Framework? She asked whether First Nations would be consulted as part of that development and noted that the Framework would have an effect on who could access the lands and resources as well as who could access the forestry products. She mentioned that often tenures were distributed to industry without consideration to Aboriginal rights and title components.

Mr. Longpre responded that NRCan-CFS was not involved in treaty negotiations. He mentioned that NRCan provided unbiased services to both First Nations and government departments during negotiation processes. He mentioned that NRCan-CFS could however, assist communities in acquiring a forest tenure for example, if that was required for a project such as building a mill. He noted that some of the triggers could include building the infrastructure and capacity of the community. Mr. Longpre stated that NRCan had not traditionally played a role in advanced negotiation processes to solidify land acquisitions, nor would they play one in the future.

Mr. Burnett said that with respect to Duty to Consult on traditional territories, from an economic development perspective, the federal government could be present to provide support and facilitate economic benefit for those activities. Perhaps they could also be involved in negotiating an Impact Benefit Agreement, for

example, but could also provide support for land claim type negotiations.

A participant stated that the federal government recently adopted the United Nations Rights of Indigenous Peoples. The participant asked how the program would merge with self-determination, which was one of the aspects of the Declaration? Mr. Burnett said that it was really a broader policy question that looked at the Treaty process. He mentioned that the project would take advantage of the Declarations and Rights that were inherent in communities, because communities would be the drivers of the projects.

A participant requested clarification as to whether federal programs in the economic development area had an impact on Aboriginal and Treaty Rights? Mr. Burnett responded that the federal government would play a facilitation role to make partnerships and projects happen. He mentioned that in terms of programming, the government looked at projects from an economic development perspective and when an opportunity that drove economic development opportunities arose, the government would be there.

A participant commented that NRCan-CFS would be facilitating the development of partnerships and securing additional funding sources for community projects, however, NRCan-CFS should also promote projects within their own department. Mr. Longpre said that the intention was to determine where departments could partner with existing programs. He mentioned that he was working on getting his department to take notice of Aboriginal communities and include those communities in programming aimed at industry. He said that there should no longer be two (2) separate groups.



Mr. Longpre said that government would also be looking at the success of the SPI and if it was unsuccessful, something would need to change.

A participant asked whether the funding announced in the Framework was new money or recycled money? Mr. Burnett said that the list he had provided in his presentation was new money, which included: Access to Capital; Major Resource Centres and Development Initiative; Aboriginal Entrepreneurship; SPI; Accelerated Use of First Nation Lands. The participant asked whether those new programs replaced earlier programs? Mr. Burnett responded that many of the programs were not replacing any programs but were addressing gaps in existing programs. For example, new money was identified to help advocate procurement for Aboriginal businesses through the existing Procurement Strategy for Aboriginal Business (PSAB) program. He noted that the Accelerated Use of Land Claims was an addition to the ATR and TLE processes, which were existing programs. He said that SPI was a new program as previously discussed. Mr. Burnett stated that no existing program had been replaced, but rather the new funding built on those existing programs.

The participant asked for clarification with respect to the FNFP. She thought that that program no longer existed and asked what had happened to the funding for the FNFP? It was noted by INAC representatives that they would follow up with additional information.

A participant asked whether or not there was any vision for forestry when the program was developed? Mr. Burnett stated that he believed the purpose of the workshop was to develop that vision from a forestry perspective within the particular suite of programs. He said that participants would develop new initiatives and opportunities that would help the forestry sector, however, the program was not developed specifically for the forestry sector.

It was mentioned that in 2006-2007 INAC announced that \$200M of new funding would be made available for Aboriginal economic de-

velopment and that funding was only just released. The participant asked what had occurred between 2006-2007 and 2011? Mr. Burnett said that the new money had been announced in 2006-2007; however, it did take time for the programs to be rolled out through the government process. He said that the new programs that he had mentioned earlier represented the \$200M of new monies that had been announced. The participant commented that taking five (5) years to release new funding was unacceptable.

A participant commented that through the Tembec presentation, the presenter mentioned that it would be increasingly important over the next few years to work with First Nations; however, the participant stated that working with First Nations should be a current priority and not something that would occur in a few years.

Mr. McDonnell responded that Tembec was currently working with First Nations and it was important. He said that what he had been trying to capture within his presentation that it was also important that CEOs and managers of companies also buy into working with First Nations and consider First Nations when they were pursuing funding opportunities or speaking to shareholders. He mentioned that there seemed to be more of a momentum and a growing recognition that better investment opportunities were being presented by companies who were aware of what First Nations were doing on the land, whether they were involved in gold, diamonds, oil and gas, forestry, etc. and were actively partnering with First Nations. He noted that at the same time government was making it a prerequisite to partner with First Nations before doing business with companies. Mr. McDonnell said that working with First Nations was definitely a positive trend in the business community.

