

**What is the future of our forest?**



**ALGONQUIN NATION  
As Represented By  
WOLF LAKE  
Presentation to the  
COMMISSION ON LABOUR & ECONOMY  
Regarding the Working Document  
THE OCCUPATION OF FOREST LAND IN QUEBEC  
AND THE  
CONSTITUTION OF FOREST MANAGEMENT CORPORATIONS  
In  
QUEBEC CITY, QUEBEC  
October 14, 2008**

## 1. Introduction

Good afternoon Commissioners:

My name is Harry St. Denis. I am the Chief of the Wolf Lake First Nation

We are a member community of the Algonquin Nation.

I am presenting here with:

- Mr. Charles Chevette our legal advisor from McMillan LLP; and
- Ms. Roseanne Van Schie, our Economic Development Officer.

We are grateful for the opportunity to present to you today.

We are here to create a greater awareness of our unique interests in the development of the Green Plan.

We are also here to inform you of our initiatives to date in the carbon forestry area.

WLFN has a number of interests they would like to have accommodated within the Green Book consultations.

For several years, our community has been evaluating long-term economic alternatives to the forest resource depletion industries which:

- reduce its members' dependence on a single industry;
- provide alternative employment to our growing population, - few young persons can find employment in the essentially declining forestry industry;

- create economic opportunities that are compatible with the cultural values and aspirations of our members,
- build on environmental stewardship opportunities which reflect and strengthen Algonquin culture which can also benefit the general public of Quebec and beyond.

We have identified carbon credit reforestation and prevented deforestation carbon projects as a new area of economic development and environmental stewardship and focus for our community.

WLFN would like to congratulate the Quebec government on your recently signed Ontario- Quebec Memorandum of Understanding - a provincial-territorial cap and trade initiative that will help address climate change.

This initiative is in keeping with WLFN's work to date.

As more and more individuals and countries are concerned about global warming and are seeking to reduce their climate impact, the "Algonquin Carbon Projects" will provide an important First Nation, Quebec-based contribution to addressing global warming.

The project will, through reforestation and prevented deforestation partnerships, lead to the generation of carbon credits which will be offered into the evolving domestic carbon offset market.

Our projects are consistent with your recent publicly announced proposals in the climate change area.

Our plans and aspirations in the carbon area are also in keeping with your stated objectives in the Green Plan.

We intend to co-ordinate our efforts in the forestry and carbon project area with the following areas of concern described in your draft Green Book guidelines:

- intensive silviculture,
- management units, and

- land allocations for carbon projects

However, further coordination with and among government officials and recognition by the Quebec government of the unique nature of our participation and role is required in order for us to move ahead with those plans.

That is what we would like to speak to you about today.

Given the short period of time that we have with you today we will be providing you with formal and more detailed written submissions.

There are three parts to our presentation:

- Background on our Community;
- Our position regarding the Green Book entitled "*Forest: Building a Future for Québec*";
- Our position regarding the "Working Paper" entitled "*The Occupation of Forest Lands in Quebec and the Constitution of Forest Management Corporations*";

## **2. Background on Wolf Lake First Nation**

Wolf Lake has a membership of 250 people. Our lands are located in what is now known as Quebec and Ontario.

Our community is part of the Algonquin Nation which has never given up Aboriginal Title to its traditional territory.

This includes all the lands and waters within the Ottawa River watershed on both sides of the Ontario-Quebec border.

In addition to having unextinguished Aboriginal Title and Rights, the Algonquin Nation also have Treaty Rights.

We have identified our community's "Territory of Interest" over which we assert Aboriginal Title and Rights.

Wolf Lake Territory encompasses 1,742,683 hectares of lands and water. Of the total area 78% (1,516,905 hectares) falls within Quebec. We have attached a map for your reference.

Wolf Lake Territories have been documented and substantiated through historical research and a professional land use mapping project.

Recent Supreme Court of Canada rulings have set out the legal principles for Aboriginal Title:

The *Delgamuukw* decision sets out that Aboriginal Title includes "an inescapable economic component".

The *Haida* decision, requires the Crown to not only consult First Nations but to accommodate them depending on the nature of the right asserted.

Our community believes it is important to be able to show our connection and rights to the land in both historical and contemporary terms.

This is important because it determines our role in the development of provincial initiatives that affect our Territories and our way of life such as the Green Plan.

We come to you not just as another interested stakeholder but as First Nation with a constitutional and legal right to the subject of these hearings – our forests.

### **3. The Need to Reflect Our Unique Position As a First Nation in the Green Paper - "*Forest: Building a Future for Québec*"**

We are understandably concerned that the proposed Green Plan, does not adequately recognize our unique place at the table.

