# Success and Sustainability:

## Wise Practices for Supporting Indigenous Participation in the Forestry Sector

CANADIAN COUNCIL FOR INDIGENOUS BUSINESS

# Table of Contents


**Executive Summary** 5

**Introduction** 9

**1. Objectives** 12

**2. Methodology** 14

- Research Design 15
- Data Sources 15

**3. From Barriers to Action: Wise Practices and Solutions to Support Indigenous Businesses in Forestry** 18

- 3.1 Relationship-First Engagement as the Foundation for Participation 20
- 3.2 Improving Access to Capital Through Context-Sensitive Financing 21
- 3.3 Procurement Reform to Enable Indigenous Business Participation 22
- 3.4 Building Capacity and a Sustainable Indigenous Forestry Workforce 23
- 3.5 Integrating Indigenous Knowledge and Stewardship into Forestry Operations 24
- 3.6 Advancing Equitable and Durable Partnerships 24

**4. Detailed Solutions: Wise Practices to Enable Indigenous Business Participation in Forestry** 25

- 4.1 Embedding Relationship-First Engagement in Forestry Systems 27
- 4.2 Aligning Financing with Indigenous Forestry Business Realities 28
- 4.3 Reforming Procurement to Translate Commitments into Contracts 29
- 4.4 Expanding Capacity and Workforce Pathways 30
- 4.5 Increasing Indigenous Access to Forest Tenure and Decision-Making 30
- 4.6 Integrating Indigenous Knowledge as Foundational Practice 31
- 4.7 Advancing Equitable, Long-Term Partnerships 31

**5. Conclusion** 32

- 5.1 From Commitment to Measurable Change 33
- 5.2 Integrated Solutions Summary Table 34
- 5.3 Implications for NRCan: Where Federal Action Matters Most 37
- 5.4 Measuring What Matters: A Minimal KPI Set 38

**References** 42

**Appendix** 44



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# About CCIB

Canadian Council for Indigenous Business (CCIB) is an Indigenous-led non-profit based in Toronto, Ontario, committed to advancing economic opportunities for Indigenous businesses and communities across Canada. We have a membership base of over 2,800 current and pending members nationwide, of which more than half are Indigenous owned. CCIB builds bridges between Indigenous and non-Indigenous peoples, businesses, and communities through diverse programming, providing tools, training, network-building, research, major business awards, and national events.

For more information about CCIB, please click the following link: **CCIB Home Page**

# About the Funder and the Indigenous Forestry Initiative

Natural Resources Canada develops policies and programs that enhance the contribution of the natural resources sector to the economy, improve the quality of life for all Canadians, and conducts innovative science in facilities across Canada to generate ideas and transfer technologies.

They are an established leader in the fields of:

- energy sources and distribution
- forests and forestry
- minerals and mining
- earth sciences
- energy efficiency
- science and data

They also represent Canada at the international level to meet the country's global commitments related to the sustainable development of natural resources, improving the quality of life of Canadians by creating a sustainable resource advantage. They have generously provided the funding for this research under their Indigenous Forestry Initiative stream (IFI).

For more information on Natural Resources Canada, please visit their homepage by clicking the following link: Natural Resources Canada.

In June 2017, the Government of Canada announced the IFI as a featured component of the Softwood Lumber Action Plan, expanding its $1 million/year ongoing budget by an additional $10 million in funding over three years (2017 to 2020).

In Budget 2019, the Government of Canada announced a three-year, $15.6 million expansion of the program, enabling a greater number of Indigenous projects, as well as larger Indigenous-led economic development projects, starting in 2020.

In September 2023, the Government of Canada announced a three-year $16.6 million renewal of the IFI ($13 million in total investments to communities), in addition to a re-focused mandate to advance reconciliation in the forest sector by supporting Indigenous-identified priorities to accelerate awareness, influence, inclusion, and leadership.

The IFI provides financial support to inclusive, Indigenous-led activities in the forest sector, such as:

- gathering, developing, using, and protecting Indigenous Knowledge and science
- Indigenous leadership and participation in forest stewardship
- the identification, consideration, and pursuit of economic development opportunities

For more information on the Indigenous Forestry Initiative, please click the following link: Indigenous Forestry Initiative (canada.ca).

# Executive Summary

**Indigenous Peoples have stewarded forest lands across what is now Canada since time immemorial. Yet despite this enduring relationship, Indigenous businesses continue to face significant, and largely structural, barriers to equitable participation in Canada's forestry sector. These barriers are rooted in land tenure allocations that excluded Indigenous participation, uneven forest allocations, insufficient consultation processes, complex procurement regimes, high capital intensity, and the persistent underrecognition of Indigenous Knowledge systems within forest management and decision-making.[1] At the same time, the forestry sector is undergoing a profound transformation. Climate change, increasingly severe wildfire seasons, fibre depletion, labour shortages, invasive species (such as the mountain pine beetle), and shifting sustainability expectations are fundamentally reshaping how forest resources are managed and how economic value is generated.**

This report examines these challenges and identifies wise practices and context-sensitive, experience-based approaches that have demonstrated potential to support meaningful, long-term Indigenous participation in the forestry economy. The findings are based on in-depth qualitative interviews with Indigenous-owned forestry businesses and community-owned enterprises, complemented by perspectives from non-Indigenous industry and government representatives who work directly with Indigenous Nations and firms.

Together, these insights reveal both where existing systems fall short and where practical, scalable solutions already exist.

A central finding of this research is that many of the obstacles Indigenous businesses face in forestry are not isolated or sector-specific but interconnected and reinforcing. Limited access to forest tenure and allocations constrains business planning and growth, which in turn undermines access to financing.[2] The high costs of forestry equipment, fuel, certifications, and compliance compound financing challenges. These pressures are further intensified by procurement systems that privilege scale, prior experience, and cash flow resilience, characteristics that many emerging Indigenous enterprises have been systematically prevented from developing.[3]

Indigenous interview participants consistently emphasized that meaningful participation in forestry must begin with meaningful relationships. Consultation and engagement processes remain widely perceived as extractive, rushed, and insufficiently resourced. Several Indigenous business owners described situations in which Elders and Knowledge Keepers were expected to provide guidance or cultural insight without adequate compensation, support, or long-term commitment. Others highlighted that engagement often ceased once permits were issued or contracts awarded, undermining trust and continuity.

[1] Natural Resources Canada. "The State of Canada's Forests: Annual Report 2023."

[2] National Aboriginal Forestry Association (NAFA). Fifth Report on Indigenous-Held Forest Tenures in Canada. 2020. Center for International Forestry Research (CIFOR). Forest Tenure Definitions.

[3] Canadian Council for Indigenous Business (CCIB). Reviewing Regional Indigenous Procurement: Barriers and Wise Practices. 2024.

As one Indigenous business owner explained, ***"You must meet on the land and go where people are most comfortable. Real relationships don't happen in boardrooms or on short timelines."*** Another participant emphasized that symbolic gestures, such as hiring a small number of Indigenous workers, are too often mistaken for inclusion: ***"There are really large-scale, non-Indigenous-owned companies doing the harvesting and hauling. They might have an Indigenous person in the mill, but they are not taking deliberate steps to support Indigenous businesses."***

Financial barriers were repeatedly identified as among the most significant constraints on Indigenous business participation in forestry. Forestry is a capital-intensive cyclical industry, subject to volatile commodity markets, trade disruptions, and environmental shocks. Indigenous businesses reported that lenders often perceive forestry as inherently high-risk and Indigenous enterprises as an added layer of uncertainty, despite growing evidence to the contrary. While Indigenous financial institutions and targeted programs have improved access to capital, many Indigenous businesses still struggle with upfront capital, collateral requirements, and navigating the complexity of funding criteria.

One interview participant summarized the challenge bluntly: ***"Forestry isn't always a profitable industry. It's tied to a commodity market. There are times when it makes money, and long stretches when it doesn't, and that makes financing extremely hard."*** Another Indigenous business owner described funding processes as ***"overwhelming,"*** citing extensive administrative burdens and eligibility criteria that small firms often lack the capacity to navigate.