Mr. Burnett said that with respect to timing, government had to do a better job of getting funding out to recipients faster. He said that a lot of the new programs had been in place for the last few years. He stated that once an announcement had occurred, typically, there was

little funding available in the first year and more funding was provided for programming in the second and third years. He acknowledged that the implementation of new programming did take a little bit of time.

A participant stated that economic development was a key issue for First Nations. First Nations had been developing various documents and passing resolutions at the political level, based on Treaty Rights and economic development. He noted that all bio-fibre in the Nishnawbe Aski Nation (NAN) territory belonged to NAN. He asked how the new federal programs, including SPI, would accommodate and respect those decisions? Mr. Burnett responded that he did not have an answer to that question but he would follow up with more information. He mentioned that in terms of the current session, he would ask that participants capitalize on the economic opportunities that Treaty Rights allowed them. He did not believe that having resolutions in place would be an impediment to accessing any sort of economic opportunity.

A participant from Pic Mobert First Nation mentioned that back in the early 1990's, the region wanted to develop hydro opportunities and the government had outlined the specific requirements. His First Nation received financial backing from a partner approximately 18 years ago and it seemed that each time the First Nation met the requirements to implement the hydro project more obstacles arose. The participant stated that they were ready to begin development in the current year, however, the Ministry of Natural Resources (MNR) stated that there were additional requirements that the project must meet. He stated that each day the government held the project back, the community lost money. He said that if there had been existing policies and procedures in place at the onset, the project would have already been implemented.

The participant said that when Pic Mobert First Nation first settled in their area, there was a lot of timber surrounding their First Nation as well as a lake, which was what the residents survived on. Eventually, Abitibi and Domtar moved in, as well as a Provincial Park and the Canadian Pacific Railway (CPR). He stated that in the 1980's, Lac Minerals took billions of dollars out of the ground, however, the First Nation did not benefit from that opportunity, nor were they even involved at the negotiating table. He stated that the government was not working for his First Nation. He continued that once the gold was removed from the land, all that was left were polluted lakes and rivers.

He mentioned that the last Chief and Council bought a run-down mill for \$1 and he stated that if a multi-million dollar company like Domtar could not run the mill, what chance did the First Nation have of running that mill. He said that for that particular opportunity, Pic Mobert had partnered with White River. The participant noted that White River was also suffering from the lack of economic development opportunities; the community once had a population of approximately 1000 people and now there were only approximately 500 people.

The participant said that the government took away the language and culture from Aboriginal people in Canada. He said that if the government did not want to help with Pic Mobert's hydro project, then he wanted his language and his culture back.

He mentioned that a few years ago, a big fire swept through their community. The community approached Domtar for work in cutting the burned trees to make chips. Domtar approved the project, but then the union informed the First Nation that they could not do the work because the First Nation workers were non-unionized. The participant said that the land was Pic



Mobert's traditional land and yet somehow they had to go through the union to work their own traditional land.

He stated that his community needed help. The Chief constantly asked for help from government, but no one ever responds. He said that if government was going to call First Nations partners, then First Nations needed to be treated as partners. He said that a partnership meant 50/50. The participant stated that Pic Mobert was still looking for support for the development of their small hydro project and with their sawmill and would appreciate any assistance possible.

A participant stated that there could not be a peaceful co-existence between Aboriginal people and government. The Anishnawbe people were tied to the land and the money was the tool; the obligation was to the land because money did not fix the problem. Money was the means by which First Nations and government could work together. He continued that last year in Pic Mobert, a workshop was held with youth, Elders, political leaders, government and experts. It was determined that five times (5x) more wealth could be generated from the land; the integrity of the Boreal Forest could be rebuilt; more wealth could be kept in the poverty-stricken region; and, a number of Aboriginal Rights could be reconciled; all at the same time. However, senior levels of government would not buy into that model.

The participant said that there were only two basic emotions: love and fear. He said that command, control, greed and power drove the social fabric in Canada and needed to be replaced with reconciliation, partnership and cooperation. He mentioned that there were many who did not believe in the Aboriginal agenda and who still embraced the doctrine of assimilation. He said that the promise of resources to heal traumas remained unfulfilled. The participant stated that although they were slowly moving towards grassroots decision-making and breaking down silo mentalities, the real issue was still not being discussed and that issue was who owned the resources? He said that recently, the Ministry

of Northern Development, Mining and Forestry (MNDMF) presented on forest tenure reform and indicated that the resources were owned by the Crown. The participant stated that that statement was untrue from a traditional Aboriginal Treaty Rights-based perspective and it was also firmly entrenched in s.35 of the Constitution. He said that the Crown had the stewardship of the resources or fiduciary obligation of the resources. The participant continued that although an additional \$200M of new monies was added to Aboriginal economic development as an election promise, Canadians are expected to believe that Third World obligations and Canada's commitment to the United Nations was more important.