While the Plan pays lip service to our relationship with the land and the forests, it ultimately put us on the same playing field as other stakeholders such as forestry companies.

It also puts the onus on us to *"establish partnerships for regional and local development with all forest stakeholders"*. [page 13, Green Plan]

Our interests in the forests are not the same as these other stakeholders or the Quebec population as a whole for the reasons that I have already outlined.

Aboriginal commercial forestry and our other economic development ventures, such as carbon projects must have special accommodations within the Green Plan.

The remainder of our comments will focus specifically on the proposed Green Plan as it relates to our Carbon Credit project.

#### **4. Wolf Lake Activities in The Carbon Area To Date**

Our global impacts on the environment including deforestation have come back to haunt us as climate change.

We have a responsibility to our planet and the future of our children to provide solutions.

Simple things such as turning off lights, installing energy saving bulbs, using our cars less, insulating our homes better, or recycling waste can make an important contribution. However, more drastic action is required to deal with the present impacts of climate change and to prevent further increases.

In Canada one of the most significant and cost effective tools to deal with climate change is the sequestration of carbon in our boreal forests.

We believe this simple principle should be recognized and incorporated into the Quebec Forest Management policy as well.

An international and domestic market price has been established for the price on carbon. This price and the emerging carbon economy will be a factor in our economy and future environmental initiatives.

One of the most cost effective methods of storing carbon is in trees. For Canada with one of the worlds largest boreal forests, planting new forests is a preferred option for removing carbon from the atmosphere.

Carbon sequestration in forests is also in keeping with the approach and philosophy of Indigenous peoples. For over 7000 years the forest has provided the Algonquin people their livelihood -food, energy and materials, landscapes, spiritual grounds , economic trade goods and peace.

This is the basis for the Algonquin Carbon projects.

To date, we have prevented deforestation in the Maganasipi River watershed and are planning the necessary reparative actions in logged areas to return the watershed to its natural state.

In 2007, WLFN partnered with a climate change biotechnology firm Mikro-tek to introduce a forest management technology they have developed to increase the growth and carbon sequestration potential on reforestation sites in the boreal forest.

Mikro-Tek is a privately owned biotechnology company located in Timmins, Ontario, which was started 1990 to develop mycorrhizal inoculant products for the forestry and land reclamation industries.

The scientific premise was that if the proper plant / mycorrhizal symbiotic relationship were established in the tree nursery, before the seedlings' exposure to pathogens, environmental stresses, poor soil conditions, or other non-beneficial mycorrhizal strains, increased field survival and growth would result.

From 1990 to 1996 a number of research projects were undertaken to develop effective screening procedures to identify the most beneficial strains and species of mycorrhizae for the targeted host plant species.

In 1997 a three-year project was undertaken to demonstrate the technology in commercial settings in the Canadian forestry sector.

Growth data collected from approximately 10 million seedlings, planted on various reforestation sites across the Boreal forest showed average increases in growth and survival of 25% for three tree species jack pine, white spruce and black spruce.

These data sets were used to obtain commercial product registration as Microbial Supplements under the Fertilizers Act from Agriculture Canada's Canadian Food Inspection Agency (CFIA).

To date, Mikro-Tek has the only mycorrhizal inoculant products for conifer species that are registered with CFIA for sale and use in Canada.

Mikro-Tek and WLFN met with the Ministere des Ressources Naturelles et de la Faune (MRNF) in February of 2008 to present a Quebec wide reforestation climate change program.

As a follow-up to that meeting the MRNF sent a list of nine technical recommendations that they would like to see addressed in a business plan.

We are currently working on financing this business plan request with Indian and Northern Affairs (INAC) and Quebec Secretariat of Aboriginal Affairs(SAA), and a comprehensive review of all of these issues will be addressed in the business plan.

The end result being a negotiated agreement with the province to implement reforestation and conservation projects in Quebec.

WLFN is currently sitting on the Industry Provincial Offset Group(IPOG) forestry working group to submit suggested project protocols to Environment Canada in the forestry area.

**5. The Need to Modify the Forest Management Policy  
Contemplated in the Working Paper to Reflect the New  
Realities of Climate Change and the "Carbon Economy"**

### Key "Ingredients" to Implement a Carbon Reforestation Project

In order to succeed, a reforestation carbon project needs key "ingredients", namely:

1. an innovative way or technology to reduce greenhouse gas ("GHG") emissions giving rise to "carbon credits";
2. a methodology to evaluate the reduction in GHG emissions;
3. post-implementation controls to ascertain the GHG reductions are achieved;
4. as implementation and post-implementation controls are complex and expensive procedures, a carbon project requires a certain "critical mass" in terms of the scope of the project; and
5. the policy framework shall be built in such a manner as to facilitate and constitute an incentive to establish carbon projects.

