



Partnerships Between First Nations and the Forest Sector: A National Survey

By Clifford G. Hickey and Mark Nelson

THE SUSTAINABLE FOREST MANAGEMENT NETWORK

Established in 1995, the Sustainable Forest Management Network (SFM Network) is an incorporated, non-profit research organization based at the University of Alberta in Edmonton, Alberta, Canada.

The SFM Network's mission is to:

- Deliver an internationally-recognized, interdisciplinary program that undertakes relevant university-based research;
- Develop networks of researchers, industry, government, Aboriginal, and non-government organization partners;
- Offer innovative approaches to knowledge transfer; and
- Train scientists and advanced practitioners to meet the challenges of natural resource management.

The SFM Network receives about 60% of its \$7 million annual budget from the Networks of Centres of Excellence (NCE) Program, a Canadian initiative sponsored by the NSERC, SSHRC, and CIHR research granting councils. Other funding partners include the University of Alberta, governments, forest industries, Aboriginal groups, non-governmental organizations, and the BIOCAP Canada Foundation (through the Sustainable Forest Management Network/BIOCAP Canada Foundation Joint Venture Agreement).

KNOWLEDGE EXCHANGE AND TECHNOLOGY EXTENSION PROGRAM

The SFM Network completed approximately 300 research projects from 1995 – 2004. These projects enhanced the knowledge and understanding of many aspects of the boreal forest ecosystem, provided unique training opportunities for both graduate and undergraduate students and established a network of partnerships across Canada between researchers, government, forest companies and Aboriginal communities.

The SFM Network's research program was designed to contribute to the transition of the forestry sector from sustained yield forestry to sustainable forest management. Two key elements in this transition include:

- Development of strategies and tools to promote ecological, economic and social sustainability, and
- Transfer of knowledge and technology to inform policy makers and affect forest management practices.

In order to accomplish this transfer of knowledge, the research completed by the Network must be provided to the Network Partners in a variety of forms. The KETE Program is developing a series of tools to facilitate knowledge transfer to their Partners. The Partners' needs are highly variable, ranging from differences in institutional arrangements or corporate philosophies to the capacity to interpret and implement highly technical information. An assortment of strategies and tools is required to facilitate the exchange of information across scales and to a variety of audiences.

The KETE documents represent one element of the knowledge transfer process, and attempt to synthesize research results, from research conducted by the Network and elsewhere in Canada, into a SFM systems approach to assist foresters, planners and biologists with the development of alternative approaches to forest management planning and operational practices.



Knowledge Exchange and Technology Extension Program (KETE)
Sustainable Forest Management Network

Partnerships Between First Nations and the Forest Sector: A National Survey

By:

Clifford G. Hickey
Department of Anthropology
University of Alberta

and

Mark Nelson
Department of Anthropology
University of Alberta

© 2005, Sustainable Forest Management Network

This publication may be reproduced in whole or in part for non-commercial use without permission provided that its source is fully acknowledged. Reproduction of this publication in whole or in part for any other purpose, including commercial sale or distribution, requires prior written permission from the Sustainable Forest Management Network.

No guarantee or warranty, expressed or implied, is made about the value or stability of the information or links made herein.

The views, conclusions and recommendations contained in this publication are those of the authors and should not be construed as endorsement by the Sustainable Forest Management Network.

Citation: Hickey, C. and Nelson, M. 2005. Partnerships Between First Nations and the Forest Sector: A National Survey. Sustainable Forest Management Network, Edmonton, Alberta. 30 pp

ISBN # 1-55261-181-7

Printed in Canada

Cette publication est aussi disponible en français

Published January 2005



Table of Contents

Table of Contents	3
List of Figures	3
List of Tables.....	3
Introduction	4
Why Study First Nations and Forest Sector Partnerships	4
An Emerging Need for Partnerships	5
A National Survey of Partnerships	13
Survey Methodology	13
Partnership Categories	14
Survey Results	16
Partners' Lessons and Recommendations	20
Conclusions	22
References	24

List of Figures

Figure 1: Continuum of Integration in Partnership Structures	19
Figure 2: Frequency of Reported Goals by Partnership Type	19

List of Tables

Table 1: Criteria for Partnership Structures	15
Table 2: Criteria for Determining Partnership Functions	16
Table 3 (Part 1): Classification of Partnerships Reported in the Survey	17
Table 3 (Part 2): Classification of Partnerships Reported in the Survey	18

Appendices

Appendix 1: Forest Industry Survey Questions	26
Appendix 2: First Nation Survey Questions.....	27

Documentation and analysis of partnerships between First Nations and the forest industry is scarce, likely because partnerships are within the private sector and not within the public domain

There are no readily available sources that provide data on multiple partnerships

This paper presents a Canada-wide survey of First Nations partnerships in the forest sector

Forestry has emerged as one of the most important commercial sectors for First Nations

Introduction

Despite the continual growth of First Nations' participation in commercial forestry over the past two decades, there is not a great deal of information available on this subject to the public, particularly regarding the formation of economic partnerships. This gap has most likely resulted because these relationships have developed in the private sector, and are not matters of public policy. Information records designed for the use of researchers outside the partnership are generally not kept in such cases.¹ As the Institute on Governance (IOG)² noted in an early study on this subject, "[t]here is even a paucity of good case material at the level of the individual firm" (1998). On occasion, one may find some data in the "grey" literature, or in rarer cases a researcher has been present in a First Nations community for sufficient time to become knowledgeable about business partnerships and their histories (e.g. La Rusic, 1995). In general, however, documentation and analysis of these partnerships tends to be limited to an occasional reference on a company's website or in its annual report.

There are a number of academic sources that provide in-depth analyses of band-owned businesses (Hopwood, 1988; La Rusic, 1995; Murray, 1999), and a few that provide case studies of business partnerships with other companies (Brubacher, 1998; Curran and M'Gonigle, 1999). There are, however, no readily available sources that provide a broad spectrum of data on multiple partnerships for the purpose of comparative analysis.

This paper presents the results of a Canada-wide survey, which attempts to address this gap in the knowledge of partnerships by gathering data directly from the companies and First Nations involved in them. This method should provide better insight into the processes of partnership formation, and more importantly with first-hand evaluation of their successes and failures. The approach taken here builds upon the methods and results of two previous studies (to be discussed below) in order to contribute to the knowledge base while avoiding duplication. Another objective of this study is to better understand what types of partnerships are best suited to specific goals of the various stakeholders in Canadian forestry.

Why Study First Nations and Forest Sector Partnerships

Contrary to what the lack of available information might imply, there is good reason to learn more about partnerships³ between the forest industry and First Nations. Forestry has clearly emerged as one of the most important commercial sectors for First Nations economies, largely because of their proximity to the

¹ An exception is the partnership between Alexis First Nation, Miller Western Forest Products, and University of Alberta researchers, in a project funded by the Sustainable Forest Management Network (SFMN). The researchers were involved in the partnership from the beginning, and in fact played a role in monitoring and enhancing the relationship as well as documenting it (Hickey and Chapman 2002).

² The Institute On Governance (IOG) is a non-profit organization with charitable status founded in 1990 to promote effective governance. From its perspective, governance comprises the traditions, institutions and processes that determine how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern.

³ As will be seen below, there can be many kinds of partnerships. To start, we can define a partnership in general terms as "an association of two or more individuals or groups who contribute materially to a joint enterprise or business. This may include the sharing of profit and loss or it may be simply contractual in nature."



resource. According to the Royal Commission on Aboriginal Peoples (RCAP), over 80% of First Nations communities in Canada are located within the timber-productive regions of the boreal and temperate forests (1996). This has led to inevitable contact (sometimes positive, sometimes not) with the resource industries that have been operating for years near their homes and on their traditional territories. In some cases, Aboriginal people have been employed at seasonal logging for many years, or may even have run small-scale local milling operations. According to a 1991 labour force census, over 10,000 Aboriginal people were employed in the forest sector at that time. This represents 2.2% of the total employment of Aboriginal people, compared to a rate of 0.8% among other Canadians (Brubacher, 1998: 353). This figure has no doubt increased since 1991, as First Nations have become more commercially active and as education and training levels among Aboriginal people have improved. Nevertheless, it is still largely true that “the average Native’s income is but two-thirds of the national figure, and among Indians living on reserves, 60 per cent are on welfare and another 30 per cent receive their income from part-time jobs, short-term training programs, or unemployment insurance” (Hedican 1995:12).

