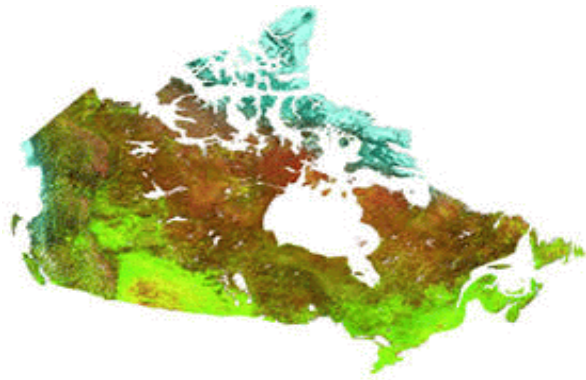


AEC Final

CANADA'S NATURAL RESOURCES:
NOW AND FOR THE FUTURE



First Nations Forestry Program (FNFP) – Evaluation

February 2006

AEB Project: 05-012

1.0 BACKGROUND

CONTEXT:

NRCan promotes the sustainable development of Canada's forests and competitiveness of the Canadian forest sector. It has committed to help advance sustainable forest management on lands managed by First Nations. Under the *Indian Act*, Indian and Northern Affairs Canada (INAC) administers the cutting and removal of timber from reserve lands. INAC also has a mandate to deliver economic development Programs to First Nations and Inuit communities.

The First Nations Forestry Program (FNFP) was first introduced as a five-year joint initiative between INAC and NRCan, and was formalized through a Memorandum of Understanding (MOU) between the two departments in May 1996. The Program was extended on a yearly basis in 2001-02 and again in 2002-03. In April 2003, the FNFP was renewed for a five-year term to March 31, 2008.

The Canadian Forest Service's (CFS) is accountable for managing the Program by providing secretariat services to the provincial and territorial management committees (PTMCs), administering proposal processes, and managing contribution agreements on behalf of PTMCs and INAC. The Program itself is jointly administered and delivered through a two-tiered management structure.

There is a National Management Committee (NMC) with representation from the CFS, INAC and First Nations which provides overall direction to the FNFP. This includes policy development, establishing standards and procedures, allocating funds to the provincial and territorial management committees, establishing cooperative arrangements with other federal departments, and reporting to clients.

The Provincial-Territorial Management Committees (PTMCs) are comprised of representatives from NRCan and INAC regional offices and First Nations, and in a number of jurisdictions include provincial/territorial government and/or industry representatives. They have responsibility for program implementation and oversee delivery at the provincial and territorial level. This includes developing statements of strategic direction, regional policy and communication strategies, as well as managing provincial and territorial Program funds and application processes. They are also responsible for the review, approval and funding of project proposals, initiating advocacy and outreach activities, and establishing cooperative partnerships.

The main purpose of the FNFP is to improve economic conditions in status First Nation communities with full consideration of the principles of sustainable forest management through achievement of the following four objectives:

- to enhance the capacity of First Nations to manage their forest lands in a sustainable manner;
- to enhance the capacity of First Nations to operate and participate in forest-based development opportunities and receive their benefits;
- to advance the knowledge of First Nations in sustainable forest management and forest-based development; and

- to enhance the institutional capacity of First Nations at the provincial and territorial level to support their participation in the forest-based economy.

The renewal of the Program in April, 2003 revised the FNFP's objectives to reflect First Nations' needs in forestry consistent with changes in the Program environment (including a growing land base under First Nations control). The renewal involved extensive consultations across Canada with First Nations and others. The renewed Program identifies forestry institutional development and recognizes the expanding reach of First Nations land and forest management requirements as a consequence of comprehensive claims settlements and treaty land entitlements.

RESOURCES OF THE FNFP PROGRAM:

In 2003-04 and in 2004-05 NRCan and Indian and Northern Affairs Canada (INAC) each contributed \$3.25 million to the \$6.5 million per year during the two fiscal years. However, \$1.5 million of NRCan's amount was budgeted for the First Nations Element of the *Mountain Pine Beetle Initiative* in British Columbia to assist First Nations to control and minimize the impact of the current mountain pine beetle epidemic on reserve forest lands.

