

# Forest Policy Changes Needed to Create a New Relationship with First Nations in BC

- Lessons from the Merritt TSA Innovative Forest Practices Agreement  
Pilot Project

Presentation to the BC Forum on Forest Economics and Policy

March 13, 2006

At UBC First Nations House of Learning

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# Introduction

- Personal Background
  - Education
  - Chief of Cooks' Ferry Indian Band
  - President of Stuwix Resources Ltd.
  - Vice-Chair Nicola Similkameen Innovative Forestry Society
  - Member FN Interim MPB Working Group

# Outline of Presentation

- Identify the New Relationship Vision
- Identify 3 key First Nation expectations for Forest Policy
- Review where provincial forest policy is at with respect to First Nations expectations
- Review some lessons learned in the Merritt TSA IFPA Pilot Project with respect to First Nations expectations
- Recommend 4 key areas of forest policy the province must move forward on to implement the New Relationship agreement

# The Issue

- FN & Province have agreed upon a dramatic departure from the past - the so-called “New Relationship” Agreement signed in spring of 2005.
- The Vision Statement for the “New Relationship” includes:
  - New government-to-government relationship based on respect, recognition, and accommodation of aboriginal title and rights
  - Respect for respective laws and responsibilities
  - Commitment to conciliation of Aboriginal and Crown titles and jurisdictions
  - Shared decision-making about land and resources and for revenue and benefit sharing
  - Recognition of inherent right of First Nations to make decisions as to the use of the land
  - To achieve strong governments, social justice, and economic self-sufficiency for First Nations which will benefit all of BC

# The Issue (continued)

- FN & Province are facing challenges in implementing the New Relationship in the Forest Industry
  - To increase in FN participation in forest management & the economy
  - To create so-called certainty in forest management
- Problem - the existing Forest Policy toolbox does not meet the needs of either and I contend, must be changed.

# Key Considerations

- What are the factors driving this Change?
  - The “New Relationship” commitments
  - Court Decisions regarding consultation and accommodation
  - The MPB epidemic in BC Interior
- What are FN Expectations?
  - Participation in land use & forest management decisions on a co-management basis
  - Access to fiber and related economic opportunities
  - Fair return from resource development in their homelands
    - Jobs, business opportunities, & revenue sharing

# Where is Provincial Forest Policy at Now?

- The Province has part of the concept right:
  - Forest and Range Opportunities (FRO) Agreement Concept
    - Access to timber fiber
    - ‘Sharing’ of Provincial Revenues
  - “New Relationship” Vision Statement
- But Application of the Policy has major / fatal problems
  - FRO’s
    - Access to fiber
      - Short term, non-replaceable forest tenures (<5 years)
      - Small volumes (50 m<sup>3</sup>/band member) limit investment
    - Revenue Sharing
      - Not based on real revenues, formula driven

# Where is Provincial Forest Policy Now? (continued)

- New Relationship - difficulties with implementing
  - First Nations lack financial & human resources to act without assistance
  - Insufficient financial resources available to First Nations from provincial or federal governments
  - No mechanisms for meaningful First Nations input into higher level land use plans
  - Slow start up within government bureaucracy

# Where is Provincial Forest Policy Now? (continued)

## ➤ Conclusions

- Changes to existing provincial forest policy are needed quickly
- I believe there are lessons worth exploring in the **'Innovative Forest Practice Agreement'** approach used in the Merritt Timber Supply Area (TSA) to help with developing these policy changes

# What is the IFPA Concept?

- In 1997 the province adopted IFPA legislation (Section 59.1 of Forest and Range Practices Act)
- At the time the ‘Jobs & Timber Accord’ stated “... *the government will enter into IFPA’s to test new and innovative forest practices.*”
- IFPA’s make it possible for holders of **replaceable** forest licences to increase long term investments in forest resources in return for possible direct awards of any annual allowable cut (AAC) gains that may be proven
- Focus on local solutions

# What is the IFPA Concept?

(continued)

- IFPA's were offered as Pilot Projects throughout BC to test various aspects of the concept:
  - **Single licences / Own Operating Area**
    - Interfor in Adams Lake and Hope areas
  - **Multiple licences / single Timber Supply Area**
    - Morice & Lakes TSA; Vanderhoof TSA
    - Arrow TSA; Okanagan TSA
  - **Multiple licences / single TSA / First Nations**
    - Merritt TSA