Besides working for others, Aboriginal people have also begun to develop their own forest-related businesses. According to the National Aboriginal Forestry Association (NAFA), there are between 400 and 600 Aboriginally-owned businesses active in the forest industry (IOG, 1998; again, this figure is likely higher today). Almost all of these are small businesses that employ fewer than 25 people (RCAP, 1996: 883). Quite often they begin as small-scale logging contract operations, and may eventually expand into silviculture and forest management planning as experience and stability is gained. Unfortunately, these types of operations quickly reach their employment and profitability thresholds, as they can only employ a limited number of people and are only involved in the initial stage of forest products production. Despite a desire to expand, a variety of barriers can prevent them from doing so, including lack of capital, experience and resource access. These difficulties may necessitate some form of partnership with an established company, such as a joint venture, long-term supply agreement, or some other co-operative arrangement.

An Emerging Need for Partnerships

As indicated above, economic partnerships are increasingly sought out by First Nations and forest companies, and urged and approved by governments in order for each to meet its own needs and, in the case of the latter two groups, their regulatory and legal obligations. Though each group has its own unique (sometimes contradictory) goals, partnerships may be the most effective means to reconcile differences while creating the greatest possible mutual benefit. This section provides a summary of the three groups’ perspectives on partnerships, and provides the regulatory, legal and social contexts in which they were developed.

Because of the urgent need to generate employment opportunities for Aboriginal peoples, governments at all levels have good reasons to support and promote First Nation participation in the forest sector. The Royal Commission on Aboriginal

Among the 400-600 Aboriginal-owned forest industry businesses, most require joint ventures and other co-operative arrangements with established companies to expand beyond minimal employment and profitability levels

Partnerships may be the most effective means to reconcile differences while creating the greatest mutual benefit

There is an urgent need to generate employment opportunities for Aboriginal people through the development of an Aboriginal forest sector

Partnerships are more effective than existing operations at bringing jobs directly to Aboriginal people

Partnerships are more likely to create local opportunities. Often the requirement to move away discourages Aboriginal people from pursuing other employment.

First Nations often have difficulty expanding band-owned operations because tenures are generally only granted to companies who can build a processing facility

Low-capital players such as First Nations are caught in a catch-22 where they need a mill to secure a fibre supply, but must first secure a fibre supply to obtain the finances to establish a mill

Peoples (RCAP) estimated that over 300,000 new jobs will need to be created by 2016 in order to bring Aboriginal employment levels in line with the Canadian average (RCAP, 1996: 775). The need to develop the Aboriginal forest sector is evident from their under-representation in the industry as a whole, especially considering the number of Aboriginal communities for whom forestry is the only apparent major economic option.⁴ Less than 1% of Aboriginal communities currently depend upon forestry for a significant portion of their total economy (Canadian Council of Forest Ministers [CCFM], 2000: 95), and 3/4 of those that do are communities of less than 1000 located in British Columbia.⁵

The partnership approach to economic development was outlined specifically in the RCAP final report 1996. The Commission stated that partnership formation may offer certain advantages over seeking employment in existing operations, including higher levels of Aboriginal employment and greater local control of industrial operations (RCAP, 1996: 858). Partnerships are more effective at bringing jobs directly to the people. As the Royal Commission puts it, it is doubtful that First Nations involved in a joint venture would accept an Aboriginal employment rate of 4% (concentrated in the unskilled portion of the work force), yet this is approximately their current employment rate in the Canadian forest industry.

Partnerships are also more likely to create local opportunities for employment, thereby allowing Aboriginal people to remain in their communities. In many cases the requirement to move away from their families discourages people from pursuing employment opportunities. The partnership approach also fits in better with recent thinking about relationship-building through capacity development (e.g., Economic and Social Council, United Nations, 1996; European Center for Development Policy Management, 2003; Fukuda-Parr *et al.*, 2002; Higgs, 1996; Lavergne and Saxby, 2001; Schacter, 2000; UNDP, 2002).

As mentioned above, First Nations often have difficulty expanding the scope of their band-owned operations related to forestry. First, it is challenge to expand within the familiar territory of logging and trucking because of the difficulty involved in acquiring guaranteed long-term forest management tenures which is needed to warrant investment in equipment. Such tenures are generally only granted to companies who can build a processing facility for the harvested timber, which, as will be discussed below, is beyond most First Nations' capabilities. This "mill appurtenancy" requirement was implemented in Canada around the turn of the century in order to ensure greater spin-off benefits for the domestic economy, but has today become exclusionary for hopeful industry entrants (Ross and Smith, 2002). Low-capital players are caught in a catch 22 where they need to build a mill in order to secure a fibre supply, but must first secure a fibre supply in order to obtain finances for mill construction. More recently, several First Nations have been able to obtain stable forest tenures by forming long-term supply partnerships with forest companies who operate nearby mills. For example, the Little Red River Cree Nation (LRRCN) in northern Alberta has obtained rights to significant timber quotas through an agreement with Tolko Industries, Footner Forest Products and the provincial government. The LRRCN is allowed to harvest over 100,000 m³/yr.

⁴ This begs the question of the possible importance of Non-Timber Forest Products (NTFP) or Resources (NTFR). This could be an important area of future collaboration between Aboriginal communities and the forest industry.

⁵ An Aboriginal community is defined by Statistics Canada as having a 20% or greater population that is self-identified as Indian, Métis, or Inuit. Any such community that depends upon forestry for at least half of its economic base is considered forest dependent (CCFM 2000: 97).



from several Forest Management Units on the condition that they supply the logs to High Level Forest Products. In a strange reversal of policy, the Tl'azt'en First Nation in northern British Columbia was able to obtain an entire Tree Farm Licence (TFL) through the band-owned company Tanizul Timber on the condition that they do not build a processing facility, but rather supply the wood to existing mills.⁶

Expansion of milling and value-added production is as challenging as obtaining timber tenures. Access to the large amounts of capital necessary to build the required facilities is not easily accessible to First Nations. Lending institutions and funding agencies are reluctant to extend them credit because they often lack any alternative means to pay back creditors should a project fail. They must therefore demonstrate some expertise in the proposed area of development as assurance of its likely success before funds are extended. Few First Nations have sufficient experience in large forest products operations to meet this criterion.

According to a recent case study, this was precisely the cause of a failed attempt by the Gitwangak Band in BC to buy and run a sawmill (NAFA/IOG, 2000: 56). Inexperience in the industry led to poor and costly management decisions, a lack of profitability, and an eventual decision to form a partnership in order to save the mill. Contrary to the old adage that one learns the most from their mistakes, failed ventures can in fact be more harmful for Aboriginal communities than none at all. They often leave communities demoralized, doubtful of their own abilities, and create debt and poor reputations among creditors. Partnerships are a good way to grow into the industry by building management experience and earning money to finance future projects. The Mishtuk Corporation (which is owned by the Waswanipi Cree in Quebec) was able to obtain a long-term tenure once it entered into a joint agreement with Domtar Inc. to construct Nabakatuk Forest Products. The Meadow Lake Tribal Council of NW Saskatchewan made similar progress once it bought an interest in a local sawmill and formed the joint venture NorSask Forest Products with the company Techfor, which is owned by the employees of the mill.

Besides wanting a share of the benefits derived from resource development on traditional lands, most First Nations desire a greater say in how that development occurs. For some, this is the primary purpose of their partnerships with the forest industry, with economic benefits as a concurrent secondary benefit. For example, in north-central Alberta, Little Red River Cree Nation (LRRCN) community leaders decided several years ago "that they would work ...to regain control over as much of their traditional lands as possible, through whatever means available" (NAFA/IOG, 2000: 64). This strategy eventually resulted in the partnership described above, including timber tenure over much of their traditional lands. By obtaining tenures through partnerships, First Nations gain control over where and when logging occurs.

Unfortunately, these tenures rarely confer any degree of control over *how much* cutting occurs. In most cases, the annual allowable cut (AAC) for a tenure area is determined on a maximum sustained timber yield basis by provincial authorities

Some First Nations have been able to obtain stable forest tenures by forming partnerships with forest companies who operate nearby mills

Few First Nations have sufficient experience in large forest products operations to assure creditors of success, thereby making expansions into milling and value-added production challenging

Partnerships are a good way to grow into the industry by building management experience and earning money to finance future projects

For some First Nations, the primary purpose of a partnership is a desire for a greater say in how development occurs. By obtaining tenures through partnerships, they gain control over where and when logging occurs

⁶ The Tl'azt'en in NE BC have circumvented this requirement by founding a separate corporation, Teeslee Forest Products, which then formed a partnership with Northwood Pulp and Paper Co. in order to build a mill. Teeslee Forest Products closed in 1997 due to market changes and inefficiency of mill equipment (NAFA /IOG, 2000)

Even if First Nations obtain harvesting licences, they cannot manage the AAC which is determined by provincial authorities. In some cases, this causes conflicts with Aboriginal values and goals.