REASON FOR EVALUATION:

The purpose of this formative evaluation was to review and analyse the evaluation issues identified in the 2003 Results-based Management Accountability Framework (RMAF). That is, to determine whether the mandate and objectives of the Program are still relevant; to determine if the Program has achieved what was expected and what impact did the Program design have on its performance; to determine the extent to which the Program made a difference; and to provide an overall assessment as to the cost-effectiveness of the Program. The evaluation covered the period April 1, 2003 to March 31, 2005.

METHODOLOGY:

A multiple lines of evidence approach was used in this evaluation. Particularly, the focus was placed on document searches and literature reviews as well as telephone and in-person interviews with select key players involved in the delivery of the First Nations Forestry Program.

Documentation/Literature Review

This included documents such as previous surveys and studies, performance reports, management information and administration data. In addition to hard-copy material the assessment of additional relevant web-based information was undertaken.

Key Informant Interviews

Sixty-one interviews were completed, representing the staff and management of FNFP, as well as clients, partners, and other Program stakeholders inside and outside of government. Interviews undertaken within the National Capital Region were conducted in person whereas all others were conducted by telephone. A questionnaire was developed for the First Nations representatives who had involvement with individual project management/delivery. A second questionnaire was prepared for all others including Senior Management of CFS and INAC, the National Management Committee, members of the Provincial/Territorial Management Committees, and other government and/or representatives of First Nations or other organizations and industry as referred by the Steering Committee. Subject-matter interviews were held with specialists involved with development of elements of

the policy framework that impact FNFP. These included individuals from the Privy Council Office (PCO), the Public Policy Forum, Assistant Deputy Minister/Director General level managers, and other managers within INAC involved with development and management of related Aboriginal Programs.

2.0 MAIN FINDINGS AND CONCLUSIONS

RELEVANCE OF THE FNFP PROGRAM:

The expected **role** of the First Nations (FN) continues to change with respect to working alongside federal and provincial governments and industry in the management of Canada's forests. The policy landscape is changing and INAC is now developing new strategies and priorities for delivering its Community Economic Opportunities Program beginning in April 2005.

The FN **population** is changing. The First Nations, Inuit and Métis populations are the youngest and fastest-growing segments of Canadian society and, as an aging population prepares to leave the workforce in Canada, First Nations, Inuit and Métis youth will be available to supply needed skills and talent, provided they have the capacity and tools to take advantage of opportunities. This will be particularly true in regions of Canada where Aboriginal people constitute a significant component of the labour force.

The FN **environment** has also changed as evidenced by the fact that virtually all levels of capacity are now reflected within the cross-section of FN communities. This ranges from the management of large forest enterprises in some communities to others that are the inexperienced, new entrants into the Program. However, this changing environment will require better co-ordination between FNFP and like-minded capacity-building Programs such as those within Human Resources and Skills Development Canada (HRSDC). There needs to be a recognition that expectations within the many aboriginal communities have now been raised and as a result, the initiatives currently underway need to have sustained support.

Evidence based on recent court decisions and implementation of provincial forest management strategies indicate that the First Nations are becoming more significant partners in the forest sector, particularly in forest management. Forestry is seen as a key economic opportunity for many First Nations, driven by major boreal forestry development projects across Canada, an expanding First Nations forestry land base, and a youthful First Nations forestry labour force. The FNFP is unique in federal economic-development Programs with its focus on forestry. And, a policy review shows that the Program is in direct support of economic development policies within the federal government. These findings are tempered by the comments of several respondents who feel that the Program itself needs more support from within INAC and NRCan and should be more evident in departmental priorities and policies.

GOVERNANCE AND MANAGEMENT OF THE FNFP:

A critical component and strength of FNFP lies within its provincial/territorial governance structure. The Program is primarily delivered through the Provincial and Territorial Management Committees (PTMCs) comprised of what has been termed a "cluster of interests". The value of this model can be gauged by the level of participation of its members and by other

federal agencies that are structuring their delivery of new Program initiatives on the success of the FNFP PTMC delivery model.

Within the governance model however, there are continuing issues to be resolved. For example the involvement of the provinces and industry on the PTMCs varies considerably. The PTMC process would, in all likelihood, benefit from having the major land managers at the table. However there would be some risk in expanding the PTMCs to include industry there may come a point where the FNs will lose their influence. Aboriginal involvement is an integral part of the success of the Program.