# The Merritt TSA IFPA Pilot

- The only IFPA Pilot that incorporates First Nations in all aspects
- The Concept - have all licencees, local provincial agencies, and First Nations working together to develop and implement the IFPA
- We created the Nicola Similkameen Innovative Forestry Society (NSIFS)
  - Participants (8)
  - Primary role: IFPA Forestry Plan & Budget
  - Decision making - 100% consensus

# Merritt TSA IFPA (continued)

- NSIFS Vision & Strategic Objectives
  - Vision:
    - *NSIFS uses innovative forest management practices that incorporate Aboriginal knowledge and values and public involvement in order to increase the productivity of a healthy and resilient working forest. These local forests provide increased forest values, additional investment and enhanced employment opportunities while assuring environmental, economic, and social sustainability for communities in the Nicola-Similkameen region.*
  - Strategic Objectives
    - Create an Innovative Forest Management Environment
    - Support First Nation Communities
    - Increase the Sustainable Harvest
    - Enhance Environmental Values
    - Strengthen Forest Inventories and Support Tools
    - Maintain Effective Community Involvement

# Merritt TSA IFPA (continued)

- Organizational aspects of Including First Nations
  - **Direct** First Nation participation on:
    - NSIFS Board of Directors
    - Technical Committee
    - Stakeholders Advisory group
  - **Indirect** FN participation
    - Merritt TSA Planning Committee
    - District Operational Implementation Team (DOIT)
    - Forestry Referral Coordination
    - Forest Practices Certification process
    - Other planning groups as they arise

# Merritt TSA IFPA Results

## (FN Point of View)

- Meaningful participation in land use and forest management decisions
  - Incorporation of First Nations Interests and Values
    - Development of FN land use inventories and modelling database to incorporate FN interests and values at the Strategic & Stand levels on a co-management basis with government agencies and licencees
  - Lessons
    - The system works for all but requires outside funding to maintain
    - At present this process is not protected by higher level land use plans so can be circumvented

# Merritt TSA IFPA Results

## (FN Point of View - continued)

- Access to Fiber and Economic Opportunities
  - Development of Stuwix Resources Ltd. (Stuwix) by the 8 First Nations communities
  - Stuwix negotiated for **replaceable** forest licence
    - Agreement with existing licensee
  - Stuwix obtains an IFPA from MOF Minister
  - FN negotiate a 'Share Agreement' with licensee and Ministry of Forests
    - 50% share of any new AAC
    - 50% of jobs/contract from licensee new AAC
    - 50% of opportunities in NSIFS Forestry Plan

# Merritt TSA IFPA Results

## (FN Point of View - continued)

- Access to Fiber and Economic Opportunities (continued)
  - Two AAC Uplifts
    - 2004 - Total 330,700 m<sup>3</sup>/year (Stuwix - 179,405 m<sup>3</sup>/yr)
    - 2005 - Total 500,000 m<sup>3</sup>/yr (Stuwix - 275,000 m<sup>3</sup>/yr)
  - Jobs / economic opportunities created
    - Stuwix staff
    - FN entrepreneurs and band owned businesses
  - Lessons Learned
    - Economic activity is supported and monitored
    - Problems with term of uplift for all licencees

# Merritt TSA IFPA Results

(FN Point of View - continued)

- Fair Return from Resource Development
  - Revenue sharing not addressed by the IFPA process
  - Jobs and economic opportunities appear to be working
- Benefits for All
  - Increased AAC = increased economic & jobs
  - Increased FN participation in land use decisions = reduced conflict
  - Decreased costs of forest management for licencees and government
    - Difficult to quantify

# Recommendations for Forest Policy Changes

- Review of situation
  - The province has entered into a “New Relationship” with First Nations in BC
  - Existing Forest Policy is inadequate to implement the New Relationship with respect to forest management and the forest industry
  - The Merritt IFPA Pilot project has provided valuable lessons on First Nation participation in the forest economy and in all aspects of forest management planning

# Recommendations (continued)

- 4 key Areas for Changes to Forest Policy
- Provide for meaningful First Nation participation in **Land Use Planning** - starting from higher level plans
- Amend FRO's to provide for **Replaceable** forest tenures and for **fair and equitable** revenue sharing
- Amend amend the **IFPA legislation** to enable the organizational aspects of the Merritt IFPA model to be implemented
- Provide funding for **meaningful Consultation and Referral processes** with First Nations and provide the mechanism for First Nations to have input into the forest management process at all levels