### WLFN's Reforestation Carbon Project

WLFN's reforestation carbon project has raised the attention of many participants in the "carbon industry" for many reasons, including:

- (a) the project pertains to the use of an environmental technology financed in part by Climate Change Technology Early Action Measures (TEAM) and Sustainable Development Technology Canada (SDTC). These two entities are related to the Canadian Federal Government and make financial contributions to companies developing innovative environmental technologies. TEAM and SDTC are well-known for the thoroughness and the quality of the due diligence they carry out in respect of the project that they finance.
- (b) the technology licensor, Mikro-Tek, has been carrying on forestry projects in Canada and in Chile over the last several years. In respect of the Chile project, a Project Design Document (PDD) utilizing this technology has successfully

completed the Global Stakeholder Review Process for registration under the Clean Development Mechanism (CDM) of the Kyoto Protocol. This CDM registration is required before carbon credits are issued under the Kyoto Protocol, and the methodologies and protocols developed in this process will pave the way for the registration of carbon credits in the developing North American carbon trading systems.

(c) In short:

- (i) WLFN's project provides for an effective technology that has been demonstrated in the field;
- (ii) serious and established consultants in the industry have accepted to partner with WLFN in order to structure its carbon project;
- (iii) methodologies to implement the technology and ensuring the post-control of the GHG emission reductions are now developed; and
- (iv) serious investors have demonstrated an interest in the project.

This being said, investors are typically able to assess technology risks, financing risks and execution risks associated with carbon projects. However, they are reluctant to rely on the discretion of government authorities in connection with the deployment of a project. This problem is not that different from project financings that we see in public-private partnerships.

#### The Working Paper and Carbon Sequestration

On page 11 of the English version of the Working Paper entitled "*The Occupation of Forest Lands in Quebec and the Constitution of Forest Management Corporations*", it is mentioned that Silvicultural Investment Fund will collect funds from the leasing of areas for the creation of carbon sinks.

On page 16 of the English version of the Working Paper, MRNF contemplates the establishment of "management units" which will be

establish on the basis of administrative regional territories, territories used by Aboriginal communities, biophysical features, etc. These units will be established by the Chief Forester after having conducted consultations with the concerned communities. The management units will be composed of areas intended for timber production and areas intended for other uses. The Working Paper further adds that *"in the areas intended for timber production, priority may be given in some cases to intensive silviculture"*. As for the other areas (intended for *other uses*), carbon sinks are mentioned as one of the uses.

The role of the Silvicultural Investment Fund is discussed on page 26 of the English version of the Working Paper. Revenues stemming from carbon credits are identified as one of the sources of funding of the Silvicultural Investment Fund, implying that the Fund may conduct its own carbon projects.

Those are the only references to carbon in the Working Paper. We believe that the forest management policy described in the Working Paper does not take into consideration the importance of the paradigm shift associated with the "carbon economy".

#### Changes to the Contemplated Forest Management Policy

Among the changes to the contemplated forest management policy that we think the Government of Québec and the National Assembly should consider, we note the following:

A. *Areas in which Reforestation Carbon Projects may be Conducted*

The Working Paper excludes timber production areas from possible sites of reforestation carbon projects which could only be conducted in "areas intended for other uses" (as per the reference to *carbon sinks* on page 26).

While reforestation carbon projects appears excluded from timber production areas, the policy framework provides that intensive silviculture zones would be created in connection with the timber productions areas. As "reforestation carbon projects" should be seen as a synonym of "intense silviculture", the Working Paper should be amended to specifically provide that reforestation carbon projects

may be conducted in both "timber production areas" and "areas intended for other uses".

We believe that the objective to reforest should be a common objective for any area contemplated in the new forest management regime. Any carbon credit that could be earned pursuant to a reforestation carbon project will be part of Québec's overall carbon inventory and will contribute to Québec meeting its GHG reduction objectives under any federal Canadian equivalent of the Kyoto Protocol or any provincial / regional program that may be implemented including the Western Climate Initiative.

In addition, these projects will be financed in major part by private investors, thereby reducing pressure on public finance.

Subject to ancestral rights and private forests, this is why we believe that all areas that will be subject to the new forest management regime should share a common objective of reforestation.