The current role and the membership of the National Management Committee (NMC) is one that evokes considerable opinion from members of the PTMCs. The study found convincing support for stronger PTMC/FN representation on the NMC. The NMC has been described by a few interviewees as 'a mystery', the majority are generally unsure of how it does business and how decisions are made.

Although the NMC has, throughout the delivery of this Program, met and openly discussed the Program with the PTMCs, there is still a feeling that PTMCs' representatives need to sit at the national management table. However, if the membership of the NMC were to be modified to include the PTMC, then it must be done in a manner that respects the accountabilities of the INAC and NRCan-CFS managers who are responsible for the Program.

There has been progressive change in the FN environment and the Program needs to lead in this changing time. The long-term impacts of the Program are not well known. This is understandable, given that the Program was not designed to capture such impacts. However, there is a need to assess the long-term impacts of the projects.

The FNFP has evolved over recent years with mature activities now being undertaken by several communities and band councils. The Program has also had the experiences/lessons of both achievement and setback. While some communities have built on this maturity and experience, the Program continues to encourage new entrants as it reaches into as many communities as possible.

Finally, concerns were expressed with regards to the perceived "regional entitlement" aspect of the funding for although the Program is not an entitlement Program it is believed by some that it is managed in that way.

There is an overall satisfaction with the management of FNFP by the project participants. The performance of the PTMCs is strongly supported by a wide majority of the respondents, however, their views on governance at the national level (NMC) are mixed.

The findings from the interviews strongly suggest that the FNFP should consider replacing the current NMC with the establishment of a broad-based National FNFP Council. Any new management structure and process should only be undertaken on a trial basis.

Finally, more progressive planning within FNFP is required in order to keep up with the rapid changes within the FN environment. As well, the Program needs to build on its success in

capacity building. In line with these conclusions, the Program will need to assess the longer-term impacts of the projects that have been completed over the past decade.

SUCCESS OF THE FNFP:

Reporting on Results: Most respondents are pleased with the reporting and the efforts that are made to promote the Program. However the study found that there is little tracking over time and not enough information flowing back to PTMCs on projects. While FNFP promotes its successes up front, it does not report very well on lessons learned. Following from this, there needs to be more qualitative assessments of the Program, particularly on key issues such as 'capacity building'.

National Database: The recent development of the National Database is generally seen as a positive means of gathering information at the National level and for use in generating annual reports for the Program. There are concerns about the timeliness of the information and on the fact that it is needs to be used more by management in their Program assessments and planning.

Reaching Target Communities: The vast majority of project recipients were satisfied with the ability of the FNFP to reach the target communities. The CFS regional staff members are acknowledged as being effective in making sure that information was sent to every community and for being available for inquiries as needed. The contacts are made in various ways with mail-outs being the constant. In some provinces the Program is well promoted in various FN meetings, workshops and conferences. In addition, information is available by Internet and, as well, in some PTMCs. An attempt is also made by several PTMCs to target isolated communities and to encourage new applicants. There is a good coverage of the Program through distribution to industry contacts.

Reaching Program Objectives: There is a high approval rating for the Program in terms of meeting the perceived objectives. Many of the project participants stated that, in almost all cases, their project objectives had been met or exceeded. However the study found that in those cases where the objectives had not been met, respondents attributed this to a lack of funds or the late start of the project. The latter has been addressed in that regional FNFP managers commence the call for proposals in November to ensure that projects are reviewed and approved and the successful proponents notified prior to April 1, when projects can begin. The total value of contribution funds is \$3.875 million annually and the average project contribution varies between \$23K and \$30K. In 2004-05, the FNFP funded 174 projects and worked with 161 First Nation communities, organizations or businesses. Of these, 41 were projects with proponents who had not been engaged with the FNFP previously

Links With Other Related Programs: The majority of respondents felt there was little or no overlap with other Programs either federally or at the provincial/territorial levels. FNFP is recognized as the only on-reserve, capacity building Program in forestry. The Model Forest Program was given as an example of a Program with similar objectives. There was an expressed need for stronger links with INAC's Resource Access Negotiations Program (RAN) and other initiatives (now part of the new Community Economic Development Program). Several interviewees stated the need for stronger ties at the national and provincial/territorial levels between NRCan-CFS, and HRSDC. There needs to be a stronger effort to link with other federal and provincial initiatives. The need was also expressed for development of stronger ties with FN

governance in the provinces/territories. The problem in exploring and developing linkages between FNFP and other agencies was seen by some in the CFS and INAC as one of time and resources that are dedicated to the Program delivery.

