Company-Community Partnerships in Canada

Dr. Gary Bull
Faculty of Forestry, UBC
Vancouver, Canada

From Forest to Furniture: New Green Market Opportunities in China
12-13 September 2001
Shanghai, China
Outline

- Historical context
- Why are partnerships attractive?
- Types of company-community partnerships in Canada
- Conditions that promote successful partnerships
- Outlook
Historical context

- Companies operated with a single focus - the bottom line
- Governments set the rules and required mills to be built
- Communities did not play a strong role
- Aboriginals had no role
- ENGOs in the 1980s and 1990s raise social and environmental concerns influencing investors, the public and markets

Response

Companies now actively connected with all four stakeholders in building new relationships.
Why were partnerships attractive?

- Potential to increase **stable wood supply**
  (e.g. Domtar, Riocell)

- Potential to reduce **labour and management costs** &
  increase **employee productivity**

- **Companies can deal more effectively with social and environmental concerns**

- **Cooperation of ENGOs and communities is necessary for market access - certification**
Types of partnerships in Canada

- Joint ventures (aboriginals & industry)
- Model forest program
- Resource community & industry
- Innovative forest practices agreements
Locations of partnerships

Legend
- Black circles: Joint Ventures
- Pink triangles: Model Forest
- Yellow squares: Community and Industry
- Red plus signs: Innovative Forest Practice Agreements
Aboriginals and industry

- Large firms have progressive and proactive policies for improving relationships with aboriginals in the land base on which they operate:
  - Domtar
  - Tembec
  - Western Forest Products
  - Weyerhaueser
  - West Fraser Mills

- Examples of joint ventures
  - Babine Forest Products (*British Columbia*)
  - Mistik Management (*Saskatchewan*)
  - Nabakatuk Forest Products (*Quebec*)
  - Tanizul Timber (*British Columbia*)
Aboriginal communities & the commercial forest zone of Quebec
Model forest program

- Extension of public participation process
- 11 model forests in 9 provinces
- Structure of partnerships
- 8 major forest companies are involved

“In today’s society, the involvement of affected stakeholders is essential in maintaining access to public resources for our mills.”

Weyerhaueser: justification for participation in Prince Albert Model Forest
Resource community and industry

- Gorman Brothers, British Columbia
- Northern Forest Products Association, BC

Innovative forestry practices agreements

- Provides funding to test new and innovative practices
- Incentive is an increase in allocated harvest levels
- 6 pilot IFPAs have been approved
Condition 1: *An appropriate legal framework*

- **Community forest agreement tenure**
  - *Long term lease (99 years)*
  - *Rights to non-timber resources*
  - *Community decides on AAC and management plan*
  - *10 pilot projects have been approved*

- **Small business enterprise program**
  - *13% of BC’s total AAC*
  - *Allows small companies access to forest resources*
Condition 2: National and provincial policy

- **National forest strategy:**
  3 of 9 strategic directions deal with inclusion of stakeholders:
  - Public participation
  - Forest-based communities
  - Involvement of aboriginal peoples

- **British Columbia**
  - Policy to encourage joint ventures

- **Ontario**
  - Lands for Life campaign
Condition 3: Company recognition of aboriginal rights and title

“...there is a very real and growing threat to British Columbia’s companies that access to the lands and resources will be curtailed by local aboriginal communities... Western Forest Products’ position is that positive relations with aboriginals translate into increased certainty for our business”

Dan Jepsen

*Manager of Aboriginal Relations and Environment, Western Forest Products*
Condition 4: **Recognition of local empowerment**

- **Ontario**
  - Local citizens committees

- **British Columbia**
  - Land and resources management planning tables

- **Saskatchewan**
  - Web-based public involvement
  - Community forest boards
Condition 5: Effective process for inclusion of stakeholders

- Effective and meaningful consultation with aboriginals defined
- ENGOs invited to the boardroom
- Community relations programs
Condition 6: Change in management & employee attitude

- Isaak Forest Resources Ltd.
- E.B. Eddy (now Domtar)
- Gorman Brothers

Condition 7: Appropriate allocation of resources & time by companies and communities

- Weldwood
- Western Forest Products
Outlook- Global strategies for industry


- World Business Council on Sustainable Development: *Eco-efficiency*

- Global Vision for Forests
  
  40% of forests in community based or non-industrial forms of management
Global vision for forests 2050

- Protected areas: 40%
- Plantation forests: 3%
- Secondary forests managed primarily for timber production: 17%
- Multiple end use collaborative/community-managed forests and privately owned woodlands: 40%
Outlook - Global markets

- Forest product certification is here to stay
- Information technology
  supply chain management tools are operational
  which means increased accountability
- Globalization is continuing to produce worldwide standards for rules of conduct
Impacts of global trends on company-community relationships

- Community will be broadly defined in the relationships
- Predict exponential growth in partnerships
- New solutions to old problems
The new bottom line

- Community acceptance = Government approval + Social license

In Canada, community-company partnerships are a key means to obtain a social license to sustainable harvest timber.