Reforestation will be beneficial to the First Nations and their way of life, to forest companies that will enjoy more resources, to the Government of Québec as it will contribute to meeting its GHG reduction objectives and to the overall population in reason of the reduction of GHG emissions and a better ecosystem.

From a carbon project financing perspective, by limiting the areas where those projects can be conducted, the proposed forest management regime will reduce the scope of any potential reforestation carbon project and the likeness that such project has the "critical mass" required to satisfy prospective investors.

#### *B. Reforestation Responsibilities*

A major concern is the absence of a well defined authority having the power and the authority to negotiate the award of concessions on various areas subject to the new forest management regime to proceed with reforestation carbon projects.

Indeed, in the pursuit of the objective of aggregating as much as possible lands for reforestation, project financing required to

launch these carbon projects will greatly be facilitated if decisions can be made in an efficient and timely manner.

This need has been acknowledged by the Government of Québec in the PPP industry by the creation of the Public-Private Partnership Agency. We do not suggest that an agency be created here, but the proposed forest policy should clearly give that responsibility to one authority that will be explicitly empowered to insure that these projects are implemented. We further suggest that such authority is created with a bias with respect to these projects.

WLFN has concerns that the various layers of authorities contemplated in the Working Paper without specific references to reforestation carbon projects could constitute a major impediment in the completion of any such project. Indeed:

- The MRNF will remain a key participant in the forest regime;
- As contemplated on page 18 of the Working Paper, some of powers of the MRNF may be delegated to local authorities, including regions authorities and Aboriginal band councils;
- The Working Paper also contemplates the creation of *Forest Management Corporations* which would act as agent of the MRNF. These corporations would enter into delegation agreements with the MRNF, which agreements would provide greater details regarding their roles. The various powers listed on page 20 of the Working Paper suggest that the *Forest Management Corporations* will have extensive rights including the right to enter into leases. Would they have the power to award concessions for reforestation carbon projects? What about those regions where no corporation is established? Would they have full authority in connection with these projects or would they have to obtain certain approvals from the MRNF? These questions and others should be addressed in the new forest management regime;
- The Silviculture Investment Fund is also another participant in the new forest regime. As reforestation carbon projects

should be seen as silviculture activities, the role of the fund in connection thereto, if any, should be specified. We are concerned with the mention referred to above pursuant to which certain of the Fund's revenues could stem from carbon credits. As the Fund will be a "creature" of MRNF, if it pursues competing reforestation carbon projects, this would undermine private sector initiatives in that area.

In the context of decentralization and delegation of powers, the new forest management regime should address the coordination between the participants in the regime to ascertain that reforestation carbon projects can be implemented.

Recently, the Government of Ontario announced proposals to deal with climate change by revamping its forestry policy without addressing the "carbon finance" aspects of such projects. As a result, projects similar to the one proposed by WLFN face obstacles in financing and development and there is not a coordinated approach to the development of forestry-based carbon offset projects in Ontario. We invite the Government of Québec to avoid this trap.

Unless decision-making power and coordination are expressly addressed in the new forest management regime, reforestation carbon projects are likely to face an administrative dead-end where none of the multiple participants will have the power to make them a reality. This is particularly important in the context where these projects will require a certain scale to be of interest to financiers and, as a result, will provide for the aggregation of various areas encompassing many of the regional authorities contemplated in the new forest management regime.

This is why we urge this commission and the Québec Government to have a more proactive approach regarding these projects, by recognizing their potential and starting to actively work with project developers such as WLFN to bring quality projects into reality. This will assist Québec in meeting its stated GHG emission reduction targets and create a better environment.

## Conclusion

We can not go on using up the Earth's resources at the rate we currently are: we have to find more sustainable ways of living. By planting and protecting trees we together can make the earth a better place. We urge the Quebec government to work with us to make that a reality.