In some cases, First Nations have addressed their concerns through the development of co-operative management processes with emphases on non-timber uses

prior to allocation, and rarely takes adequate (if any) account of Aboriginal land uses (Ross and Smith, 2002).⁷ Even if First Nations obtain harvesting licences, they are not at liberty to actively manage the amount of timber to cut, because the commitment to harvest the full amount of the AAC is a condition of allocation. Those who do not may be penalized or may see part of their tenures reallocated to another party. This rule is intended to ensure a continuous fibre supply for the mills (which must operate at a certain capacity in order to be economical) and to ensure maximum economic and social benefits to the province. Regrettably, it also puts First Nations who prefer co-operation over confrontation in a difficult position, as it becomes difficult to co-operate without compromising social and environmental goals. As Curran and M'Gonigle state, "Government tenures are too narrowly focussed on volume production to allow Aboriginal peoples to incorporate ecological and cultural values into forest management" (1999: 749).

In some cases, conflicts have arisen within Aboriginal communities over the logging activities of the band administration. The Carrier Sekani Tribal Council in British Columbia drafted a low-harvest forest management plan (in order to meet their views of forestry and their cultural needs) which the government rejected as "uneconomical" (ibid.). A subsequent joint venture has resulted in logging rates that are being questioned by some community members. In another case, some First Nations in northern Saskatchewan began to protest logging activities on their lands that were being managed through Mistik Management, a joint venture between the Meadow Lake Tribal Council and Millar Western Forest Products (Beckley and Korber, 1996). One such Nation has even launched a lawsuit, in which Mistik is named, concerning impacts of logging on their traditional subsistence activities (Ross and Smith, 2002: 14). Similar stories can be told in other regions of the country, such as in northern Ontario, where First Nations Development Corporations have entered into business relations with forest companies and Aboriginal trappers still complain about not being informed of logging practices taking place on their lands.

In some cases, First Nations have been able to address their concerns within the existing tenure regimes through the development of co-operative management processes with explicit emphasis on non-timber forest uses. In addition to entering into long-term timber supply agreements, the Little Red River Cree Nation (LRRCN) was able to incorporate ecosystem-based management into its Memorandum Of Understanding (MOU) with local forest companies and the provincial government, which accounts for First Nation's non-timber land uses. Dialogue on this subject is to be facilitated through a co-operative management planning board.⁸ The MOU also includes a clause to support research in this area through a standing partnership with the Sustainable Forest Management Network (Government of Alberta, 1999).⁹

⁷ In a few cases, governments have included stipulations within a tenure licence for consultation with First Nations regarding their land uses, as with Alberta Pacific Forest Industries Inc. FMA in Alberta (Robinson and Ross, 1999). However, this consultation still occurs after the determination of the AAC.

⁸ "Co-operative management" is the term preferred by the Alberta Government in order to recognize the paramount role of a Minister of the Crown in decision-making, as opposed to "Co-Management" which is used in some jurisdictions to suggest (though it is only rarely the case) that local groups have equal decision-making authority with a Minister. True examples of "Co-Management" are found in the Yukon's Renewable Resource Councils.

⁹ It should be noted that this MOU was allowed to expire by the provincial government, but the companies and LRRCN have continued to act as though it were still in force. Recently, discussions to renew the MOU have taken place between LRRCN and the Alberta Government.



The Nuu-Chah-Nulth have achieved a similar approach through years of protest over logging practices in Clayoquot Sound, British Columbia. These protests have led to an Interim Measures Agreement (IMA) that established a co-operative management body called the Central Region Board (CRB) which is comprised of five First Nations representatives and five government-appointed representatives. The CRB's mandate is to review all forest management plans for the region (which includes TFL 44 and TFL 54) in the context of ecosystem-based management and Nuu-Chah-Nulth traditional land uses. In a departure from the norm, the IMA also requires the First Nation to enter into a joint venture with the existing tenure holder (formerly Macmillan-Bloedel, now Weyerhaeuser) which shall operate under the terms defined by the CRB. Lisaak Forest Resources Ltd. began operating in 1998, and has to date been very successful in implementing its mandate of "conservation forestry". While one can easily envision potential conflicts between economic and environmental agendas, to date this has not occurred. The overall harvest for the region has been significantly below the AAC (30,000 m³ out of an allowable 123,000 m³) and a significant portion has been channelled to local value-added industries (Ross and Smith, 2002: 29). Lisaak's operation has been certified by the Forest Stewardship Council, and has recently received the World Wildlife Fund's Gift to the Earth award.¹⁰

Governments can encourage partnerships in several ways, one of the most important being access to capital funding. There have been several federal programs over the past few decades that sought to promote Aboriginal business development, including the multi-departmental Canadian Aboriginal Economic Development Strategy (CAEDS), the First Nations Forestry Program (FNFP), which is administered by Indian and Northern Affairs and Natural Resources Canada, and most recently the Aboriginal Business Development Initiative. A success story is the establishment of a joint venture between the Ditidaht First Nation and British Columbia Wood Products that eventually led to the construction of a mill. The FNFP provided funding for the preparation of a business plan that eventually led to this partnership (Smyth, 1998: 344). This success demonstrates how injections of even modest amounts of start-up funding into an appropriate partnership arrangement can have positive results. Programs like the Aboriginal Business Development Initiative, a program run by the Department of Indian and Northern Affairs Canada, also allow access to larger amounts of capital for business creation purposes. In other cases, fledgling Aboriginal companies that are involved in a partnership have been subsidized through government funds in order to help them through the start-up period. This was the case for Tanizul Timber in northern B.C., which is owned by the Tl'azt'en First Nation (Hopwood, 1988).

Besides economic motivations, governments also have legal and regulatory incentives for promoting partnerships. Recent Canadian court rulings have established that a fiduciary (i.e. trust) relationship exists between the Crown and Aboriginal peoples as a result of the unique circumstances under which they have come to co-exist (see especially *Guerin v. the Queen* (Mainville 2001:124)). Governments therefore have an obligation to ensure that they allocate resources and regulate resource exploitation in such a way so as not to undermine the interests of Aboriginal peoples.

The Nuu-Chah-Nulth achieved an Interim Measure Agreement in Clayoquot Sound that established a co-operative management body that reviews management plans and incorporates traditional land uses

One of the most important ways governments can encourage partnerships is by providing access to capital funding

Recent successful examples demonstrate how injections of even modest amounts of start-up funding can have positive results

Governments have an obligation to ensure they allocate and regulate resource exploitation so as not to undermine the interests of Aboriginal peoples

¹⁰ See their website at <http://www.iisaak.com> for more details on operations and achievements.

Governments can and should incorporate conditions into harvesting tenures that promote the participation of Aboriginal people and ensure they benefit from resource development on their lands

Many First Nations that have been unsuccessful in obtaining timber allocations independently are pursuing them through partnership frameworks

First Nations receiving a fair share of benefits from local development are much less likely to challenge its validity

Under the 1992 UNCED, resource development that does not take into account the well-being of indigenous cultures is not considered to be sustainable

Regarding tenure licensing, provincial governments (which have jurisdiction over natural resources) can and should incorporate conditions into harvesting tenures that promote the participation of Aboriginal people and ensure that they benefit from resource development on their lands. This process is already underway in some areas. For example, under the Forest Management Planning Manual which is regulation to the Crown Forest Sustainability Act adopted by the Ontario government in 1994, and in response to a condition set out by the Ontario Environmental Assessment Board in 1994 requiring the Ontario Ministry of Natural Resources to provide more economic benefits to Aboriginal communities from forest development in their territories, companies applying for forest tenures are required as part of their Sustainable Forest License agreements to show how they will involve First Nations. In addition, the Ontario Ministry of Natural Resources bears the responsibility to prepare Aboriginal Background Information Reports and values maps that then must be addressed by companies preparing forest management plans. As part of this process, they must consult with any First Nations within the tenure area, and work towards including them in the benefits derived from timber harvesting as a condition of receiving tenure rights (IOG, 1998). These benefits may include job opportunities, training programs, and logging contracts.