The participant asked how Canadians could say they lived in an egalitarian society where everyone was equal when First Nations were so far down the poverty chain and had lost their will to live? He asked what kind of human family Canada was as they watched people take their lives time and again. There was no hope in some communities and there had to be some new way to address that issue.

He stated that there was a need to look at the fundamental issues of tenure, rethink the social fabric of the constitutional framework and there was a need to work together. The economic agenda was only as good as the regulatory framework that was supposed to support that agenda. He mentioned that a country was only as strong as their weakest link. Aboriginal people were pushed up against a narrow definition of Aboriginal Treaty Rights and were the weakest link.

He noted that within his regional model, he was at a point where he could no longer tap into any more resources because they were thinking too far outside of the box. He said that his region had recently completed an international best practices review of community-based approaches to forestry and resource management and the fundamental aspect was that forest tenure needed to be resolved before a new blue-

print could be built for Canada. He stated that moral obligations had to be discharged to each citizen equally and if that did not occur, government would be too far removed from decisions and would ultimately make the wrong decisions.

Government had a moral, spiritual, statutory, constitutional and jurisprudence obligation to consult with First Nations and work together to solve the issues.

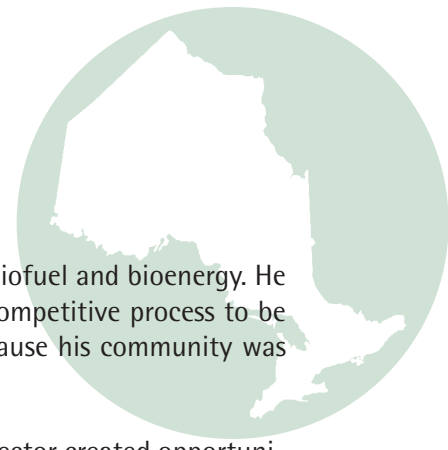
PART III - SMALL GROUP SESSIONS

The participants were asked to work in small groups to identify some of the larger economic opportunities related to the forestry sector. He then asked the groups to also identify some of the activities, requirements and potential partners for the various economic opportunities discussed within their respective groups.

The following information was provided by the small group participants. Following the flipcharts notes is the summary of each group's report back to the plenary.

GROUP 1

- Biofuel/bioenergy
 - FPI
- Harvesting/trucking
 - FPI
 - College/training inst.
- Regional info hub
 - K-Net or equivalent, FN businesses, Aboriginal directory
- Capacity Building
 - Skill set,
 - CFS, HRSDC, Prov., Fed,
 - Internship
 - Job sharing/mentoring
- Forest Management companies
- FN centres of excellence
- FN project management /Engineering Firm
 - Industry/universities/colleges
- FN Inventory company (know your bush)
- Marketing Co-op
 - Non-timber products
 - Medicinal plants, mushrooms, baskets, berries
- FNFA – FN financial authority
- PPP- private/public/partnerships
- Province – MNDMF, MTC ...
- Feds – HRSDC, INAC, NRCan
- Industry



The presenter stated that one of the biggest opportunities available was biofuel and bioenergy. He mentioned that his community was still waiting for the Stage 2 Wood Competitive process to be announced and he was unsure as to what partners to bring forward because his community was unsure if they were successful in their bid.

He said that from a First Nation perspective the downturn in the forestry sector created opportunities for First Nations. He mentioned that the downturn had wiped out some of the major players and provided opportunities for First Nations involvement. He stated that some of the new forest companies that were trying to get up and running had a lack of bush power and he noted that the capacity in the bush was a lot lower than it used to be. The presenter said that there were probably opportunities in the traditional harvesting and trucking and First Nations needed to get smarter in their approaches to forestry. The presenter said that partnerships needed to be based on respect for the way communities did business. He mentioned that sometimes communities had a narrow vision and kept doing business the way that they had always done business but that did not work. He commented that the definition of insanity was doing the same thing and expecting different results.