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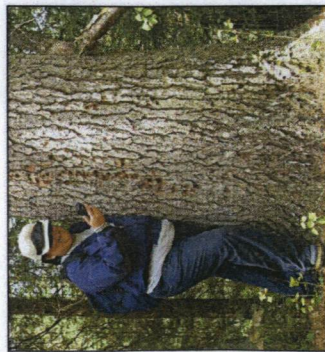
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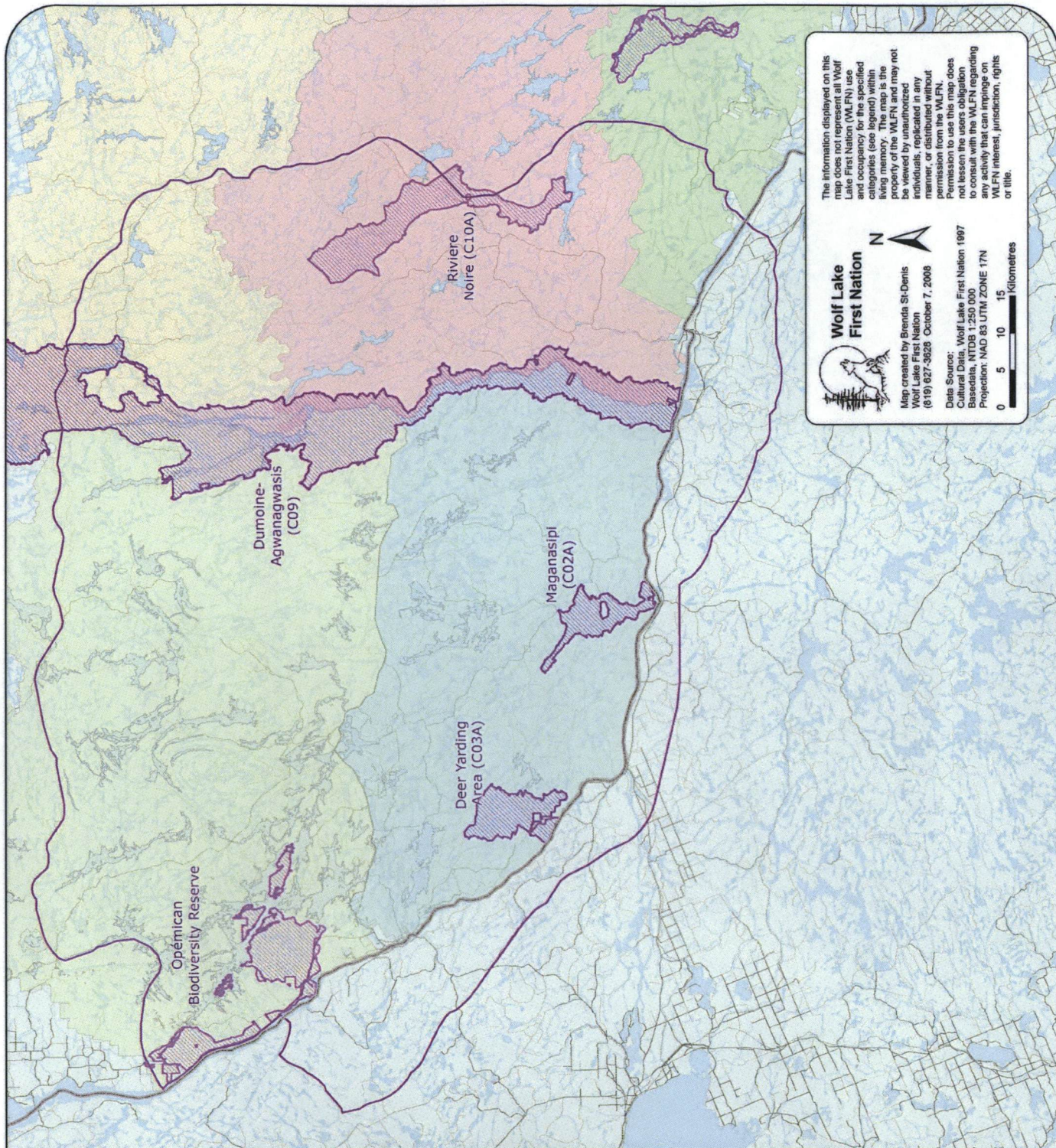
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# Wolf Lake First Nation Territory of Interest Forest Management Units and Protected Areas

- WLFN territory
- Maibec inc. - UAF 071-51
- Commonwealth Plywood liées - UAF 071-52
- Bowater Produits forestiers du Canada UAF 073-52
- Les Entreprises Tembec inc. - UAF 081-52
- Les Entreprises Tembec inc. - UAF 081-51
- Protected Areas (existing and proposed)



Wolf Lake Territory encompasses 1,742,663 hectares of lands and water, straddling the borders of Quebec and Ontario. Of the total area, 78% (1,516,905) falls within Quebec and 13% (225,758) in Ontario. WLFN territory is covered by two administrative units, one in Abitibi Temiscamingue and the other in the Outaouais region. Within these units there are 5 forest management units.



Map created by Brenda St-Denis  
Wolf Lake First Nation  
(819) 927-3926 October 7, 2008

Data Source:  
Cultural Data, Wolf Lake First Nation 1997  
Base data, NTDB 1:250 000  
Projection: NAD 83 UTM ZONE 17N  
0 5 10 15 Kilometres

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