In other cases, timber harvesting licenses have been granted on an ad hoc basis to First Nations and forest companies that have applied in conjunction after negotiating some form of on-going collaboration. Such has been the case with the Little Red River Cree Nation and High Level Forest Products in Alberta and with the Waswanipi Cree and Domtar Inc. in Quebec (Brubacher, 1998: 354). In these cases, First Nations received logging rights as a result of involvement in partnerships. Many nations that have been unsuccessful in obtaining timber allocations on their own are presently pursuing them through a partnership framework instead. In cases where non-Aboriginal corporations receive cutting rights near Aboriginal communities, provisions may be included concerning the granting of logging contracts or employment at local mills. Factoring these kinds of provisions into forest tenures is also an effective way to avoid potential legal conflict over the legitimacy of the tenures, a possibility which is elaborated below. First Nations receiving a fair share of benefits from local development are much less likely to challenge its validity on the basis of their treaty or Aboriginal rights. The promotion of economic development might also be seen as fulfilling part of the Crown's fiduciary obligations towards Aboriginal peoples by ensuring that they benefit from commercial development on their traditional territories.

Canada has also participated in several national and international sustainable development initiatives that address Aboriginal participation in forestry. Under the Rio Declaration from the 1992 United Nations Conference on the Environment and Development (UNCED), resource development that does not take into account the well-being of indigenous cultures and communities is not considered to be sustainable. UNCED specifically addressed commercial forest management in the Statement of Forest Principles, which also recognizes the particular



economic value of forests to indigenous communities in addition to their cultural values (Commission on Sustainable Development 1997). Element 5a states that:

Appropriate conditions should be promoted for [indigenous communities] to have a stake in forest use, to perform economic activities, and achieve and maintain cultural identity and social organization, as well as adequate levels of livelihood and well-being, *including through those land tenure arrangements which serve as incentives for the sustainable management of forests* (emphasis added).

This element recognizes the central role of the state in promoting the basic framework for sustainable forest management (SFM) through the terms and conditions of harvesting licences and tenures, as discussed above. In ratifying the Statement of Forest Principles, Canada has made an international commitment to promoting the increased involvement of Aboriginal people in forest management and operations.¹¹

At the national level, Canada has addressed similar issues in the National Forest Strategy (NFS), developed in 1992 with an amendment in place in 2003 (CCFM 1998). The NFS was established through consultations with federal and provincial governments, as well as many non-governmental (including Aboriginal and forest industry) organizations. Strategic Theme Three pertains directly to Aboriginal people, and includes the following: “We will increase access to forest resources for Aboriginal communities to pursue both traditional and economic development activities...We will support Aboriginal employment and business development in the forest sector”.

The NFS also committed the CCFM to establishing criteria and indicators by which to measure the progress in achieving sustainable forest management in Canada. Aboriginal issues are included under Criterion 6 (“Society’s Responsibility”) which includes sub-criteria 6.1 (“Aboriginal and Treaty Rights”) and 6.2 (“Aboriginal Traditional Land Use and Forest-based Ecological Knowledge”). Indicators for these include “Extent of consultation with Aboriginals in forest management planning and in the development of policies and legislation related to forest management” (6.1.1), “Area of forest land owned by Aboriginal Peoples” (6.1.2), “Area of forested Crown land with traditional land use studies” (6.2.1, and also of economic values under Indicator 6.3. This indicator is concerned with the well-being of all rural forest communities, but notes that many of them are “Aboriginal communities that are surrounded by forest and are dependent on the forest for their economic and social well-being. Indicators under this element examine the well-being and resilience of both Aboriginal and non-Aboriginal forest communities. Decision-making processes must consider social costs associated with community instability in order to contribute to sustainable forest management.”¹²

Canada has made an international commitment to promote increased involvement of Aboriginal people in forest management

Canada is committed to establishing criteria and indicators of measuring progress in achieving sustainable forest management related to Aboriginal issues

¹¹ For a fuller listing and analysis of UNCED conventions and post-UNCED developments, see Smith (1995; 1998).

¹² NAFA argues that Aboriginal issues deserve independent consideration within the CCFM’s criteria, rather than being subsumed under the concerns of “society as a whole”. NAFA contends that Aboriginal peoples deserve special attention because of their constitutional rights and their unique history and position in Canadian society (see Bombay et. al., 1995; Smith 1995).

Some of the Aboriginal indicators are difficult to measure due to a lack of good records

The forest industry will benefit from partnerships with First Nations including: additional revenue opportunities, more secure access to wood supply, absence of conflict, and fulfillment of SFM certification standards

Forming partnerships with local First Nations is one effective method of working towards adequate consultation

The difficulty in measuring on a national scale the vast array of indicators defined by the CCFM is notable, though some progress has been made to date.¹³ In addition, the CCFM criteria and indicators framework has been adopted by some provincial governments and forest companies at a forest management unit or regional level to measure progress. Some of the Aboriginal indicators are especially difficult to measure owing to a dearth of good record-keeping. As the IOG (1998) found, few forest companies keep track of employment levels based on ethnicity. The CCFM unfortunately did not account for joint ventures in its assessment of indicator 6.2.3. Several concentrated efforts to develop and/or measure indicators have emerged through the Canadian Forest Service's Model Forest Network program, whose mandate includes the development of local level indicators based on the national framework and engage Aboriginal Peoples in the process. Eleven Model Forests have been established to date, including one near the Cree community of Waswanipi, Quebec.¹⁴ Hopefully the efforts of these Model Forest programs will facilitate the development and testing of more robust Aboriginal indicators for application in the broader Canadian context.

The forest industry has good reasons to pursue partnerships with First Nations, including additional revenue opportunities, "certainty" based on secure access to wood supply, absence of conflict, and in fulfillment of SFM certification standards. The regulatory policies of timber allocation have already been touched on above, as have the legal obligations of governments. Industry, however, is also implicated in these contexts. Companies are increasingly required to meet certain standards (namely consultation) with regards to First Nations before being awarded tenures. Once secured, companies must also take steps to ensure that they are observing the constitutional rights of Aboriginal peoples on the lands surrounding their communities. Several key court decisions over the last decade or so have addressed these rights in both treaty and non-treaty situations, particularly *R v. Sparrow*, *Delgamuukw v. R.*, and *R. v. Badger* (Mainville 2001). More recently, the decision in *Haida Nation v. B.C. (Minister of Forests)* states that the fiduciary obligation to consult First Nations regarding the impacts of resource development is not limited to government, but is also shared by the companies being allocated the timber tenures (Mainville 2001). The court ruled that two-way consultation between the government and the Haida is insufficient because it is the forest company who will be responsible for the day-to-day operations on the land. Further, the company cannot enjoy unencumbered benefits from a licensing process in which the government failed to meet its fiduciary obligations. Forming partnerships with local First Nations is one effective method of working towards adequate consultation.



¹³ See CCFM's 1997 technical report on the ability to measure the indicators set forth, and the subsequent "Criteria and Indicators of Sustainable Forest Management in Canada: National Status Report" (2000) for an update on progress.

¹⁴ See the Model Forest Network's website at www.modelforest.net for an overview of their program.

A National Survey of Partnerships

Survey Methodology

This document builds and expands upon the groundwork laid by two previous studies, one conducted by the Institute on Governance (IOG) in 1998, and another conducted jointly by NAFA with the IOG in 2000. The former was a survey of forest companies across Canada that was undertaken in order to assess the general state of corporate policy regarding Aboriginal peoples, and also the frequency of partnerships with them. The IOG was further interested in documenting regional differences in corporate policy and practice. In order to achieve these goals and to provide a representative sample, several forest companies from each province were contacted, and were selected based upon their volume of operation rather than any predetermined knowledge of Aboriginal partnerships. As such, this study provides a good overview of national and regional trends, but does not target specific partnerships for analysis. In contrast, the NAFA/IOG (2000) study provides a brief description of many different partnerships between First Nations and the forest sector in Canada.

While not exhaustive, this study is by far the most accurate inventory of these kinds of partnerships that is available. Descriptions appear to be drawn from secondary sources or from first-hand knowledge about the partnerships. Because a large number of partnerships are addressed (over 40), descriptions are necessarily brief and evaluation is limited.¹⁵ In comparison to the 1998 survey by the IOG, this study was more interested in providing a thorough list of known partnerships rather than achieving a representative sample through survey methods.