These financing challenges intersect directly with procurement barriers. Government and corporate procurement processes in forestry were widely described as administratively complex, fragmented across multiple platforms, and heavily weighted toward firms with long track records and substantial balance sheets. Indigenous businesses reported that experience requirements frequently exclude new Indigenous graduates and prevent on-the-job training, undermining workforce development. Mandatory certifications, while essential for safety, can cost tens of thousands of dollars, which emerging firms must absorb before securing contracts.

Cash flow constraints were a particularly acute issue. Standard payment terms of 60 days or more require businesses to fund payroll, fuel, and equipment costs for extended periods. As one interviewee observed, ***"We joke that business sometimes feels like a pyramid scheme, using funds from one project to float the first two months of the next one."*** Several businesses noted that otherwise viable opportunities were declined simply because waiting months for payment was financially untenable.

Capacity and workforce challenges further limit Indigenous participation in forestry. Many Indigenous communities are in remote or northern regions where the available labour pool is already stretched. Those with relevant skills are often employed elsewhere, while training new workers is constrained by regulatory requirements and inconsistent access to funding. Unionized environments can further slow efforts to increase Indigenous employment, as workforce transitions occur gradually through attrition.

Despite these challenges, Indigenous businesses are demonstrating innovation, adaptability, and leadership across the sector. Many are integrating Indigenous Knowledge systems into forestry operations, emphasizing land stewardship rather than short-term extraction. Interview participants described the use of cultural feature identification surveys, led by Elders and Knowledge Keepers, to map heritage sites, trails, medicinal plants, and culturally significant areas. These practices protect cultural values while supporting more holistic, sustainable forest management.

As one Indigenous business owner articulated, *"Understanding land stewardship, not just land management, is essential. We see the forest as a living relative. That changes how you operate, how you plan, and what you leave behind."* Another reflected on long-term responsibility: *"From an Indigenous Knowledge perspective, we ask what this looks like seven generations forward. That should be informing decisions, not just short-term economics."*

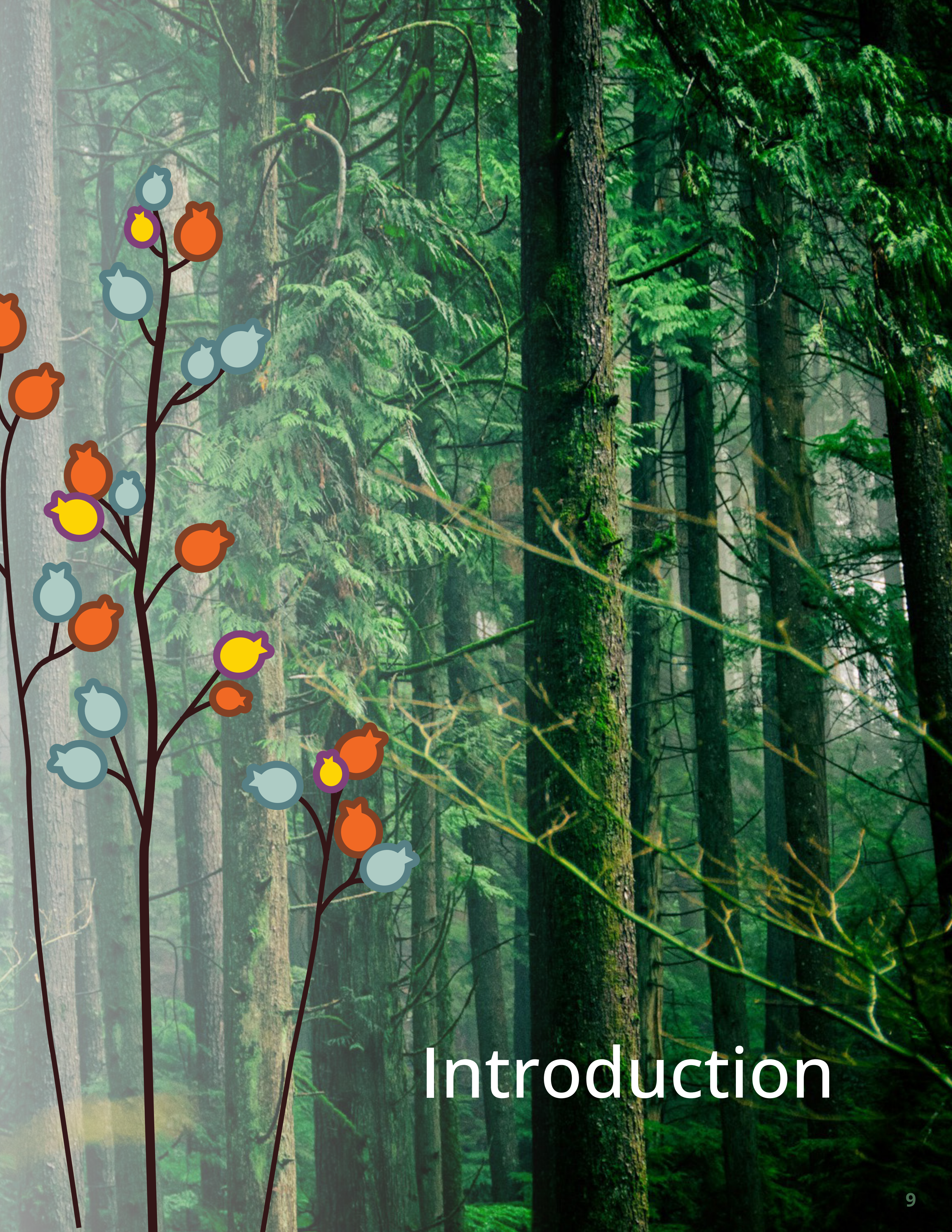
The research also highlights the growing importance of equitable partnerships in supporting Indigenous economic participation. While many long-standing partnerships between Indigenous Nations and non-Indigenous forestry companies exist, participants cautioned that these relationships can sometimes unintentionally limit diversification or reinforce dependency if they do not evolve. Tokenistic participation, such as small percentage targets for Indigenous involvement that do not correspond to contract value or decision-making authority, was widely criticized.

Several Indigenous business owners emphasized the importance of Indigenous firms operating as prime contractors, rather than perpetual subcontractors. *"The key position to be in is the prime contractor,"* one participant noted. *"That's where you control the contract and the flow of dollars."* Equity ownership in mills and forestry operations was similarly identified as a powerful mechanism for securing long-term influence, stable revenue streams, and community reinvestment

Importantly, many of the wise practices identified in this report align with emerging priorities across the forestry sector. Governments and industry stakeholders acknowledged the need for improved consultation, clearer guidance on Indigenous engagement, and more flexible policies to address climate change and labour shortages. Some governments are beginning to expand Indigenous forest tenure and use joint review tables that enable shared decision-making between provincial authorities and Indigenous Nations. Others are exploring reforms to procurement and climate incentive programs to improve accessibility.

This report synthesizes these insights into a set of wise practices intended to guide action by governments, industry, and Indigenous organizations. These practices are not prescriptive templates, but adaptable approaches grounded in lived experience. They include prioritizing relationship-first engagement, expanding nonrepayable and patient capital, reforming procurement systems to reduce administrative burden and improve cash flow, strengthening Indigenous workforce development, increasing Indigenous access to forest tenure, integrating Indigenous Knowledge into forest management, and advancing equitable, revenue-sharing partnerships.

Taken together, the findings underscore that advancing Indigenous participation in the forestry sector is not only a matter of economic inclusion and reconciliation, but also essential to the long-term sustainability and resilience of Canada's forests. Indigenous stewardship, governance, and entrepreneurship offer pathways to more adaptable, climate-responsive forestry systems that benefit Indigenous and non-Indigenous communities alike.