He mentioned that forestry companies in Scandinavia and Finland have expanded Canada's view from a chipping perspective. He noted that a CANBIO Conference was occurring in May or June 2011 and he encouraged participants to attend that Conference. He said that NAFA recently published an Aboriginal Directory of Forestry that included businesses and consulting companies. He stated that the information often became outdated quickly and it could be a potential opportunity for a First Nations business to develop a marketing hub or clearinghouse of information with respect to forestry. The service could also include the identification of gaps in services and products as well as providing information on available markets. He stated that it was important to "know thy bush and know thy markets". The hub could be structured similar to K-Net or an equivalent structure to get the word out to local businesses engaged in the forestry sector.

He stated that capacity building would always be a major issue for First Nation communities. He said that until First Nations received the actual opportunities to implement capacity, the opportunities would only be "pie in the sky". The presenter said that that was slowly changing and Group 1 had some really good discussion regarding capacity building. He said it could also encompass job shadowing and mentoring

Some communities had also been involved in negotiations with Forestry Co-ops. He mentioned that the Lake Nipissing Co-op was pushing First Nation forest management companies. The presenter stated that within the structure of the MNR, there had to be some flexibility in how communities undertook forestry management planning. He said that First Nation foresters, technicians and technologists and biologists should run the company to alleviate some of the concerns, challenges and issues. The presenter said that recently, NAFA had also developed a position paper on a First Nations Centre of Excellence, which Group 1 thought was a great idea. There was a lot of knowledge and different ways of approaching business from a First Nation perspective and it would be beneficial to share that knowledge within Ontario as well as nationally.

The presenter said that his community was developing a cedar sawmill and it had taken a lot of work to implement that project. The community had contracted a First Nation engineering firm for the overall project management because the community wanted to ensure that they were using First Nation businesses wherever possible. He noted that the opportunities within Ontario were defi-

nitely increasing and not only in forestry; he stated that First Nation communities could not only depend on forestry but had to be open to other opportunities down the road as well.

He said that with respect to the FNFP, his community would not be where they were today without the funding provided through the FNFP. He mentioned that the challenge for many communities was access to capital to build the actual structures. He stated that an Aboriginal loan program through a financing authority that provided loan guarantees would also be beneficial. The loans would be based on good business plans, opportunities and markets to build infrastructure. He said it would be helpful to have a loan guarantee at prime plus 1 – 2%.

The group felt that a First Nation Inventory Company would be beneficial. The company would essentially understand the bushes for all First Nation communities in Ontario.

It was mentioned that one example of a successful Marketing co-op was in Aroland First Nation. Through a blueberry picking operation, the youth in the community raised \$25K for the community with just one NTFP. He said that the NTFP did not have to be huge in order to create revenue for communities.

Public/private partnerships were also needed for infrastructure. Potential partners included the province; MNDMF; HRSDC; INAC; NRCan; and, industry. He said that any partner that could contribute something to move the opportunity forward would be welcome.

GROUP 2

Forest Carbon Capture

- Intensive silviculture
 - Mychorizal technology
 - Increase tree growth
 - Increase carbon capture
- Note: Treaties, Constitution, etc. did not contemplate the Carbon Economy
- First Nations meet the definition of "Least Developed Country"
 - Allows access to specific market and trade opportunities
- Western Climate Initiative
 - Currently excluding First Nation interests