The present work combines the approaches of these two studies by employing a survey methodology to obtain data while specifically targeting partnerships for analysis. The list of partnerships compiled by NAFA/IOG (2000), combined with those provided by SFMN members, provided a starting point for contacting those involved in partnerships and asking them for descriptions and evaluations of their efforts. This information allowed a generalization of the types of partnerships currently being pursued as well as their effectiveness. Both industry and Aboriginal representatives were contacted wherever possible in order to provide a balanced assessment. All Partners from the SFMN were contacted regarding partnerships they may have, and specific divisions were targeted for closer study. Based on the NAFA/IOG literature, as many other parties as possible were contacted. There was an attempt at all times to employ “snowball sampling” in order to learn of new partnerships and to establish contacts with all parties in a partnership.

A copy of the questions used for the survey can be found in Appendix 1. Participants were contacted by phone or by e-mail and asked to describe their partnerships and evaluate their success. They were also asked about unique or innovative aspects of their partnerships, lessons learned in their partnership experiences, and their feelings on current policies and practices that affect the climate of their relationships with other parties. Following completion of the surveys, partnerships were classified according to the typology discussed below, and participants’ responses to qualitative questions were compiled based on common themes.

This document expands upon two previous studies, one conducted by the Institute on Governance in 1998, the other conducted jointly by the National Aboriginal Forestry Association

While not exhaustive, this study is by far the most accurate inventory of partnerships between First Nations and the forest industry

This study uses a combination of using a survey method to obtain data while specifically targeting partnerships for analysis

Participants were contacted by telephone or e-mail and asked to describe their partnership and evaluate their success

¹⁵ Detailed case studies of four of these partnerships are presented following this listing.

Partnership Categories

For the purposes of evaluating different types of partnerships the categories developed by NAFA/IOG (2000) were adapted. Within this framework, partnerships may be classed as one of the following types (NAFA/IOG, 2000: 15): a) joint ventures, b) cooperative business arrangements, c) forest services contracting, d) socio-economic partnerships, and e) forest management planning. This classification combines descriptions of both partnership structures and functions, which may overlap with each other. A socio-economic partnership, for example, may also include forest services contracting or forest management planning, and a joint venture may also include socio-economic benefits. Thus, the classification may be useful for basic organizational purposes, but needed to be further refined in order to function as an effective analytical tool. Specifically, the relationship between certain structures and functions needed to be better understood. Using this approach, it will be possible to assess what types of partnerships are best suited for certain functions in order to address the needs of existing and potential collaborators.

The NAFA/IOG study recommended that the best way to refine this classification would be to separate partnership goals from the list of partnership types in order to avoid confusing the two and creating unnecessary overlap. As noted in the NAFA/IOG study:

A more complex development of partnership typologies might attempt to separate the structural categories from the functional characteristics, resulting in two separate axes for analysis. Such a technical assessment would require much more extensive case profile research, and is beyond the scope of the present project (2000: 15).

This is precisely what this project attempted to accomplish through the survey approach by gathering basic information about many different partnerships from those involved in them. Following interviews, the partnerships were classified according to one of four structural types:

- a) joint ventures
- b) memoranda of understanding
- c) contracting relationships
- d) co-operative business arrangements

These four categories are derived in part from the previous literature and in part from survey responses, and most accurately reflect the different formats by which forest companies and First Nations appear to be orienting their partnerships. The criteria for classifying a partnership in each category are listed in Table 1 below.

Partnerships were classified as: (a) joint ventures, (b) memoranda of understanding, (c) contracting relationships, or (d) co-operative business arrangements



Table 1: Criteria for Partnership Structures

Partnership Structure	Criteria for Classification
a) Joint Venture	<i>investment in and commitment to a commonly owned and/or operated company</i>
b) Co-operative Business Arrangement	<i>collaboration between separate business entities to achieve mutual gains</i>
c) Memoranda of Understanding/ Protocol Agreements	<i>quite broad, but generally denotes a long-term formal commitment to pursue stated goals, may include specific means to achieve them</i>
d) Contracting Relationship	<i>hiring of contractors on a short-term and job specific basis</i>

Next, the functions and/or goals of each partnership were evaluated. Several basic functions/goals were identified through the background literature and the survey responses:

- 1) conflict avoidance
- 2) profit
- 3) employment/job creation
- 4) capacity building
- 5) resource access
- 6) resource management
- 7) socio-cultural benefits

Each partnership may serve multiple functions. The criteria for each function are listed in Table 2. Some of the divisions drawn may seem rather arbitrary, but they accurately reflect important differences in the partnerships surveyed. For example, “socio-cultural benefits” are separated from “employment” because some partnerships provide for non-economic benefits for communities, such as cultural resource inventories or traditional knowledge studies. This reflects an important difference in the scope of the partnership and the level of commitment involved.

Partnerships were then assigned by their function and goals as (1) conflict avoidance, (2) profit, (3) employment, (4) capacity building, (5) resource access, (6) resource management, and (7) socio-cultural benefits

Table 2: Criteria for Determining Partnership Functions

Partnership Functions	Criteria for Classification
1) Conflict Avoidance	<i>partnership resolves previous or impending conflict</i>
2) Profit	<i>one or both parties hold profit as a primary goal</i>
3) Employment/Job Creation	<i>partnership provides for continued employment of existing personnel (e.g. contractors) or creation of new positions (e.g. new mill)</i>
4) Capacity Building	<i>partnership includes formal training mechanisms and responsibilities¹⁶</i>
5) Resource Access	<i>partnership allows one or more parties to obtain secure access to fibre supplies (e.g. timber tenures) that would not otherwise have been available</i>
6) Resource Management	<i>partnership provides for all parties (particularly First Nations) to have input into resource management</i>
7) Socio-Cultural Benefits	<i>partnership provides community benefits other than employment and/or revenue (e.g. cultural resource inventory, traditional use study)</i>

Survey Results

During the interviews, it was decided which structure most accurately described the partnership in question, and which goals were addressed within it. For comparison, survey results were compiled in Table 3 by partnership type and goals. Because respondents were promised anonymity, code numbers for each partnership listed on the table were employed rather than identifying the partners by name. For the sake of simplicity, the goals of forest companies and those of First Nations are not divided into separate tables. If one party holds a particular goal in the partnership, it is marked on the table. This should not be viewed as providing a skewed view of the relationships, the recognition of others' goals is a fundamental aspect of successful partnerships.

Several patterns become apparent when the different types of partnerships are compared. In general, there is significant variation of functions within each structure, though there tends to be a common thread among them. For example, all co-operative business arrangements are oriented towards profit and most

Several patterns become apparent when comparing different partnerships. Generally, there is significant variation, but a common thread among them.



¹⁶ Note, however, that this follows older practices in Economic Development where “Western” knowledge is exported to local communities. The Capacity Development (CD) paradigm noted above and becoming more frequently employed around the world recognizes that “capacity” has to come from — and go to — many different levels of all of the partners within any land or resource management relationship. This is the way to achieve a currently non-existent eighth level of Partnership Function: genuine Co-Management.

towards resource access as well, though some also address employment and conflict avoidance. Similarly, profit, employment and job creation are universal goals within joint ventures, while forest management and conflict avoidance are present in a minority of cases. Contract relationships are apparently limited to profit and employment goals, though a few were initiated to avoid conflict. In general, there is a decrease in integration, or degree of collaboration, between partners as shown in Table 3 from top to bottom: the lower the partnership type is in the table, the fewer the goals it attempts to accomplish.

Based on the survey results compiled in Table 3, how these types of partnership relate to one another and what distinguishes them can be understood. The main element that distinguishes these category types is the level of commitment and interaction involved in the partnership. Indeed, these four structures can be conceived as points on a continuum that is defined by the degree of collaboration of the parties, as seen in Figure 1.

The main element that distinguishes partnership types is the level of commitment and interaction involved. This can be depicted as a continuum defined by the degree of collaboration.