# Introduction

**Canada's forests are among the largest and most ecologically significant in the world, spanning roughly 367 million hectares and touching nearly every aspect of the country's economy, environment, and social fabric.[4] They are also inseparable from Indigenous Peoples' histories, rights, and contemporary livelihoods. Many Indigenous communities are located in forested regions, and Indigenous rightsholders collectively own or control millions of hectares of forested lands through a patchwork of legal instruments, traditional tenure, modern treaties, and Nation-specific governance structures. Against this backdrop, the participation of Indigenous businesses in the forestry sector is both a matter of economic development and an exercise of inherent rights and responsibilities to land, water, and future generations.**

Despite this centrality, the structure of Canada's forestry economy has historically marginalized Indigenous leadership in decision-making and ownership. Canada's land tenure regimes, tenure allocations, and industry practices evolved for more than a century without fully recognizing Indigenous governance or integrating Indigenous Knowledge into mainstream forest management systems. Even where Indigenous communities secured agreements or opportunities, participation frequently took the form of short-term employment or subcontracting arrangements with limited influence over project scope, value distribution, or environmental outcomes. In recent decades, jurisprudence, policy reforms, and practical collaboration have opened new avenues for Indigenous participation, yet many of the underlying barriers, access to tenure, capital, markets, and procurement; administrative and regulatory complexity; and the extractive design of consultation, remain entrenched.

The sector itself is changing rapidly. Climate change is imposing new risks and responsibilities on governments, industry, and communities. In many regions, increasingly severe wildfire seasons, drought, pest outbreaks, and shifting ecological baselines challenge the assumptions that underpinned timber supply forecasts and silvicultural regimes. Fibre constraints, stemming from the cumulative effects of harvest, disturbance, and conservation imperatives, are reshaping the business case for mills, contractors, and supply chains. At the same time, demographic trends and regional labour market tightness are intensifying competition for skilled workers. These pressures are forcing governments and companies to revisit operational models, risk management practices, and investment strategies. They also underscore the value of Indigenous stewardship approaches, emphasizing relationships to place, cumulative effects, and intergenerational outcomes as sources of resilience and innovation.

Within this context, there is a clear and widening consensus that Indigenous leadership is essential to a viable, future-oriented Canadian forestry sector. Across interviews for this study, Indigenous entrepreneurs and community-owned enterprises articulated a coherent vision for what works:

- Relationship-first engagement that begins on the land and is sustained over time.
- Governance structures and financing models that enable Indigenous businesses to move from subcontracting to equity and prime contractor roles. procurement reforms that measure Indigenous participation by value and capability, not only by headcount or check-the-box targets.
- Payment and compliance terms that reflect the realities of early-stage enterprises.
- The integration of Indigenous Knowledge as foundational, rather than supplemental, to planning, monitoring, and adaptive management.

[4] Natural Resources Canada. "How Much Forest Does Canada Have?."

This report responds to that vision. It documents the barriers that Indigenous businesses encounter and translates hard-won practical lessons into wise, context-sensitive, principles-driven approaches that have demonstrably supported Indigenous participation and can be tailored across jurisdictions. Wise is used deliberately: field evidence shows that one-size-fits-all "best practices" are ill-suited to the diversity of Nations, ecosystems, provincial statutes, and corporate structures that define Canadian forestry. What works in one place may not translate directly to another. Wise practices, by contrast, are flexible, iterative, and grounded in the relationships and governance capacities of specific places and peoples.

The audience for this report includes policy makers and program designers at Natural Resources Canada and provincial/territorial ministries; federal and provincial procurement authorities; forest licensees and mill operators; project developers and prime contractors across the supply chain; Indigenous economic development corporations and privately owned Indigenous enterprises; and allied organizations, associations, standard setters, funders, and educational institutions, that support Indigenous participation and sector performance. For each audience, the report seeks to bridge analysis and action. It traces how barriers manifest at the business operations level, and pairs them with implementable solutions, financing instruments, procurement clauses, governance templates, workforce development models, and regulatory adjustments that can be adopted and scaled.

Finally, this report is designed as a practical tool for near-term decisions. While the analysis draws on a growing body of literature, its core value lies in the specificity of the interview evidence. The voices of Indigenous business leaders and public and private sector practitioners are used to ground the narrative in operational reality, how cash flow actually breaks, when RFP rules unintentionally exclude, why a certification becomes a gate rather than a guardrail, and where a relationship changes course only when a company shows up in community, on the land, with time and humility. Those details matter; they make the difference between policy that is administratively successful and policy that is used. In that sense, this report aims to support the broader goals of reconciliation and climate resilience with an applied, solutions-first blueprint that NRCan and partners can adopt immediately.

# 1. Objectives

**This report was commissioned to help public and private decision-makers translate high-level commitments into operational changes that measurably increase Indigenous participation and leadership in the forestry sector. It has four mutually reinforcing objectives:**

### 1. Diagnose the barriers to Indigenous business engagement with operational specificity.

The first objective is to describe barriers not as abstract categories but as concrete challenges that Indigenous businesses encounter at the point of execution, when applying for permits, bidding on work, securing equipment financing, meeting certification requirements, or managing payroll during 60-day payment cycles. The aim is to link each barrier to the business model and risk profile of Indigenous firms, explaining how and why it constrains entry, growth, margin, and resilience. This includes distinguishing between barriers that are systemic (e.g., tenure regimes, fragmented procurement portals), cyclical (e.g., commodity and fibre shocks), and firm-level (e.g., working capital, talent pipelines), and clarifying where public policy, corporate practice, or Indigenous organizational capacity is the appropriate lever for change.

### 2. Identify and articulate "wise practices" that have proven effective across contexts.

The second objective is to synthesize the interview evidence into a set of wise practices, relationship-first engagement models, procurement and payment reforms, financing and guarantee structures, capacity-building programs and HR policies, governance and partnership designs, and methods for integrating Indigenous Knowledge into forest planning and monitoring. Each practice is defined by its design logic (why it works), enabling conditions (what must be true for it to work), and implementation steps (how public agencies, industry, and Indigenous organizations can deploy it). The focus is on scalable, adaptable approaches that can be adopted by jurisdictions and companies with different legal frameworks and operating environments.

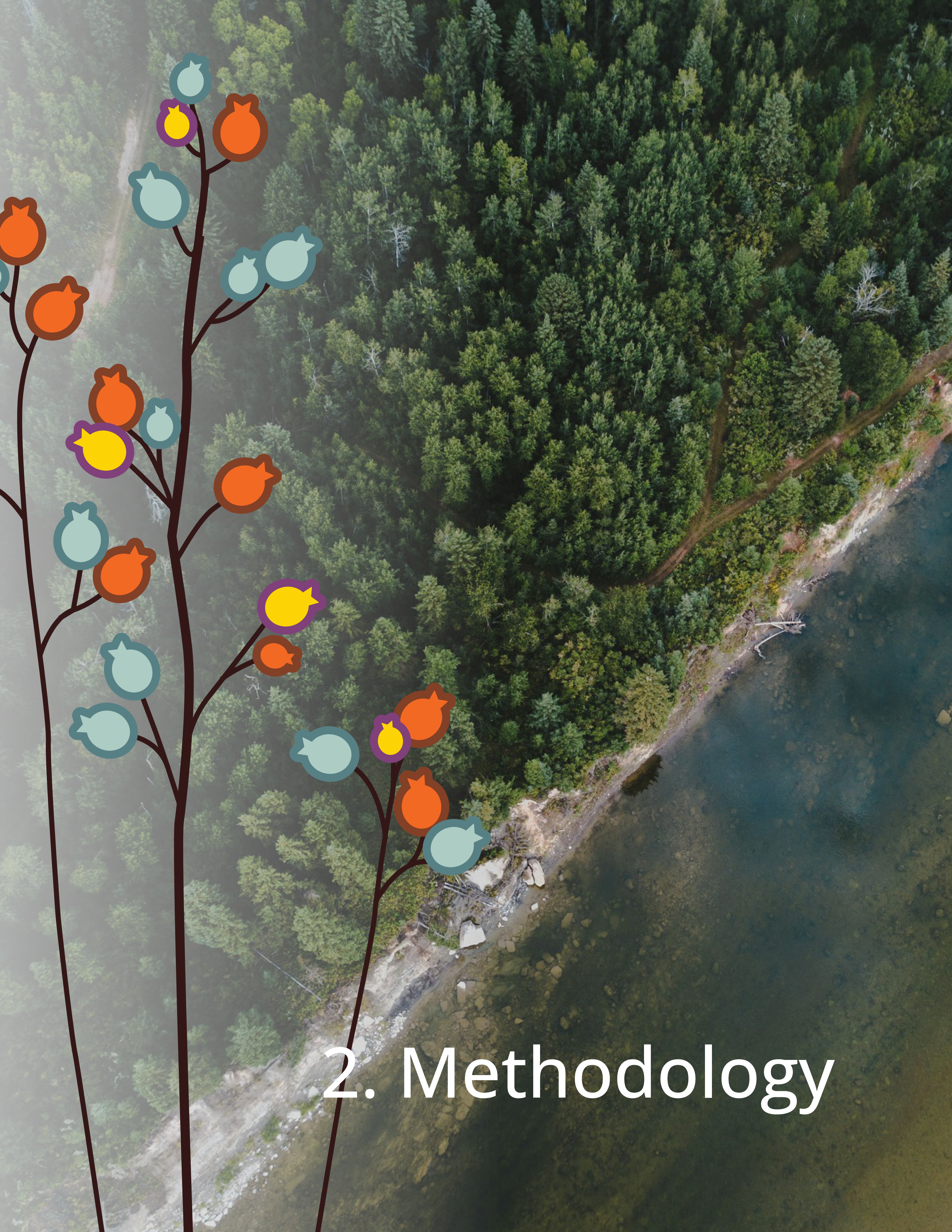
### 3. Provide a pragmatic implementation roadmap and measurement framework.