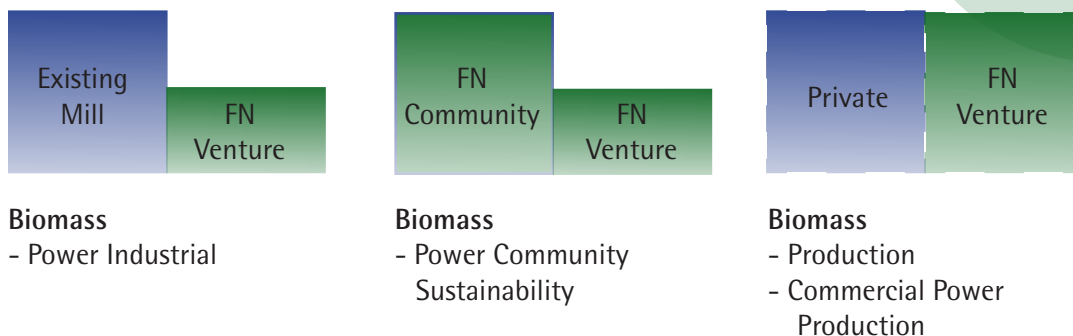
Value-Added

Proof and Monitoring Requirements

- People to do it



Biomass Options



Tenure System

Cooperative SLF's

- As fibre is identified
- As fibre is directed to biomass initiatives

Value Added

- Employment/Training

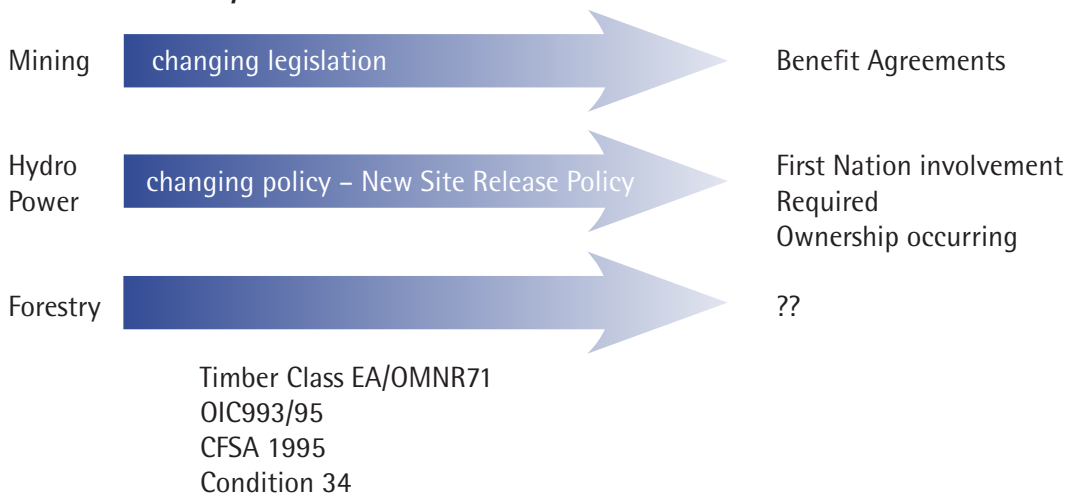
Green Energy Technologies

- Cooperative – not allocation of power retrofit communities/regions
- Ontario Power Authority
- Small scale projects
- 50, 100, 1000 homes

Value Added

- Technicians for installation
- Management
- Maintenance

Ontario: Consult/Accommodate



Wood directives
"New fibre"
"unused fibre"
Tenure Reform

The presenter stated that First Nations people were internationally recognized and First Nations governments negotiated at national and international levels with respect to opportunities and domestically capitalizing on those opportunities. The sad part was that First Nations could actually qualify as meeting the "least developed countries" definition in the United Nations Forum. He said that with respect to the Millennium Goals, First Nations should be part of that fabric.

He said that technology was out there and was naturally occurring. The Convention on Biological Diversity allowed for gains for enterprises and First Nations should also be benefiting. There were associations in the soil that helped trees grow naturally. First Nations could put trees back out on the landscapes and grow trees that had a better chance of survival. He said that under the Treaties and Constitution, First Nations did not negotiate away carbon trading in a carbon-based economy.

Wabun Tribal Council signed a resolution with respect to those particular technological advances in forestry and tried to solicit business while Kyoto was occurring and all that was required was for the province to support the initiative, however, that did not occur. He said that there would have been a niche in the forest sector where First Nations could implement a value-added opportunity to deploy a technology, train people and work at the international stage, which was what Canada had needed at the United Nations level. He said that perhaps NRCan-CFS could facilitate the process to launch such a robust program.

He mentioned that Ontario had a duty to consult and accommodate. He said that his community had an opportunity to begin a service industry with the mining sector through an Impact Benefit Agreement (IBA) and the Crown's only role was to achieve accommodation. The presenter stated that changes in legislation under the mining sector led to the First Nations leadership being locked in jail for many months. He said there was a need to move away from the federal and political discussions and get along.

He said that Hydro One in Ontario had a "new site release" policy and the Crown was directing proponents that First Nation involvement was required in those projects in order to ensure project success.

He noted that some niches that had been explored included working with a company that had a wood directive and harvesting that company's wood and bringing it to the wood facility. However, it was not a broader sharing of the benefits that First Nation communities were interested in. He stated that harvesting was fairly invasive and it had a direct impact on First Nation activities and Treaty Rights. There was a need to find ways to participate in that commercialized economy that was conservation-based. He stated that that was difficult to do if First Nations were not at the table.



The presenter said that with respect to biomass options, the Atikokan Model included an existing forestry company that produced bio-energy. He said there were ways for First Nations to have a project with small-scale community benefits. On the larger scale, communities would become self-sufficient. He noted that a lot of the mills also added on power supplies and were retrofitted to communities or to the region. That was done on the basis that the companies owned the trees and had a license to harvest those trees.

The comment was made that the Ontario Crown Biomass Policy implemented 2 – 3 years earlier stated that any fibre not deemed appropriate remained the property of the Crown. There was a 10-year moratorium on any stumpage. Essentially, companies received the trees for free and then had to pay the Crown to promote diversification, with preference given to First Nations.

