

Forest Management Agreements

Mr. Speaker, supporting a diversified economy that provides all communities and regions in the Northwest Territories with economic development opportunities and choices is essential to the long-term future of the territory and is an important part of this government's mandate. One of the ways we are fulfilling this mandate commitment is through Forest Management Agreements.

Forest Management Agreements give local Aboriginal corporations non-exclusive rights to harvest timber from Crown lands for the purpose of sustainable forest business development and growth.

Agreements respect settled land, resource and self-government agreements, interim measures agreements, and land use plans. They do not affect the rights of persons to harvest or use the forest for subsistence or traditional practices. The agreements require the parties to follow all established regulatory processes and obtain necessary authorizations.

The first two NWT Forest Management Agreements were signed in 2015 with Timberworks in Fort Resolution and Digaa Enterprises in Fort Providence. Timberworks is owned by the Deninu Kue First Nation and the Fort Resolution Métis Council and Digaa Enterprises is owned by the Deh Gáh Got'ie First Nation and the Fort Providence Métis Council.

To move forward, once a Forest Management Agreement is signed, an organization needs to establish a Wood Fibre Supply Agreement with a wood products facility, and both the corporation and the community need to participate in the development of a timber harvest plan for the agreed area.

Aurora Wood Pellets Limited, a Hay River-based corporation, will be locating a wood pellet mill north of Enterprise. The mill is expected to create an annual demand for 125,000 cubic meters of wood. More than 40 people will be employed at the Enterprise site with the potential to create additional jobs in the region.

This northern-owned and operated business will purchase sustainably harvested timber from Timberworks and Digaa Enterprises and contribute towards a sustainable northern economy. As a result, timber will be harvested, turned into pellets, and directly supplied to residents and businesses right here in the Northwest Territories.

Mr. Speaker, Digaa Enterprises is actively engaging with Aurora Wood Pellets to finalize a Wood Fibre Supply Agreement. It is expected that the Timberworks agreement will be based upon the Digaa agreement and will follow shortly after the Digaa agreement is completed.

Work is underway to help Timberworks and Digaa Enterprises develop a strong business model and work together to build a timber harvest plan. The timber harvest plan provides a framework for the sustainable management of the timber resources and takes other values, such as biodiversity, into consideration.

The Wood Fibre Supply Agreement discussions are led by the Department of Industry, Tourism and Investment. However, the Department of Environment and Natural Resources is working closely with ITI, Forest Management Agreement holders and Aurora Wood Pellets to complete a detailed cost analysis of log delivery for the first several years of operation.

Mr. Speaker, CanNor has continued its support of the GNWT Forest Industry Biomass Initiative and has provided \$900,000 this year to support various projects related to developing forest inventories, improving knowledge of forest sustainability and preparation for commercial harvesting.

The Department of Environment and Natural Resources expects an increased interest in biomass and other forest industry opportunities, and has started to

develop a Forest Industry Development Strategy. This strategy will help the GNWT identify and assess economic opportunities and associated impacts of this key resource.

By determining the potential for development of the resource and making it available for appropriate investments, the GNWT can begin planning a more robust and diversified economic outlook specifically based on forest resources.

Forest Management Agreements are a major tool that will help us encourage and support a viable forest industry that encompasses the full range of forest values, to ensure economic development opportunities are realized by NWT residents.

Thank you, Mr. Speaker.