The report's third objective is to translate practices into a staged implementation plan that aligns with public budgeting and corporate planning cycles. This includes quick start actions (e.g., mobilization payments, shorter pay terms, plain language RFPs), medium-term reforms (e.g., arbitration mechanisms for contractor–licensee disputes, joint review tables, expanded Indigenous tenure allocations), and enabling investments (e.g., apprenticeship pipelines, funded compliance for first-time bidders, shared equipment pools). Because policy and procurement reforms are only as effective as their uptake, the report also proposes a balanced scorecard-style set of KPIs to track results and course correct, measuring not only spend or participation counts but also value, capability, and decision rights.

### 4. Center Indigenous Knowledge and rights in how success is defined.

Finally, the report aims to ensure that measures of success reflect Indigenous worldviews and stewardship responsibilities. Economic indicators (revenue, jobs, contract value) are necessary but insufficient on their own. Wise practices, therefore, emphasize the protection of cultural features and heritage sites, cumulative effects management, and intergenerational outcomes, asking, in the words of interviewees, what today's decisions look like "seven generations forward." This objective anchors the report's argument that Indigenous leadership is not a parallel stream to sustainability; it is a precondition for a resilient forestry sector in a changing climate.

Together, these objectives frame a report that is both analytical and applied, rigorous enough to inform policy design at NRCan and provincial counterparts, and practical enough to help a procurement officer, a forest manager, or an Indigenous entrepreneur solve a problem this quarter.



# 2. Methodology

# Research Design

The study employed a qualitative research design, combining semi-structured interviews with targeted desk research to synthesize a current, practice-oriented view of Indigenous participation in the forestry sector. A qualitative approach was selected for two reasons. First, it supports depth over breadth, enabling the research team to explore the mechanisms behind commonly cited barriers, how a particular RFP clause or tenure arrangement functions in practice, why a lender assesses risk as it does, or where a relationship between a mill operator and a community breaks down. Second, the interviews centre on lived experience and professional judgment, both essential to understanding how policy, procurement, and operations interact in real time.

The unit of analysis is the business decision or process step in which inclusion succeeds or fails: a bid evaluation, a payment run, a consultation meeting, a certification audit, or a financing committee discussion. By anchoring the analysis at this level, the study isolates the frictions that are amenable to policy or practice change and distinguishes them from broader structural constraints that require longer-term reform.

The design also treats Indigenous businesses not as a homogeneous category but as a plural and diverse set, including private entrepreneurs, community-owned development corporations, and integrated enterprise groups with multisector portfolios and export channels.

# Data Sources

### INTERVIEWS

Fourteen in-depth interviews were conducted via Microsoft Teams with participants' consent. Ten interviews were with Indigenous-owned businesses or Indigenous organizations operating in forestry and related services (e.g., forest management, professional and technical services, cultural feature identification, logistics, biomass/bioenergy). Four interviews involved non-Indigenous stakeholders, forest companies, industry association representatives, or government officials who work closely with Indigenous firms and communities. Interviews averaged 60–90 minutes. They were recorded, professionally transcribed, anonymized, and then coded for themes and subthemes using a structured codebook derived from a preliminary literature review and a prior CCIB report in the series. Anonymization preserved the specificity of examples (e.g., payment terms, certification costs) while removing personally identifiable details and the names of specific communities or companies for which confidentiality was requested.

### DESK RESEARCH

Targeted desk research supported triangulation and context. This included a review of:

i. federal and provincial forestry statistics and reporting;
ii. sector-specific analyses on fibre availability, trade/tariff impacts, and climate risk;
iii. Indigenous tenure and governance literature;
iv. procurement policy documents and supplier diversity frameworks; and
v. prior CCIB research on Indigenous participation and procurement across sectors.

Desk research served two roles: it informed interview guide design (ensuring the prompts reflected current policy and market dynamics) and provided reference points for interpreting interview claims, particularly regarding the prevalence of certain barriers (e.g., administrative complexity in procurement) and the feasibility of specific solutions (e.g., arbitration mechanisms, joint review tables, carbon market access on Crown land).

## SAMPLING AND REPRESENTATION

The sample was selected strategically. The intent was to obtain variation across business models, sizes, and regions, not statistical representativeness. Within Indigenous businesses, the sample included firms with different revenue scales, from startups and small teams to enterprises reporting annual revenues in the tens of millions, and different roles in the value chain (from professional services and management to harvesting, logistics, and manufacturing). Several interviewees operated across multiple sectors (e.g., hardware, mechanical services, fuel retail) as part of a diversification strategy closely linked to forestry. Among non-Indigenous participants, the sample included perspectives from both policy and operations, individuals responsible for procurement, licensing, or community engagement, as well as those accountable for production and supply chain outcomes.

Two considerations guided recruitment. First, the team prioritized participants with direct transactional experience (e.g., those who had recently bid on public or private contracts, negotiated allocations, secured financing, or implemented workforce programs). Second, the team sought regional diversity to reflect how provincial tenure regimes, consultation protocols, and market structures shape opportunities. While the sample size limits the ability to make claims about prevalence across Canada, the consistency of themes across diverse settings increases confidence in the generalizability of the wise practices identified.

## INTERVIEW PROTOCOL AND TOPICS

Semi-structured interview guides were tailored for Indigenous businesses and non-Indigenous stakeholders. For Indigenous businesses, core topics included: business model and service mix; ownership and governance; procurement experience (direct and subcontracting); financing history and capital needs; certification and compliance costs; logistics and remoteness challenges; workforce recruitment, training, and retention; integration of Indigenous Knowledge in operations; experiences with consultation and permitting; partnership structures (including equity, revenue sharing, and prime/sub relationships); and near-term opportunities or constraints. For non-Indigenous stakeholders, parallel guides focused on their engagement strategies with Indigenous businesses and communities, procurement practices and constraints, views on effective consultation, capacity and skills requirements, internal incentives and KPIs, and assessments of barriers and enabling reforms.

The semi-structured format allowed for probing follow-up questions and the exploration of emergent themes. For instance, when payment terms surfaced as a recurring constraint, interviews explored the internal processes that set terms (treasury, accounts payable policies), the conditions under which terms could be shortened (e.g., for SMEs or Indigenous suppliers), and whether mobilization payments had been used in analogous projects. Similarly, when cultural feature identification was cited as a wise practice, interviews documented the operational steps (from scoping to monitoring), cost implications, and decision points where integration with forest planning either succeeded or failed.

## ANALYSIS AND SYNTHESIS

Data analysis followed an iterative, inductive-deductive process. The research team developed an initial codebook from the literature and the project's objectives (e.g., "tenure," "financing," "procurement complexity," "payment terms," "workforce," "IK integration," "partnership models," "climate impacts"). As transcripts were reviewed, codes were refined and subcodes added to capture nuance (e.g., within procurement: "platform fragmentation," "experience requirements," "compliance/certification costs," "weighted scoring," "mobilization advances," "15–30 day terms"). The team then conducted thematic synthesis to surface causal pathways (e.g., how payment terms lead to payroll risk and bid/no bid decisions), interactions (e.g., how remoteness amplifies logistics and fuel costs, which in turn heighten working capital needs), and enabling conditions for solutions (e.g., how joint review tables require clear mandates, capacity funding, and data sharing protocols to function).