A participant stated that the position of the NAN Chiefs was that they wanted first rights to bio-fibre and to work in partnership with industry to create value-added opportunities. The communities had approached Tembec, who owned the resource and were informed that it was not part of Tembec's license, so the Chiefs wrote to the Minister claiming the resource. The Minister responded that the bio-fibre of the forest allocation process basically belonged to the company. There were discussions between the communities and the Minister and a competitive process was then opened up. He said that one problem was tenure and the fact that no one wanted to define it.

The presenter said that the door should be kept open for a diversified approach with respect to the new fibre concept vs. the other fibre concept. First Nations would like to be involved in resource negotiations, however, accommodation components cost money and the new programming should be prepared to pay those expenses.

He mentioned that the group also discussed green technology including solar, wind and economies of scale. He said that houses would be retrofit as a bigger project and then technicians, management and maintenance would occur over time. Green technology would reduce the pressure on family homes for energy demand, while creating a business environment.

GROUP 3

Pic Mobert

- Co-owner of Domtar sawmill (with Town of White River)
- SFL with wood
- Mill down 8 – 10 years
- Opportunity to repurpose the mill
 - Biomass-biofuel conversion
 - Glue-laminated timber
- Both mill and woodlands jobs would be taken by members of Pic Mobert
- Need
 - Support for technical and business management expertise (retained in-house by community)
 - Clear inventory of available resources
- Who?
 - HRSDC and colleges – training/skills development
 - FedNor – community capacity building (business/industrial opportunities)

- INAC – capacity building or capital?
- MNR – forest management development
- Private (eg. Rentec)

The discussion centred on Pic Mobert First Nation. Pic Mobert had a population of approximately 400 people and was 20 km from White River. Traditionally, the community had been involved in woodlands and forestry work but that tended to end when the bush industry went into heavy mechanization in the 1970's – 1990's. Pic Mobert was a co-owner, along with the town of White River and a private investor, in the dormant Domtar sawmill located in White River. The mill had been out of commission for a number of years and probably went out of production before the real apex of the crisis in the United States housing market. The presenter said that the mill was probably a little less competitive and modern than some of the mills that have closed since. He noted that with the mill, came the White River SFL and wood basket. He said that access to fibre allocations at the current time was not a problem.

There were two possible opportunities or combined opportunities. He said that the community of Marathon was in active negotiations to repurpose the Marathon pulp mill with a company called Rentec, based out of the United States. The idea was to repurpose the pulp mill or that site to an advanced synthetic gas or to bio-oil production leading to advanced bio-fuels, including aviation. He said that because of a wood allocation that occurred from the wood baskets surrounding Marathon, the Terrace Bay pulp mill was reopened. Since that occurred, Rentec had been in loose association with a Finnish producer of glue laminated timber and had been asking for information on the White River mill. The Rentec proposal required vast amounts of capital, at approximately \$600M. He said that it was probably a better opportunity to look at repurposing the White River mill as something other than a sawmill. He continued that if the community was looking at reactivating the mill, moving back to a softwood lumber producer and exporting to the United States, the US-Canada softwood lumber dispute would be a deal breaker. The presenter said that repurposing the mill for something else seemed like a more viable opportunity. He stated that Ontario currently had no glue-laminated plant, however, big timbers were required.

He stated that if the mill were to become repurposed and an economic opportunity did occur, Pic Mobert would be co-owner and 50% of the woodland work should be done by Band members.

Funding agencies would provide support for technical and business management expertise and in-house maintenance. The direction that FedNor was currently taking was building community capacity in small towns and municipalities. Typically the approach was that communities paid a consultant who spent a few months studying the situation and then developed options within a final report, leaving the community with no capacity development. A new approach would require the consultant to work with the community as a community liaison and hire local people to assist with the process, that way communities gain knowledge and expertise.

Potential partners include Pic Mobert, White River, HRSDC and colleges who would be responsible for training requirements. FedNor's role would be community capacity building and providing some project that provides training for local people, in cooperation with outside expertise. INAC could be



involved to develop a viable business case and make a contribution towards capital as well as helping with community capacity building for First Nations. The MNR, as owner of the Crown, would fund projects on the development side, such as the development of harvesting plans, silviculture plans or the actual development of the woodland asset.