As a result of more FNs taking responsibility in forest management, there is a need to have greater FN representation in all aspects of management of the Program. With the Program shifts in INAC it is important for NRCan and INAC to work more closely together. There is a greater need for long-term planning and multi-year funding commitments.

FNFP Business Lines: The study found that in terms of achieving success, the FNFP's most consistent gains have been through the training Programs. However in some PTMC's, there is expressed frustration that trained foresters are leaving for employment in other sectors or that there are few employment opportunities for trained Aboriginals. There is a feeling that many of the forest management plans lie on the shelves and have not been implemented. There is also the concern that there is no follow-up to the forest management in place on-reserve and that there is a very fragile infrastructure in place on which the hopes of success are pinned.

Success In Meeting Longer Term Objectives: While the majority of respondents stated that the long-term impacts are not well understood, the study found that the Program is not designed to capture such impacts. It was felt that in order to assess and refocus efforts, there is a need to know where the Program lies on the continuum. There may be a need to develop provincial/territorial and/or regional strategies within a national Program to reflect variation across the country. It was thought also that the Program in its present form may be at a plateau and the time has come to move to the next level.

CONCLUSION:

It is clear from this evaluation that FNFP has been a principal component in developing a strong pool of experienced individuals and talent within the FNs that collectively have the abilities to make significant inroads on sustainable forest management both on and off reserve. The Program's delivery model is widely seen as a success. However even with the success, the FNFP achievements to date are acknowledged by most respondents as still at the low end of the delivery curve, and may be set back without increased support in building and enhancing delivery-based infrastructures within FNs. It is also acknowledged that the successes of the Program over the longer-term are not well understood. However despite the uncertainties, there have been several examples of successes in building capacity towards sustainable forest management within FN communities. For example:

First Nation Forestry Youth Employment Program

In 2000, the Fort William First Nation, working with Bowater Forest Products Inc., started the *First Nation Forestry Youth Employment Program* in the Thunder Bay, Ontario area. The goals of the Program are to build First Nation knowledge and awareness of sustainable natural resources. The practical experience encourages many youth to come back as crew leaders-in-training. Graduate youth are also enrolling in post-secondary institutions for further education in forestry and related disciplines. With the support of the FNFP, the Ontario Government, forest industry partners including Bowater, Weyerhaeuser Canada, and Tembec Inc., along with the Confederation College Forestry Centre, three camps were created in northern Ontario in 2004. In

2004-05, 50 Aboriginal youth from 23 communities participated, and 96 per cent completed the Program. Twenty former participants found full-time employment. The FNFP, a strong partner in the Program, has contributed \$60,000 towards operating costs over the past several years.

Natuaganek First Nation

Over 40 years of uncontrolled harvesting took place on the Natuaganek reserve, located just outside the City of Miramichi, New Brunswick. In the early 1990's, the Natuaganek First Nation developed a sustainable forestry plan that looked at community needs, and the balance between the protection and cultivation of all natural resources on their lands. Since 1996, the FNFP has supported the Nation in putting their management plan into action. The Nation took steps towards forest certification in the early 2001-04 period. In September 2005 it was certified by the Forest Stewardship Council (FSC), creating a marketing advantage for Natuaganek's forestry businesses. It is the first forest to be certified by FSC in New Brunswick. Since 1996-1997, the FNFP contributed over \$67,000 to help the Natuaganek First Nation manage its' forests and achieve certification. Natuaganek First Nation employs up to 85 band members in its forestry operations during the busy season.

Pikangikum Land Use Plan Under Review

The Pikangikum First Nation is a community of 2,100 people located on Pikangikum Lake, 100 km northwest of Red Lake, Ontario. The community is endeavoring to increase employment opportunities related to its natural resources. Recognizing that youth unemployment was a major issue, the community began negotiations with the province of Ontario to acquire a Forest Management License, and in 2000 the Whitefeather Forest Initiative was born. Securing new resource-based economic opportunities within the traditional territories of the Pikangikum First Nation is the primary goal of the initiative.