Importantly, the analysis sought to move beyond listing barriers to formulating actionable solutions with specific design features and responsible actors. Where interview evidence pointed to a promising practice, such as procurement weighting by Indigenous contract value, or reimbursement of first-time compliance costs, the team documented the elements that made the practice work and any failure modes to avoid. Draft findings were tested for internal consistency against multiple transcripts and desk research, and then organized into the **challenge → wise practice → implementation** structure used throughout the report.

### ETHICS, CULTURAL SAFETY, AND LIMITATIONS

The study was designed and conducted to respect Indigenous data sovereignty principles and cultural safety. Participation was voluntary; interviewees were informed of the study's purpose, how their information would be used, and their right to withdraw. Quotes used in this report are anonymized and lightly edited for clarity, with care taken not to reveal identities or confidential commercial information. When examples touched on sensitive community-level matters, the report generalized details to avoid inadvertent disclosure.

Several limitations merit attention. First, the sample size means the study cannot claim statistical generalizability. The intent was to surface mechanisms and practices that can inform policy and operational design, not to estimate national prevalence. Second, interviews occurred within a specific time window; market conditions, government programs, and policy debates evolve, especially in a sector exposed to climate events and commodity cycles. Third, because the interviews prioritized decision-makers and entrepreneurs, the perspectives of frontline workers, youth, and Elders are present but not exhaustive; future work could deepen these voices, particularly to design skills pipelines and community-defined success metrics. Finally, while the report references Indigenous Knowledge and emphasizes its centrality, the interviews were not presented as TK gathering exercises; rather, they focused on business experiences and governance approaches that interface with TK in operational settings. When the report recommends integrating TK into forest planning, it does so with the understanding that Nations define the protocols and boundaries for the use, protection, and sharing of knowledge.

## How to Read and Use This Report

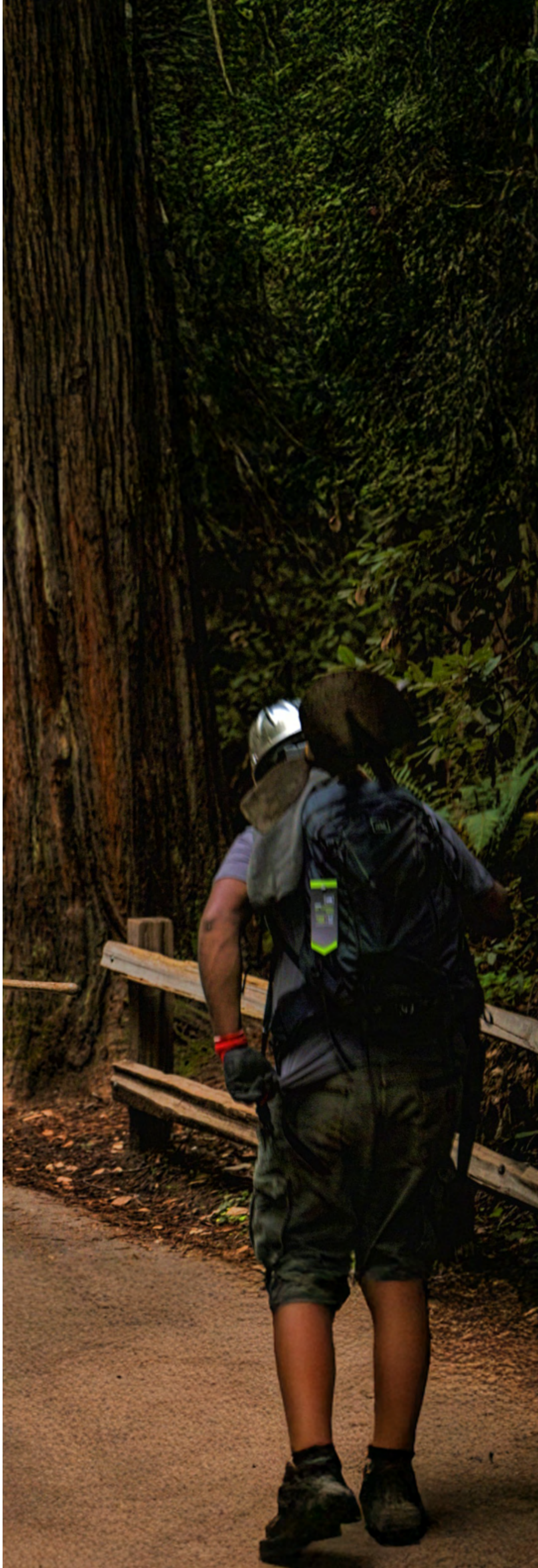
This report should be viewed and used as an implementation guide. Each barrier is paired with one or more wise practices and a short set of steps for governments, licensees, prime contractors, and Indigenous organizations. Where appropriate, the report offers template language, for example, procurement clauses, consultation protocols, and workforce policies, that can be adapted to specific jurisdictions and organizations. The measurement section provides a small number of key performance indicators (KPIs) that matter, indicators that senior leaders can track quarterly to see if reforms are actually improving outcomes for Indigenous businesses and communities. The appendices supply interview guides and a glossary to support future research and practical uptake.

To summarize, the methodology prioritizes practical validity: Are the solutions clear, implementable, and measurable by the people who will carry them out? The combination of interview-based evidence, desk research, and an action-oriented synthesis aims to meet that test, so that policy intentions translate into procurement awards, timely payments, durable partnerships, and long-term Indigenous leadership in Canada's forestry sector.

# 3. From Barriers to Action: Wise Practices and Solutions to Support Indigenous Businesses in Forestry

This report is the second installment in CCIB's forestry research series. The preceding report documented the structural, financial, and relational barriers that limit Indigenous businesses' participation in Canada's forestry sector. Those challenges, access to forest tenure and opportunities, limited access to capital, complex procurement processes, high equipment and input costs, insufficient capacity, workforce constraints, and inconsistent engagement and consultation practices, were echoed throughout interviews for the present study and remain highly relevant. Rather than restating those challenges in detail, this section builds on the earlier findings by focusing on what is working and what can be done differently. It identifies wise practices that Indigenous businesses, governments, and industry partners have used to overcome persistent barriers and to create more durable, mutually beneficial participation in the forestry economy. These practices are not offered as prescriptive "best practices," but as adaptable approaches grounded in lived experience and responsive to local context.

Across interviews, one message was consistent: solutions are most effective when they address both systems and relationships. Policy reforms without attention to trust and engagement tend to stall, while relationship building without structural change places unfair burden on Indigenous businesses. Therefore, the wise practices below pair clear audiences and accountabilities with practical actions that can be implemented in the near to medium term.



## 3.1 Relationship-First Engagement as the Foundation for Participation

**Primary audience: Governments and forestry industry (licensees, mills, project proponents)**

Lack of meaningful communication and engagement was among the most frequently cited barriers in the earlier report and remains a central issue in this follow-up. However, interview participants were equally clear that improved engagement is achievable when organizations approach Indigenous communities and businesses as long-term partners rather than regulatory hurdles or suppliers of last resort.

**Wise practices from the field emphasize:**

- **Engagement that begins early and remains ongoing**, not limited to consultation requirements or permit milestones. Indigenous businesses reported stronger outcomes when conversations started before project design was finalized and continued through implementation and monitoring.
- **Meeting on the land and in community**, rather than relying exclusively on virtual or office-based interactions. This approach was repeatedly cited as essential to building trust and mutual understanding.
- **Clarity about roles and expectations**, particularly around the distinction between consultation with rights-holders and commercial engagement with Indigenous businesses. Ambiguity in this area often results in missed opportunities and frustration on all sides.
- **Respectful inclusion of Elders and Knowledge Keepers**, including appropriate compensation and support, when Indigenous Knowledge informs planning or operations.

These practices are primarily the responsibility of governments and industry, which control project timelines, consultation processes, and engagement resources. Indigenous businesses consistently emphasized that they should not be expected to shoulder the burden of "educating" partners or navigating opaque systems without support.