Table 3 (Part 1). Classification of Partnerships Reported in the Survey

		Conflict Avoidance	Profit	Employment	Job Creation	Capacity/Training	Resource Access	Resource Mgmt.	Social Benefits
Joint Ventures									
	# 1	●		●	●	●	●	●	●
	# 2	●	●	●	●	●			
	# 3	●	●	●				●	
	# 4	●	●	●	●				
	# 5		●	●	●	●			
	# 6		●	●	●	●			
	# 7		●	●	●				
	# 8		●	●	●		●		
	# 9		●	●	●	●			
	# 10		●	●	●				
	# 11		●	●	●				
	# 12		●	●					
MOU's/Protocols									
	# 13	●	●	●	●		●	●	●
	# 14	●		●	●	●	●	●	
	# 15	●	●		●	●	●	●	
	# 16	●		●		●	●	●	
	# 17	●		●				●	●
	# 18	●	●	●		●			
	# 19	●	●				●	●	
	# 20	●			●	●	●		
	# 21	●	●	●	●				
	# 22	●	●	●					
	# 23	●	●	●					
	# 24	●			●			●	
	# 25				●	●		●	
	# 26			●	●	●			
	# 27			●				●	
	# 28	●						●	

Table 3 (Part 2). Classification of Partnerships Reported in the Survey

	Conflict Avoidance	Profit	Employment	Job Creation	Capacity/Training	Resource Access	Resource Mgmt.	Social Benefits
Co-operative Business								
# 29	•	•	•	•		•		
# 30	•	•	•			•		
# 31	•	•	•				•	
# 32	•	•	•			•		
# 33	•	•		•				
# 34	•	•	•					
# 35		•			•	•	•	
# 36		•				•	•	
# 37		•				•		
# 38		•				•		
# 39		•				•		
# 40		•				•		
# 41		•				•		
# 42		•				•		
# 43		•	•					
# 44		•	•					
# 45		•		•				
# 46				•	•			
Contracting								
# 47	•	•	•					
# 48	•	•	•					
# 49	•	•	•					
# 50	•	•	•					
# 51	•	•	•					
# 52	•	•	•					
# 53		•	•					
# 54		•	•					
# 55		•	•					
# 56		•	•					
# 57		•	•					
# 58		•	•					
# 59		•	•					
# 60		•	•					
# 61		•	•					





Figure 1. Continuum of Integration/Collaboration in Partnership Structures

The classification of the “MOU/Protocols” category is a challenge because it incorporates many partnerships whose goals vary broadly in scope. Some are very limited, and in some ways more closely resemble contracting relationships, albeit in a more secure manner (partnerships #27 and #28, for instance). Others are more broad in scope and provide for extensive interaction between the parties to achieve the goals (#13-15). MOU/Protocols are the only type of partnership in which resource management and socio-cultural benefits were addressed, and is — along with Joint Ventures — a category that addresses capacity building for First Nations. Because of this variation, it is difficult to know exactly where to place this category on the continuum of collaboration illustrated in Figure 1. Since MOU’s of limited scope appear to be in the minority, the category has been placed above co-operative business arrangements. Despite the very high degree of interaction within many MOU’s, they are ranked below joint ventures because of the high level of common financial risk assumed by partners in the latter category.

Besides classification, another objective of this study was to better understand what types of partnerships are best suited to specific goals. To this end, it would be helpful to summarize the results reported in numerical form. This is done in Figure 2, which shows how frequently each goal was reported. For example, on the left side of the chart just over 30% of the joint ventures surveyed included conflict avoidance as a goal, while 80% of the MOU’s surveyed included this as a goal.

MOU/Protocols are the only partnership type where resource management and socio-cultural benefits were addressed

Beside classification, another objective was to better understand which partnership types are best suited to goals

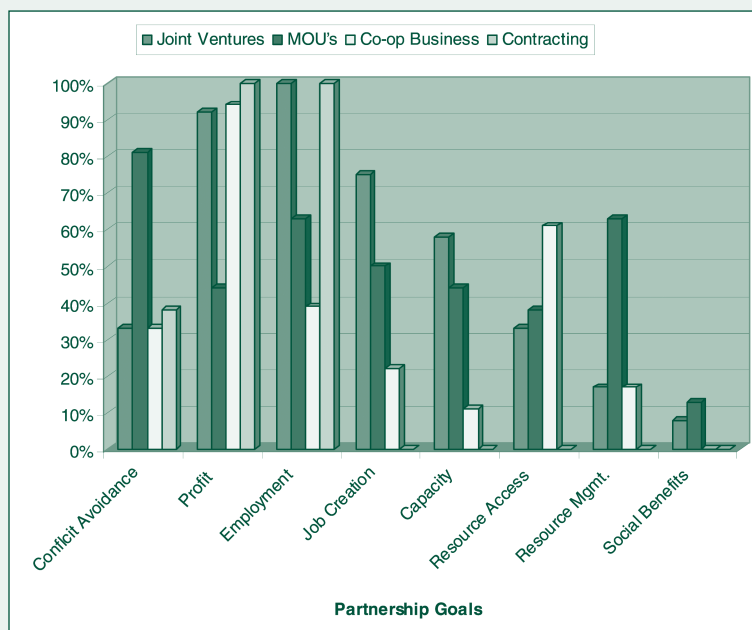


Figure 2. Frequency of Reported Goals by Partnership Type

Participants were asked to provide their insight and recommendations

Partners' Lessons and Recommendations

Throughout the survey, respondents were asked if they have learned any particular lessons from their partnership efforts. They were also asked to make recommendations concerning the policies and approaches of the various parties involved, including government, industry, and First Nations. This initiated many interesting and creative responses, which are summarized below in point form. A few recurrent and stand-out points emerged from these responses, and these are discussed in more detail below.

Lessons from Partnerships

- *be patient*; partnerships take more time than other business arrangements
- *take it slowly*; start with a simple and manageable level of interaction and commitment
- *individuals* are essential to partnership success; *personal relationships*, not corporate policy, often determine whether a partnership effort succeeds or fails
- be sure that those involved in the partnership have *adequate authority and capacity*
- be aware of the *culture gap* and its effects on communication; expect greater communication requirements than with other business partnerships
- establish clear communication protocols at the outset
- don't expect immediate profit; doing business with First Nations can be expensive, especially where training and lengthy consultation is required
- because of political strife and frequent elections, it is better to deal with First Nations individuals or development corporations than with band councils
- joint ventures fulfill a different purpose than more community-oriented agreements; don't confuse the two
- government involvement in partnerships is more likely to slow things down than expedite them; government and industry may be "played off" against one another; governments have greater fear of setting precedents than do corporations
- the best way to protect *treaty and Aboriginal rights* is to participate, otherwise First Nations will only receive enough consideration to pacify them
- multiple First Nations working together can avoid a "divide and conquer" situation
- business objectives can sometimes be difficult to reconcile with First Nations' community objectives
- a First Nations-held forest tenure can be a good vehicle for building relationships with forest companies



- each partnership must be customized to the specific community and individuals; there is no “mould” that can be applied universally
- even relationships that start out very poorly can end in partnership, given willingness

Respondent's Recommendations on Policy

Below are the recommendations that survey respondents made for promoting partnerships between First Nations and the forest industry. Most attention was directed towards governments and First Nations, while only general comments were made regarding industry. First Nations were only unhappy with industry when they felt that companies were unwilling to work with them (which is rare) or unwilling to grant adequate benefits. Please note that recommendations are only those of the respondents, not the authors.

The government needs to:

- expedite the land claims and Treaty Lands Entitlement (TLE) processes
- clarify what constitutes “traditional use” of lands and “consultation” with First Nations
- be proactive rather than reactive in their policies; stop allowing the courts to determine Canadian forest policy
- clarify the responsibilities of the federal and provincial governments regarding First Nations and natural resources
- subsidize the extra costs of doing business with First Nations
- provide capacity funding to First Nations to allow for adequate participation in consultation
- provide longer-term start-up funding for Aboriginal businesses, somewhere around five years worth rather than two
- grant longer-term volume-based tenures to First Nations so they have some security
- build an implementation plan for the recent timber reallocation in British Columbia
- stop allowing First Nations to “double-dip” on timber allocations from tenure holders¹⁷
- consider revenue-sharing of forestry profits with First Nations

First Nations need to:

- create stability in their band governance
- operate businesses at arm’s length from political bodies
- deal with forest companies in terms they can understand and act upon
- communicate properly with their band members and resolve disputes internally
- ensure the capacity of those involved in partnerships
- fulfill the terms of business contracts in full so as to build trust

Most comments were directed towards government — First Nations were generally happy with industry unless they felt that companies were unwilling to work with them or grant adequate benefits

¹⁷ This occurs when a First Nation receives a timber quota from a company’s forest tenure, and then requesting a second quota if that tenure is transferred to another company.