The culmination of the White Feather Forest Initiative has been the preparation of a draft land use strategy for the White Feather Forest and adjacent areas (a total area encompassing 1.3 million hectares). The final land use plan is expected to be completed by April, 2006. The FNFP is a partner of the Initiative and has contributed over \$160,000 since 1996-97 to help the band meet its objectives.

There are many other successful FNFP projects and are documented the FNFP report (2005) *First Nations Forestry Program: Success Stories*

As well, FNFP is considered to be successful in its reporting out on the Program initiatives over the past two years, however, many respondents feel that this can be improved in some respects. Also, FNFP has been quite successful in reaching its target communities over the review period and to-date some 461 FN communities have participated.

Finally, the study concludes that the CFS and INAC should be more strategic in developing linkages between FNFP and other related funding Programs and organization, particularly those within other federal agencies. As well, the CFS and INAC need to explore means to support

their PTMC members in the developing of stronger links between FNFP and related initiatives within their regions.

3.0 RECOMMENDATIONS AND MANAGEMENT RESPONSES

RELEVANCE OF THE FNFP

Recommendation # 1:

It is recommended that a high-level assessment of the (forest -Aboriginal) policy framework be undertaken by INAC and NRCan.

Management Response:

Accepted.

- The Program adheres to the government's, NRCan's and INAC's policy statements related to the resource sector, capacity building and economic development strategies of First Nations in Canada. Work is underway within CFS to provide more precision to on-going work regarding CFS' Aboriginal policy framework. This work will be completed well before March 31, 2008. The Program's accomplishments and INAC's and NRCan's continuing role to support First Nations forest-based requirements will be taken into account during Program renewal.

GOVERNANCE AND MANAGEMENT OF THE FNFP

Recommendation # 2:

It is recommended that the current National Management Committee (NMC) be replaced by a National FNFP Council in order to satisfy the needs of the Program stakeholders and the accountabilities of the two funding agencies INAC and NRCan.

Management Response:

Accepted.

- The NMC considered a number of options that could accommodate the First Nations' requests for increased participation at the national level at its April 14, 2005 meeting. From the options discussed, the following option was chosen by the NMC as the best way to accommodate the request while respecting the funding departments' overall responsibilities and accountability for Program management and efficiency, and will be proposed to the PTMCs:
 - ▶ A National Management Council (NMC) comprised of one First Nations representative from each PTMC will be established during the 2006-07 fiscal year. The funding departments will also invite other key stakeholders from the public and private sectors to sit on the Council as full participating members.
 - ▶ Examples of potential key stakeholders include the National Aboriginal Forestry Association (NAFA), other federal departments (e.g. HRSDC, Industry Canada,

Environment Canada), the forest industry (e.g. Forest Products Association of Canada (FPAC)) and the provinces (e.g. a representative from CCFM).

- The Council will provide recommendations on overall strategic direction to the Program; however, the implementation of its recommendations would remain the responsibility of the INAC and NRCan departmental representatives accountable for the Program.
- The NMC remains concerned that whatever structure is chosen has to strike a balance that allows for meaningful participation by First Nations, the departments' accountability for managing the Program, and the functionality of the Council. The NMC believes this proposed structure represents a reasonable compromise among these concerns.
- This new governance structure would be undertaken as a trial mechanism to be assessed for its effectiveness during the last 2 years (2006-08) of the current Program.
- It is proposed that new national governance structure will take effect during the 2006-07 fiscal year its Terms of Reference to be established prior to implementation.

Recommendation # 3:

It is recommended that the current operational model be reassessed to better determine the impact of funding levels on outcomes.

Management Response:

Accepted.

- The current operational model is considered to be successful by both participants and external groups (e.g. other government departments) in terms of its ability to ensure local needs and interests are met by the Program. However, there should be increased vigilance by PTMCs to ensure that the Program's funding is allocated to strategic priorities set annually by the individual PTMCs.
- A study examining the impact of current funding levels on project outcomes will be undertaken in 2006-07. This study will examine:
 - ▶ the extent to which regional PTMCs are following their statement of strategic direction when allocating funds, and whether or not the statements link to FNFP national objectives;
 - ▶ if and how final project deliverables deviate from those initially proposed by the recipient due to funding amount allocated; and
 - ▶ the number of projects that do not receive the full amount of funding requested.