## 3.2 Improving Access to Capital Through Context-Sensitive Financing

**Primary audience: Governments, Indigenous financial institutions, and mainstream lenders**

Limited access to capital was identified in the earlier report as a cross-cutting barrier that influences nearly every aspect of Indigenous business participation in forestry. While interviewees acknowledged gradual improvement, financing remains misaligned with the realities of forestry and Indigenous enterprise.

**Effective solutions observed in practice include:**

- **Expanded use of nonrepayable and patient capital**, particularly for start-up and scaling phases where cash flow is most constrained. Indigenous businesses noted that grants and forgivable loans are especially important for covering equipment, retrofitting, and certification costs that precede revenue generation.
- **Indigenous-led financing models**, including development corporations and Indigenous financial institutions that understand traditional land use, governance structures, and seasonal revenue patterns.
- **Assignment and flow-through agreements** that reduce lender risk by tying repayment to secured contracts or allocations, a practice already used successfully by some Indigenous enterprises.
- **Simplified and coordinated funding programs**, reducing administrative burden and duplication across federal and provincial departments.

While Indigenous businesses must continue to strengthen governance and financial management capacity, interview participants stressed that meaningful change depends on policy and program design decisions made by governments and lenders, not solely on business-level adaptation.

# 3.3 Procurement Reform to Enable Indigenous Business Participation

**Primary audience: Governments and forestry companies (as purchasers)**

Procurement was identified in the previous report as one of the most immediate and actionable levers for increasing Indigenous participation. This follow-up research confirms that relatively modest changes in procurement design can yield disproportionate benefits.

**Wise practices for procurement reform include:**

- **Streamlining procurement processes,** including shorter and clearer RFPs, fewer platforms, and reduced administrative duplication. Indigenous businesses reported that overly complex systems function as a barrier in and of themselves.

- **Adjusting experience requirements** to allow for portfolio-based or phased qualifications, enabling new Indigenous graduates and firms to gain experience through smaller initial scopes.

- **Implementing weighted evaluation criteria** that meaningfully account for Indigenous participation, measured by contract value, scope, or decision-making authority rather than symbolic thresholds.

- **Improving payment terms**, including shorter payment cycles (e.g., 15–30 days) and mobilization payments at contract start, to reduce cash-flow pressures on smaller firms.

- **Covering or reimbursing compliance costs**, such as safety certifications, for first-time Indigenous suppliers entering public or corporate supply chains.

These reforms sit squarely within the control of procurement authorities and purchasing organizations. Indigenous businesses noted that procurement changes are among the fastest ways to translate reconciliation commitments into concrete economic outcomes.

## 3.4 Building Capacity and a Sustainable Indigenous Forestry Workforce

**Primary audience: Governments, industry, and Indigenous organizations (shared responsibility)**

Workforce and capacity constraints were highlighted in the earlier report as both causes and consequences of limited participation. This research shows that successful solutions are those that spread responsibility across actors rather than placing it solely on Indigenous businesses.

**Effective approaches include:**

- **Paid apprenticeships and on-the-job training**, supported by public funding and delivered in partnership with Indigenous communities, educational institutions, and employers.
- **Wage subsidies and retention incentives**, enabling Indigenous businesses to compete with other sectors and to provide stable employment in rural and remote areas.
- **Flexible workplace policies** that reflect Indigenous community realities, including cultural responsibilities and extended family obligations.
- **Support for Indigenous-to-Indigenous contracting**, which builds local capacity and keeps economic benefits closer to home.

While governments play a critical role in funding and policy alignment, industry participation is essential to ensure training leads to real employment, and Indigenous organizations are best positioned to align workforce strategies with community priorities.

## 3.5 Integrating Indigenous Knowledge and Stewardship into Forestry Operations

**Primary audience: Governments and industry, with Indigenous leadership**

Limited integration of Indigenous Knowledge was previously identified as both a cultural and an operational barrier. In this study, participants emphasized that when Indigenous Knowledge is treated as foundational rather than supplementary, it strengthens environmental outcomes and business relationships alike.

**Promising practices include:**

- **Cultural feature identification studies**, led by Indigenous experts, to inform land use planning and operational decisions.
- **Co-management and joint review mechanisms**, where Indigenous Nations and governments share decision-making authority over forestry activities.
- **Support for Indigenous-led innovation**, including biomass utilization, biochar production, conservation finance, and alternative forest management models.

The responsibility for creating space for Indigenous Knowledge rests with governments and industry, while Indigenous Nations determine how knowledge is shared, protected, and applied.

## 3.6 Advancing Equitable and Durable Partnerships

**Primary audience:** Industry and Indigenous businesses

Finally, this research underscores that partnerships are most effective when they move beyond subcontracting and toward equity, shared governance, and long-term value creation.

**Wise practices include:**

- **Equity ownership and revenue-sharing arrangements**, particularly in mills and large-scale operations.
- **Clear pathways from subcontractor to prime contractor roles**, enabling Indigenous businesses to build capability and decision-making authority over time.
- **Partnerships that support diversification**, rather than locking Nations into a single economic relationship.

Industry partners play a decisive role in creating these opportunities, while Indigenous businesses and Nations determine the form and pace of participation that aligns with their priorities.

# 4. Detailed Solutions: Wise Practices to Enable Indigenous Business Participation in Forestry

Building on the challenges documented in the previous report, this section presents a detailed set of wise practices and solutions designed to enable meaningful, sustained Indigenous participation in Canada's forestry sector. While the barriers themselves are well established, the evidence from interviews conducted for this study points to a crucial conclusion: many solutions are already being tested and, in some cases, implemented successfully, but they remain uneven, pilots remain isolated, and lessons are not consistently translated into policy or practice.

The solutions outlined below are organized by lever of change, engagement, finance, procurement, workforce, policy and tenure, Indigenous Knowledge, and partnerships, and explicitly identify the primary intended audience responsible for implementation. In several cases, responsibility is shared; when this is the case, the distinct roles of each actor are articulated to avoid the diffusion of accountability.

## 4.1 Embedding Relationship-First Engagement in Forestry Systems

**Intended audience:** Governments and the forestry industry (licensees, mills, project proponents)

**Supporting actors:** Indigenous Nations and businesses

A consistent lesson across interviews was that participation improves when engagement is treated as foundational infrastructure rather than an administrative requirement layered onto existing systems. Indigenous businesses emphasized that poor engagement practices often amplify other barriers, including procurement exclusion, project delays, and mistrust in land-use decisions.

Wise practices that support relationship-first engagement include establishing ongoing engagement protocols that extend beyond consultation timelines and project-specific requirements. These protocols prioritize continuity of relationships over transactional interactions, ensuring that Indigenous businesses and communities are engaged early before project designs and procurement strategies are finalized. Interview participants stressed that engagement must be resourced appropriately, both financially and in staff capacity, so that Indigenous communities are not expected to respond to complex proposals on compressed timelines.

Meeting in community and on the land was repeatedly identified as a practical and symbolic shift that improves outcomes. Indigenous business owners described how in-person engagement allows proponents to understand logistical realities, workforce constraints, and stewardship priorities that are not apparent in written submissions. Governments and industry representatives who had adopted this approach reported improved project certainty and fewer conflicts later in the project life cycle.

For governments, embedding these practices requires aligning regulatory, consultation, and economic development functions so that engagement is not siloed across departments. For industry actors, particularly licensees and mills, it requires internal accountability mechanisms, such as performance metrics tied to the quality of Indigenous engagement alongside, rather than solely the pace of, project delivery.

# 4.2 Aligning Financing with Indigenous Forestry Business Realities

**Intended audience**: Governments, Indigenous financial institutions, mainstream lenders

**Supporting actors:** Indigenous businesses and development corporations

Access to capital remains a determining factor in whether Indigenous businesses can enter or expand within the forestry sector. Interview participants emphasized that financing challenges are less about the absence of capital in general than about misalignment between financing tools and forestry realities.

Wise practices observed in the field include expanding nonrepayable and patient capital instruments, particularly for early-stage and scaling enterprises. Grants and forgivable loans were repeatedly cited as essential for offsetting high upfront costs, such as equipment acquisition, retrofits, and certifications, which must often be incurred before revenue is generated. Participants noted that when these tools are unavailable, Indigenous businesses are forced to take on unsustainable debt or to forgo opportunities altogether.