GROUP 4

- Where is the national body to give direction?
- Strategic planning
- "informed" planning
 - environmental
 - cultural
- regular partnerships
- How?
- Capacity to participate!!
- Partnerships exist, e.g. Twofeathers
- Concern: Who submits the proposal?
 - Biases inside government
- Define "partnership"
- Western vs. traditional – good/fair trade, % of splits
- "golden rule" dominates but work in "ethic"
- ISO 26000 Series
 - Moral ethical social
 - Corporate ethics
 - Tool to assist in development of effective partnership
- Medicine Wheel (includes legal [adversarial], political [adversarial], social [non-adversarial] and cultural [non-adversarial] quadrants)
- Adversarial vs. non-Adversarial
- Middle ground possible? Yes!
- Tenure Reform?
- Impediments to partnership development
 - Forest tenure
 - Too long to roll out funds
 - Clear path to funding
 - Start/stop nature of programs
 - Power of province
 - Wood allocation
 - Working with best practices
 - Need for perseverance and consistency
 - Federal to provincial and provincial to federal relationship
- Area of the undertaking
 - Hope?
 - Forest industry interests
- British Columbia, Saskatchewan – most progressive
 - Ontario at the bottom
- Very successful First Nation Forestry Council
 - Need this in Ontario
- Opportunity in Ontario?

- Chapleau Region partnership
 - But ... waiting for response
 - Lack of trust
 - Partners truly "want" to be involved? Or is a gun to their heads?
- Twofeathers
 - Money is the issue
 - Cash flow day-to-day
 - Capacity building
 - Costs + execution
 - Coordinating funding pots
- MTCU
- Specific ideas to get people/communities on the curve
 - First Nation Forestry Program
 - FNNR – IEP – ED/Industry/Government/First Nation
 - Competing with Mining and Energy!
 - Need to get moving!
 - Provincial Task Group or Tribunal
 - Support existing projects right now!!

The group came to the conclusion that there were a lot of good things happening by virtue of the current meeting; First Nations were in attendance for one thing. He said that any effort to retool the relationship between the Crown and First Nations, moving away from reactionary planning to more strategic planning was a good thing; any process that removed First Nations from "uninformed" decision-making to "informed" decision-making was a good thing. He continued that any opportunity to supplement knowledge with First Nation environmental and cultural sensitivities was also a good thing. He said that any movement to remove barriers and build relationships as well as moving towards empowering local and regional decision-making was a good thing. Finally, any commitment to invest in the building of capacity in communities to operationalize was a good thing.

The presenter mentioned that the Regional Chiefs' Forum work and the Twofeathers project grounded the group's discussion. The group discussed the term "partnership" and recognized that there were two (2) definitions; the western definition and the traditional definition. The western definition was driven from a social society preoccupation; accumulation of wealth; and, interest-based approaches. When a business approached another organization wanting to be a "partner" what they really meant was that they wanted to see how much smarter they were and how they could get something at the others' expense. Ultimately, there was no real balance. Traditionally, the goal of "partnership" was not to outmaneuver the other party; two parties wanted to work together and share.

The group discussed the "golden rule", which was consistent with the Anishnawbe and Judao-Christian way of living that all people were equal and "do unto others as you would have them do unto you". He mentioned that at the international level, the United Nations ratified ISO 26000 regarding ethical behaviour; fairness; and, treating people with respect. He said that if relationships



were going to exist with government, industry, municipalities, environmental groups and any other partners, the “golden rule” should be applied.

The group then discussed empowerment and tried to determine what motivated people to change. The discussion focused on the medicine wheel containing legal, political, social and cultural quadrants. He said that the legal and political tools tended to be adversarial. The legal tools were not cost-effective and tended to take too long. The political tools also took too long because there was always a turnover in government. The social and cultural tools were non-adversarial and could include moral suasion, civil disobedience and prayer, such as putting down tobacco and ceremonies. He mentioned that conflict seemed to force change more than any other method such as the standoff at Gustafson Lake beginning the British Columbia Treaty negotiation process. The middle ground of the model could include the creation of a Tribunal, Ombudsperson, Task Force or a government-to-government relationship building process. He said that the model would be a Centre of Excellence model that worked towards capitalizing on new opportunities as quickly as possible and working together in doing so.

The group discussed impediments to partnership and it was noted that the issue of forest tenure had not been resolved. There were also delays in rolling out funding. He said that the start/stop nature of government programming created limitations for regional and local opportunities. There was a need for perseverance and consistency.

There were two (2) basic approaches to advancing the agenda; the first being one size fits all, however, all parties had to be resourced equitably. The other approach was investing in best practices, limited only by creativity and innovation. He noted that the policy, regulatory and funding frameworks had no creativity and limited many projects.