- build capacity and streamline operations to increase efficiency
- implement conflict of interest policies
- have realistic expectations of forest companies and partnerships
- access niche markets rather than compete with large-scale operators

Conclusions

Several of the lessons and recommendations listed above were recurrent among the survey responses. These seem to represent fundamental issues that must be addressed in order to foster more partnerships in the future.

Forest companies and First Nations are united in stating that land claims must be resolved by the government in order to achieve security for those involved in partnerships. In addition, the rights of First Nations regarding their traditional lands must be clarified with government policy being developed concurrently. Forest companies are particularly eager to remove the legislative vacuum that currently surrounds the concepts of “traditional use” and “consultation”. Several people stated that every party seems to have their own definition of these terms, which are often in conflict with one another. Others emphasized the need for decisive *legislation* in order to overcome this issue, rather than simply adopting a prescriptive policy or set of guidelines. Such legislation should also in effect clarify the responsibility of provincial governments with regard to Aboriginal peoples.

Virtually every industry person contacted stressed the need for stability in First Nations governance. Since most nations hold elections for chief and council every two years, changes in government can happen very quickly. In most cases, incoming governments do not support the initiatives of their predecessors, and previous efforts to establish partnerships often meet an impasse. Even if the new government does support existing efforts, it can take time for new personnel to familiarize themselves with the situation. Two solutions were proposed; first, the terms of elected representatives could be extended to four years. This would allow for a more realistic gestation period for new relationships to develop. Second, band governments can authorize band-owned development corporations to handle partnership arrangements, and can ensure that the appropriate personnel are in place to do so. These entities should operate at arm’s length from the band. Several First Nations people who worked in such structures agreed that this approach is preferable.

Many respondents spoke of the recent “clawback” of timber quotas initiated by the B.C. government. Under this program, major tenure holders will lose up to 20% of their timber allocations, and approximately 8% of the province’s harvestable timber will be re-allocated to First Nations. Most believe that this is a very significant step towards resource equity for Aboriginal Peoples, although some feel that 8% is inadequate.¹⁸ As yet, there is no implementation plan for this

Industry and First Nations are united in stating that land claims must be resolved by government

First Nations rights regarding traditional lands must be clarified with government policy

Every industry person stressed the need for stability in First Nations governance

Band governments can authorize band-owned development corporations to handle partnership arrangements



¹⁸ Several respondents felt that the previous NDP government in BC raised the expectations of the Aboriginal community to unreasonable levels, which has left the current government in a difficult negotiating position.

reallocation, which is leading to cautious optimism in the Aboriginal community. Further, there is some scepticism about whether or not timber tenures are the solution to First Nations' resource woes given the current timber market, stumpage rates, and softwood dispute. As one industry respondent put it, his/her company is one of the largest operators in the province and deals only with experienced contractors, and is still managing to lose money. First Nations entering into the business are not likely to fare any better, and do not have the resources to withstand significant financial setbacks.

It seems clear that the single most important ingredient toward successful First Nation-Industry partnerships, regardless of the type, is commitment to the enterprise by the most senior leadership of both sides. The "trickle-down" effect of this commitment throughout the groups cannot be over-estimated. At the same time there are specific measures that can be taken in order to formalize that commitment. Among the most effective is vesting the commitment into a single individual who, regardless of leadership changes and shifting priorities within the groups, has the collective memory and the ability to keep the relationship going. Appointment of an independent third-party to chair a committee charged with maintaining the relationship through mutual respect, with members from both groups and a budget to carry out its functions, has been found to be particularly effective in international development. Such committees can be charged with developing policies appropriate to the parties, from capacity building on both sides to the combining of local knowledge with scientific and technical knowledge.

In international development, where communities often own the land and resources, governments and companies have needed to develop institutional means to create and maintain healthy relationships between them and these local groups. As a result, there has arisen a large literature on the subject, which has become known as "Capacity Development", signifying that growth and education is a mutual process in order to achieve success. This literature is summarized in a Master's thesis completed at the Department of Anthropology, University of Alberta, which is based on a case study between an Alberta First Nation and a Sustainable Forest Management Network industry partner. It was written by Pia Wilkinson Chapman and is entitled "A Framework for Effective Industry/First Nations Collaboration: A Case Study of the Partnership between the Alexis First Nation and Millar Western Forest Products Ltd." The thesis was submitted in January, 2004, and should now be available from the National Library of Canada, Theses Canada Portal.¹⁹

There is cautious optimism since First Nations entering the business are not likely to fare any better than existing industries, and do not have the resources to withstand significant financial setbacks

The single most important ingredient in successful First Nation-Industry partnerships is commitment by senior leaderships

A good literature review of capacity development can be found in Pia Wilkinson's Masters thesis.

¹⁹ A recent check of the Library website and discussion with Library Staff, indicates that it has not yet arrived. It appears that the Faculty of Graduate Studies and Research at the University of Alberta has only recently sent a batch of theses, including this one, to the National Library. This means that it will be available in microfiche or electronically through the National Library in March, 2005. The University of Alberta Library should be able to reproduce single copies for sale. (A recent check — 13 December, 2004 — indicates that the thesis is still in the process of being catalogued. It will be listed under the number: 04WIL, in the Bruce Peel Special Collections Library.)

References

- Beckley, T. M., & Korber, D. (1996). Clearcuts, Conflict and Co-Management: Experiments in Consensus Forest Management in Northwest Saskatchewan. Edmonton: Canadian Forest Service.
- Bombay, H., P. Smith & D. Wright (1995). An Aboriginal Criterion for Sustainable Forest Management. Ottawa: National Aboriginal Forestry Association .
- Brubacher, D. (1998). Aboriginal Forestry Joint Ventures: Elements of an Assessment Framework. *The Forestry Chronicle* Vol. 74(3), 353-358.
- Canadian Council of Forest Ministers (CCFM) (1998). National Forest Strategy 1998-2003, Sustainable Forests — A Canadian Commitment. Ottawa: Canadian Council of Forest Ministers. Pg 34-35.
- Canadian Council of Forest Ministers (CCFM) (2000). Criteria and Indicators of Sustainable Forest Management in Canada: National Status, 2000. Ottawa: Canadian Council of Forest Ministers.
- Commission on Sustainable Development (1997). Overall progress achieved since the United Nations Conference on Environment and Development. Report of the Secretary-General, Addendum, National mechanisms and international cooperation for capacity-building in developing countries. (Chapter 37 of Agenda 21). commission on Sustainable Development, Fifth Session, 7-25 April 1997.
- Curran, D., & M'Gonigle, M. (1999). Aboriginal Forestry: Community Management as Opportunity and Imperative. *Osgoode Hall Law Journal* Vol. 37(4), 711-775.
- Economic and Social Council (1996). Capacity-building for sustainable development. Report of the Secretary-General. United Nations. Commission on Sustainable Development. 18 April-3 May, 1996. Fourth Session.
- European Center for Development Policy Management. Defining Capacity Building. <http://www.capacity.org/definit.html> Accessed 28 April, 2003.
- Fukuda-Parr, S., C. Lopes and K. Malik (eds.) (2002). Executive Summary. Capacity Development. New Solutions to Old Problems. London: Earthscan Publications, Ltd.
- Government of Alberta (1999). Memorandum of Understanding (MOU): Little Red River Cree Nation — Tall Cree First Nation and Government of Alberta Cooperative Management Agreement. Alberta: Department of Aboriginal Affairs.
- Hedican, E. J. (1995). Applied Anthropology in Canada: understanding Aboriginal issues. Toronto: University of Toronto Press.
- Hickey, C. G. & P. W. Chapman (2002). A strategy to integrate First Nations into Forestry. A follow-up report on the partnership between Millar Western Forest Products and the Alexis First Nation. Department of Anthropology, University of Alberta: Edmonton.