Another effective practice involves assignment arrangements tied to secured contracts or allocations. In these models, revenue streams from confirmed work are used to reduce lender risk, enabling access to financing without requiring traditional collateral. Several Indigenous enterprises reported successfully using such mechanisms in partnership with Indigenous financial institutions, suggesting significant potential for wider application if supported by public policy.

From a government perspective, improving alignment also requires simplifying and coordinating funding programs. Indigenous businesses consistently reported that fragmented, overlapping programs create administrative burdens that consume limited capacity. Streamlined application processes, clearer eligibility criteria, and better coordination between federal and provincial initiatives were identified as high-impact reforms.

While Indigenous businesses play a role in strengthening governance and financial management practices, the research is explicit that system-level change must be driven by funders and program designers, not individual firms.

## 4.3 Reforming Procurement to Translate Commitments into Contracts

**Intended audience:** Governments and forestry companies (as purchasers)

**Supporting actors:** Indigenous businesses and procurement intermediaries

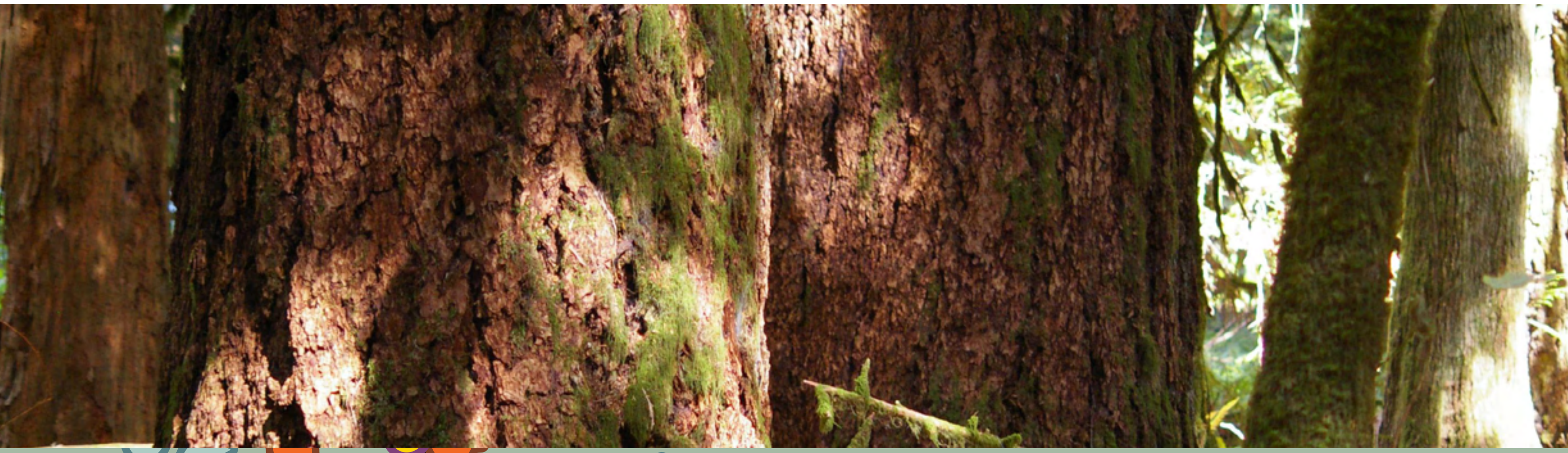
Procurement emerged as one of the most immediate and controllable levers for enabling Indigenous business participation. Interview participants were clear that many procurement barriers are design choices rather than inevitabilities.

Wise practices include simplifying procurement documentation and processes, particularly for lower-value or early-stage contracts. Indigenous businesses described RFPs that run hundreds of pages, require multiple redundant certifications, and are distributed across multiple portals, conditions that systematically disadvantage smaller firms. Reducing complexity does not require lowering standards; rather, it involves tailoring requirements to project scale and risk.

Experience requirements represent another area where reform has proven effective. Several interviewees highlighted procurement models that allow phased accumulation of experience, enabling firms to qualify for larger scopes once smaller contracts are successfully completed. This approach supports workforce development and reduces the "experience paradox" that excludes new Indigenous entrants.

Payment terms were identified as equally critical. Wise practices include shortening payment cycles to 15–30 days and providing mobilization payments at contract start. These modifications directly address cashflow constraints and were described by Indigenous businesses as decisive factors in bid/no bid decisions. In addition, covering first-time compliance costs, such as safety certifications, was cited as a practical way to lower entry barriers without compromising safety outcomes.

The research underscores that these reforms are squarely within the authority of purchasers. Where Indigenous participation is a stated priority, procurement design must reflect that priority in evaluative criteria, timelines, and payment structures.



## 4.4 Expanding Capacity and Workforce Pathways

**Intended audience:** Governments and industry (shared responsibility)

**Supporting actors:** Indigenous organizations, educational institutions

Capacity constraints, particularly workforce availability, remain a major bottleneck for Indigenous businesses in forestry. However, interview participants also pointed to several solutions that more equitably distribute responsibility among actors.

Effective practices include paid apprenticeships and on-the-job training programs supported by public funding and delivered in partnership with employers. Indigenous businesses emphasized that training must be connected directly to employment opportunities; stand-alone programs without clear job pathways were widely viewed as ineffective.

Wage subsidies and retention supports were also identified as important tools, particularly in remote or high-cost regions where Indigenous businesses struggle to compete with other sectors. Some participants highlighted the role of flexible HR policies, including culturally grounded leave practices, in improving retention and workplace stability.

Industry participation is essential to ensure that training translates into jobs, while governments play a critical role in funding, credential recognition, and policy alignment. Indigenous organizations are best positioned to align workforce strategies with community priorities and to broker partnerships between employers and training providers.

## 4.5 Increasing Indigenous Access to Forest Tenure and Decision-Making

**Intended audience:** Governments (provincial, territorial, federal)

**Supporting actors:** Indigenous Nations

Limited access to forest tenure was identified in the earlier report as a structural constraint that underpins many other barriers. This study reinforces that expanding access to tenure is one of the most consequential long-term solutions.

Wise practices include incremental increases in Indigenous-held tenure, often linked to treaty implementation, reconciliation agreements, or economic development strategies. Interview participants emphasized that tenure access supports business planning, financing, and stewardship by providing greater certainty over fibre supply and land use.

Joint decision-making bodies, such as joint review tables comprising Indigenous and government representatives, were cited as effective mechanisms for integrating Indigenous priorities into forestry decisions while maintaining regulatory clarity. Where these structures were in place, businesses reported improved transparency and fewer conflicts.

Responsibility for tenure reform lies primarily with governments, given their authority over Crown land and licensing regimes. However, sustained engagement with Indigenous Nations is essential to ensure that tenure arrangements align with community governance systems and long-term priorities.

## 4.6 Integrating Indigenous Knowledge as Foundational Practice

**Intended audience:** Governments and industry

**Leadership:** Indigenous Nations and Knowledge Holders

Indigenous Knowledge integration was consistently framed not as a "nice to have," but as essential to sustainable forestry in a changing climate. Wise practices in this area recognize that Indigenous Knowledge must inform planning upstream, rather than being retrofitted into projects after key decisions are made.

Effective solutions include Indigenous-led cultural feature identification and land-use mapping, which enable forestry operations to avoid or adapt to culturally significant areas. Participants stressed that these processes must respect community protocols and intellectual property.

Indigenous-led innovation, such as biomass utilization, biochar production, and conservation-based approaches, was also identified as a promising pathway that blends economic development with stewardship responsibilities.

Governments and industry are responsible for creating the institutional space and flexibility needed to integrate Indigenous Knowledge, while Indigenous Nations determine how knowledge is shared, protected, and applied.