The presenter stated that the group also discussed existing trends. They asked the question as to how Ontario fared with the rest of Canada with respect to issues and opportunities. The conclusion reached was that British Columbia was at the cutting edge and ahead of the rest of the country in investing in First Nations. He said that in British Columbia the Aboriginal Right was stronger than the Treaty law. Ontario was at the bottom of the list and there was a need to find a way to the top. He mentioned that a Treaty Commission could be established or an Ombudsperson or Tribunal process. International trends included community-based forest decision-making and environmental stewardship, but Ontario was not yet there. He stated that First Nations needed the tenure of the land and the excellence of governance in order to refuel the economic agenda. He said that First Nations relied on INAC and there were some federal agencies that had not yet embraced the agenda, including Environment Canada.

The group discussed opportunities in Ontario and it was mentioned that there was a lack of funding to fuel the best practices in the making. He said that behind the lack of funding, was a lack of trust and behind that was a lack of cultural understanding, followed by fear. There was a need to pull all of those layers apart.

He stated that partners had to want to be at the table because they believed in the need and benefits of working together. Partners should not be involved just because they wanted to manage the political and legal risks. Partners needed to be both sympathetic and empathetic.

He mentioned that the FNFP had been a successful program and the group wondered why communities had to start all over again with a new program. He said that the program should be replicated with additional funding. He stated that projects that communities were delivering under the FNFP were still alive and well. Finally, the group observed that funding specifically allocated for forestry was now being mixed in with the other sectors and First Nations forestry projects would be competing against the mining and energy sectors, for example.

GROUP 5

Economic Development Areas

- Resource Access
- Tenure issue
 - Reflect First Nation community needs including tradition /cultural/Treaty Rights
- Forest Management
 - Forest Protection
 - Reforestation
 - Planning
 - Fire suppression/management
 - Harvesting
 - CO2 sequestration
- Non-Timber Forest Resource
 - Food
 - Medicinal
- Red Rock Sawmill
 - Complete
 - Whole tree operation processing

Requirements

- Markets
- Capital
- Project development money
 - Incubation \$\$
- First Nation
 - Research and development
 - Project development
 - Commercialization of First Nation point of view
- Niche markets recognizing First Nation products
- ASETS
 - Aboriginal Skills Employment and Training Strategy
- Focus training for Aboriginal
- Woodlinks
- Forestry Tech Bio-economy specialization
- 13% Shore of Sudbury Forest (N'Swakamok Forestry Corporation) – 5 First Nations
 - Sawmill



- Pellet
- Co-gen
- Bio-fuel opportunity
- Constant Lake First Nation
 - Locoure Lumber
 - JP
 - Spruce
 - B Fir
 - Resource license
 - Commodity P value-added

Opportunity

- Facility and Fibre Acquisition
- Intertribal trading (International)
- First Nation Partnership
- Market Development for First Nation Forest Products
- First Nations Procurement
- Tourism
- Agro-forestry
- Energy
- Non-Timber Forest Products
 - Wild rice
 - Maple syrup
 - Berries
 - Mushrooms
- Plantation for Fuels
 - CO2 offsets
 - Hemlock
- Black Ash = 10,000 baskets (\$)
- Firewood

The presenter commented that many of the same ideas had already been presented. He said that there were a lot of good projects occurring as well as opportunities for great projects. He mentioned that the group had talked about access to resources and tenure and to discuss opportunities was really putting the cart before the horse. The tenure issue had to be resolved. He mentioned that with respect to opportunities, the group had many of the same ideas and also talked about opportunities to buy some of the old facilities that had been shut down particularly if there was a wood supply attached to the facilities.

The project would require capital to purchase the facility as well as funding to undertake a needs assessment or develop a business case for the project. Research and development would be required, such as a market study and what a community or region could produce. The group recognized that there were assets in communities and felt that skills development and training would be necessary to develop more foresters and the work force in general.

The group also discussed bio-energy opportunities and First Nation procurement and marketing with respect to developing those niche products.

PART IV – FINAL PLENARY/ CLOSING REMARKS

Mr. Hamden thanked the participants for attending the session and recognized that there were many issues and challenges facing communities with respect to forestry. He stated that INAC was committed to working with their counterparts at NRCan-CFS and recognized that it would take some time, but INAC was in it for the long haul and would be moving forward with the information and ideas shared at the regional sessions.

Mr. Smith thanked all of the presenters and to the organizers of the session. He welcomed the remarks that he heard regarding the FNFP and NRCan-CFS hoped that they could develop a program that worked for First Nations within the Ontario context. He said that the message of the federal government was that they were open for business and trying to move beyond where they had been. He recognized that there was a lot of work to do and it would not be easy, but he committed to trying to do the best he could for the participants. Finally, he thanked the participants as well for taking the time to participate in the session and for all of their work throughout the past day and a half.