- Higgs, M. (1996). Overcoming the problems of cultural differences to establish success for international management teams. *Team Performance Management*. Volume 2, Number 1:36-43.
- Hopwood, A. (1988). The Social and Economic Returns from Investments in Forest Management Programs on Indian Lands: Two Case Studies. FRDA Report 049: Canadian Forestry Service.
- Institute on Governance (IOG) (1998). Exploring the Relationship Between Aboriginal Peoples and the Canadian Forest Industry: Some Industry Perspectives. Ottawa: Institute on Governance.
- La Rusic, I. E. (1995). Managing Mishtuk: The Experience of Waswanipi Band in Developing and Managing a Forest Company. P. D. Elias (ed.), *Northern Aboriginal Communities: Economies and Development*, 53-88. York, ON: Captus Press, Inc.
- Lavergne, R. and J. Saxby (2001). Capacity Development: vision and implications. *Capacity Development*. Occasional Series. January. No. 3.
- Mainville, R. (2001). An Overview of Aboriginal and Treaty Rights and Compensation for Their Breach. 166 pp. Saskatoon, Saskatchewan. Purich Publishing.
- Murray, D. W. (1999). Self-Sufficiency and the Creation of Dependency: The Case of Chief Isaac, Inc. *American Indian Quarterly*. Vol. 16(2), 169-188.
- National Aboriginal Forestry Association (NAFA), & Institute on Governance (IOG) (2000). *Aboriginal-Forest Sector Partnerships: Lessons for Future Collaboration*. Ottawa: National Aboriginal Forestry Association.
- Robinson, M. P. & M. M. Ross (1999). "Resource developments on traditional lands: the duty to consult", in Science and practice: sustaining the Boreal Forest. Conference Proceedings, 14-17, February, 1999. Eds. Veeman, T. S., D. W. Smith, B. G. Purdy, F. J. Salkie & G. A. Larkin. Edmonton, Alberta. Sustainable Forest Management Network.**
- Ross, M. M., & Smith, P. (2002). Accommodation of Aboriginal Rights: The Need for an Aboriginal Forest Tenure. Edmonton, Alberta. Sustainable Forest Management Network.**
- Royal Commission on Aboriginal Peoples (RCAP) (1996). Report of the Royal Commission on Aboriginal Peoples, Vol. 2: Restructuring the Relationship. Ottawa: Canada Communication Group.
- Schacter, M. (2000). Capacity Building. A New Way of Doing Business for Development Assistance Organizations. Ottawa: Institute on Governance.
- Smith, P. (1998). Aboriginal and Treaty Rights and Aboriginal Participation: Essential Elements of Sustainable Forest Management. *The Forestry Chronicle*, 74(3), 334-342.
- Smith, P. (1995). Aboriginal Participation in Forest Management: Not Just Another Stakeholder. Ottawa: National Aboriginal Forestry Association.
- Smyth, J. H. (1998). The First Nations Forestry Program. *The Forestry Chronicle*. Vol. 74(3), 343-346.
- United Nations Development Program (2002). Outcomes on Capacity Development. ACCRA ROUNDTABLE: Towards a capacity development agenda. Accra: Ghana

Appendix 1

Forest Industry Survey Questions

1. Basic Division Information

- location, type and size of operation

2. Company Policy and Organization

- Does the company have a corporate policy to guide relations with Aboriginal people?
- If so, what elements does it cover (e.g. hiring, business partnerships, negotiation)? Is a copy available?
- Has your company identified a responsibility centre for overseeing its relations with Aboriginal peoples?

3. Relationships with First Nations Communities or Organizations

- Does the company have any formal agreements or business partnerships with Aboriginal
- communities or organizations (e.g. MOUs, joint ownership, supply contracts)?
- If so, with whom, what topics do they cover (e.g. employment, training, co-management
- of environment/resources, etc.) and what motivated them?
- Do any formal structures exist to implement the agreement (e.g. co-management board, training program), and how are they operated?
- Can you provide contact info for other parties in your partnerships?
- Has your company examined any similar relationships/partnerships between forest companies and First Nations in order to implement or adjust your own?

4. Evaluation

- Did your company have specific goals for its First Nations partnerships, and have these goals been met? To what factors do you attribute this success/failure?
- Have you learned any positive or negative lessons that may inform future ventures?
- Were any new or innovative protocols established through your venture?
- Are there any changes in legislation, policies or programs that other actors (governments, industry associations, unions, Aboriginal organizations) could take that would allow better relationships to develop between your company and Aboriginal peoples?

Thank you for your time and effort. Your participation is greatly appreciated.



Appendix 2

First Nation Survey Questions

1. Basic First Nation information

- location and size

2. Nation Policy and Organization

- Does your Nation have an official policy or standpoint to guide relations with forest companies? What does it cover?
- Has your Nation appointed anyone to oversee its relations with the forest sector?

3. Relationships with Forest Companies

- Does your Nation have any formal agreements or business partnerships (e.g. MOUs, joint ventures, long-term supply) with forest companies?
- If so, with whom, what topics do they cover (e.g. employment, training, co-management of environment/resources, etc.)?
- Do any structures exist to implement your agreement (e.g. co-management board, training program), and how are they maintained?
- Can you provide contact information for other parties in your partnerships?
- Has your Nation examined any similar relationships/partnerships between forest companies and First Nations in order to implement or adjust your own?

4. Evaluation

- Did your Nation have specific goals for its forest sector partnerships, and have these goals been met? To what factors do you attribute this success/failure?
- Were any new or innovative protocols established through your venture?
- What are your future plans for partnerships with the forest sector?
- Are there any changes in legislation, policies or programs that other actors (governments, industry associations, unions, Aboriginal organizations) could take that would allow better relationships to develop between your Nation and the forest sector?

Thank you for your time and effort. Your participation is greatly appreciated.

OUR PARTNERS AND AFFILIATES NOVEMBER 2004

GRANTING COUNCILS

- Networks of Centres of Excellence (NCE) Program
 - Natural Sciences and Engineering Research Council of Canada (NSERC)
 - Social Sciences and Humanities Research Council of Canada (SSHRC)

SPECIAL FUNDING AGREEMENTS

- Sustainable Forest Management Network/BIOCAP
Canada Foundation Joint Venture Agreement

FUNDING PARTNERS

GOVERNMENTS

- Canadian Forest Service
- Environment Canada
- Parks Canada
 - Ecological Integrity Branch
- Government of Alberta
 - Alberta Sustainable Resource Development
- Government of British Columbia
 - Ministry of Forests
- Government of Manitoba
 - Manitoba Conservation
- Government of Newfoundland and Labrador
 - Department of Forest Resources and Agrifoods
- Government of Ontario
 - Ministry of Natural Resources
- Gouvernement du Québec
 - Ministère des Ressources naturelles, de la Faune et des Parcs
- Government of Yukon Territory
 - Energy, Mines and Resources

INDUSTRIES

- Abitibi-Consolidated Inc.
- Alberta-Pacific Forest Industries Inc.
- Bowater Inc.
- Canadian Forest Products Ltd.
- Daishowa-Marubeni International Ltd.
- J.D. Irving, Limited
- LP Canada Ltd.
- Millar Western Forest Products Ltd.
- Riverside Forest Products Limited
- Tembec Inc.
- Tolko Industries Ltd.
- Weyerhaeuser Company

ABORIGINAL GROUPS

- Gwich'in Renewable Resource Board
- Heart Lake First Nation
- Kaska Tribal Council
- Little Red River/Tall Cree Nation
- Moose Cree First Nation

NON-GOVERNMENTAL ORGANIZATIONS (NGOs)

- Ducks Unlimited Canada

INSTITUTION PARTNERS

- University of Alberta
 - (Host Institution; also a Funding Partner)
- Concordia University
- Dalhousie University
- Lakehead University
- McGill University
- Memorial University of Newfoundland
- Royal Roads University
- Ryerson University
- Trent University
- University College of the Cariboo
- Université de Moncton
- Université de Montréal
- Université de Sherbrooke
- Université du Québec à Chicoutimi
- Université du Québec à Montréal
- Université du Québec à Rimouski
- Université du Québec à Trois-Rivières
- Université du Québec en Abitibi-Temiscamingue
- Université Laval
- University of British Columbia
- University of Calgary
- University of Guelph
- University of Lethbridge
- University of Manitoba
- University of New Brunswick
- University of Northern British Columbia
- University of Ottawa
- University of Regina
- University of Saskatchewan
- University of Toronto
- University of Victoria
- University of Waterloo
- University of Western Ontario
- University of Winnipeg
- Wilfrid Laurier University

AFFILIATES

- Canadian Institute of Forestry
- Forest Ecosystem Science Cooperative
- Forest Engineering Research Institute of Canada
- Lake Abitibi Model Forest
- Manitoba Model Forest
- National Aboriginal Forestry Association



Sustainable Forest Management Network

G-208, Biological Sciences Building

University of Alberta

Edmonton, Alberta T6G 2E9

CANADA

Phone: (780) 492-6659

Fax: (780) 492-8160

Email: el2@ualberta.ca

<http://www.ualberta.ca/sfm/>