SUCCESS OF THE FNFP

Recommendation # 4:

It is recommended that reports focus more on qualitative assessments and impacts such as 'capacity' and not place as much focus on the numbers of plans and studies as indicators of success.

Management Response:

Accepted.

- FNFP is reassessing its current performance measures and reporting format with respect to their informative value and ability to reflect progress towards the Program's objectives. As a result, an examination of new performance measures that utilize qualitative and temporal assessments, as well as quantitative assessments, will be undertaken in 2006-07 and completed during the fiscal year. The current reporting format will then be revised to include these new measures.
- In 2006-07, the NMC will assess the lasting impacts of projects over time that are funded by FNFP (e.g. implementation of forest management plans, success of businesses, retention rate of trained individuals for on-reserve forestry activities, etc.) to better assess its ability to increase on-reserve capacity and economic sustainability in participating First Nations communities. Such assessments will be performed using methods such as formal surveys, external audits and evaluation, and increased project monitoring by Program managers.

Recommendation # 5:

It is recommended that a complete review of the functionality of the National Database and its use as a planning tool be undertaken and a realtime application of the FNFP Database be provided to INAC through the Internet or Extranet.

Management Response:

Accepted.

- Both INAC and CFS are presently working together to address the availability of the system to INAC FNFP counterparts and to the public through an enhanced FNFP website capability. INAC has been granted read-only access to the full database, while the public will be granted read-only access to key information available within the database (e.g. tombstone data).
- Work is presently underway by INAC's and NRCan's Program delivery and informatics groups to increase the system's ease of use with respect to data entry and analytical capabilities, which will in turn increase the system's importance as a planning and reporting tool for the Program. This work includes:
 - ▶ Reassessment and redevelopment of the point-of-entry interface based on user input.
 - ▶ Populating the database with historic tombstone data (prior to 2003-04).
 - ▶ Revisiting the system's operational policy to re-affirm the purpose with respect to information requirements and reporting formats, thereby promoting increased understanding of system capabilities among Program managers.
 - ▶ It is expected that this work will be completed in 2006-07.

Recommendation # 6:

It is recommended that the NMC undertake an assessment of the impact of communities accessing and exiting the Program relative to the long-term objectives of the FNFP.

Management Response:

Accepted.

- NMC will undertake an assessment in 2006/07 that examines the rate at which new communities enter the Program versus the rate at which previous participants exit, and the factors that play into community entry and exit decisions.
 - ▶ This assessment will solicit the co-operation and input of PTMCs and regional officers to ensure a thorough and accurate assessment is performed.
- As a result of this assessment, the NMC will evaluate the Program's ability to ensure Program relevance and accessibility to First Nation communities, and adapt its operational strategy and delivery to ensure the Program's continued effectiveness.
- Finally, the NMC will also evaluate the NB regional initiative in 2006/07 to determine the effectiveness of the regional approach to Program delivery versus the community approach.

Recommendation # 7:

It is recommended that consideration be given to assessing the concerns of maintenance of the FN infrastructures built through FNFP leveraging to undertake/promote sustainable forest management on-reserves.

Management Response:

Accepted.

- The NMC will undertake an assessment in 2006/07 to determine how well infrastructure initially supported by the FNFP has endured, and determine how best to promote and sustain on an ongoing basis i.e., multi-year funding, the viability of existing First Nations infrastructure given current levels of resources. This assessment would also examine regional considerations with respect to First Nations communities.
- During this assessment, the NMC will contact communities and Tribal Councils that have a forestry infrastructure to determine the number and type of personnel employed within that infrastructure, the sources of funding that support that infrastructure, and the type of work it undertakes to determine whether or not it would be strategically better for the Program to meet its objectives by assisting these existing infrastructures on a continuing basis through project funding.
- The NMC will continue to broaden its linkages with other government jurisdictions, sectors, and related initiatives to help support the long-term viability of First Nations forestry infrastructure initially supported with FNFP funds.