## 4.7 Advancing Equitable, Long-Term Partnerships

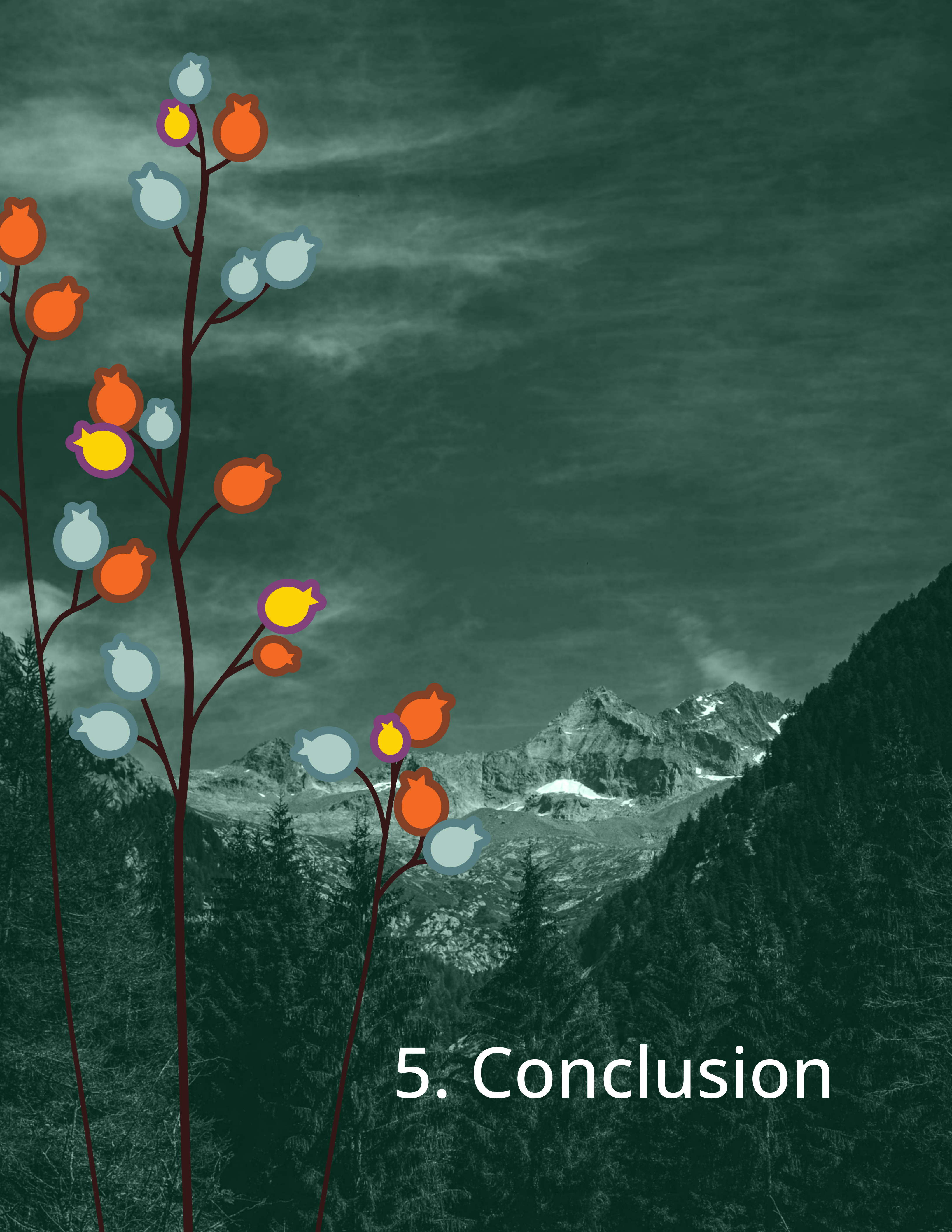
**Intended audience:** Forestry industry and Indigenous businesses

**Supporting actors:** Governments (enabling role)

Finally, the research highlights that participation deepens when partnerships evolve beyond subcontracting toward equity, shared governance, and long-term value creation. Wise practices include equity ownership in mills, revenue-sharing agreements, and clear pathways for Indigenous businesses to move into prime contractor roles.

Interview participants cautioned that long-standing partnerships can unintentionally limit diversification if they are not periodically revisited. Effective partnerships recognize Indigenous partners as strategic leaders rather than as risk mitigators or compliance measures.

Industry actors play a decisive role in offering these opportunities, while governments can enable them through policy clarity, incentives, and financing support.



# 5. Conclusion

## 5.1 From Commitment to Measurable Change

The evidence assembled across this project is unequivocal: Indigenous participation in forestry increases when actors align what they control—engagement standards, procurement design, payment terms, financing tools, tenure frameworks, workforce pathways, and partnership structures—with Indigenous realities and priorities. Equally clear is the corollary: when those levers are misaligned, the burden of "making the system work" shifts onto Indigenous businesses and Nations, producing sporadic wins but rarely durable outcomes.

This follow-up report deliberately places more weight on solutions than on barriers. The aim is to move the dialogue beyond why participation falters and toward how public agencies, licensees and mills, prime contractors, and Indigenous organizations can change everyday decisions in practical, replicable, and measurable ways. Across interviews, the practical pattern is consistent:

- **Relationship-first engagement is the foundation:** start early, meet on the land, compensate knowledge holders, and sustain the relationship beyond permitting or the first award.
- **Finance and procurement are the fast levers:** cash flow, payment terms, mobilization advances, simplified RFPs, and meaningful Indigenous weighting translate reconciliation commitments into contractable value.
- **Workforce and capacity are joint responsibilities:** paid apprenticeships, wage supports, and flexible workplace policies only work when governments fund them, industry hosts them, and Indigenous organizations align them to community goals.
- **Tenure, co-decision tables, and Indigenous Knowledge integration are the structural enablers:** they anchor economic opportunity in rights, stewardship, and predictability rather than ad hoc exceptions.
- **Partnerships endure when value and decision rights are shared:** equity, revenue sharing, and pathways to prime roles foster capability, retention, and innovation over time.

The integrated table below consolidates these wise practices and clearly identifies who the intended audience is for each solution, so responsibility is no longer diffused.

## 5.2 Integrated Solutions Summary Table

**Table 1. Integrated Summary of Wise Practices and Solutions to Support Indigenous Businesses in Forestry**

| Barrier Area (From Previous Report) | Wise Practice / Solution | Primary Intended Audience | Supporting Actors | Primary Lever of Change | Implementation Timeframe |
|---|---|---|---|---|---|
| **Insufficient and extractive engagement** | Embed relationship-first engagement protocols that begin early, are ongoing, and extend beyond regulatory consultation timelines | Governments; forestry industry (licensees, mills, proponents) | Indigenous Nations; Indigenous businesses | Engagement & governance design | Near-term (process change) |
| | Require in-person, on-the-land engagement as a standard practice for major forestry projects | Forestry industry; governments | Indigenous Nations; Elders and Knowledge Keepers | Project planning & engagement standards | Near-term |
| | Clearly distinguish rights-holder consultation from commercial engagement with Indigenous businesses | Governments | Industry; Indigenous organizations | Policy & procedural clarity | Near-term |
| **Limited access to finance and capital** | Expand nonrepayable and patient capital for Indigenous forestry businesses, including startup and scaling phases | Governments | Indigenous financial institutions | Program design & funding | Near- to medium-term |
| | Support assignment and revenue-secured financing tied to confirmed contracts or allocations | Indigenous financial institutions; lenders | Governments; Indigenous businesses | Financing instruments | Near-term |
| | Simplify and better align federal and provincial funding programs to reduce administrative burden | Governments | Indigenous organizations | Program coordination | Medium-term |

| Table 1. Integrated Summary of Wise Practices and Solutions to Support Indigenous Businesses in Forestry | | | | | |
|---|---|---|---|---|---|
| **Barrier Area (From Previous Report)** | **Wise Practice / Solution** | **Primary Intended Audience** | **Supporting Actors** | **Primary Lever of Change** | **Implementation Timeframe** |
| **High-input, equipment, and certification costs** | Make equipment retrofits, replacements, and certifications eligible expenses under climate and innovation funding | Governments | Industry | Program eligibility rules | Near-term |
| | Reimburse or subsidize first-time compliance and certification costs (e.g., safety systems) | Governments; purchasers | Indigenous businesses | Procurement & grant policies | Near-term |
| **Procurement barriers and administrative complexity** | Streamline procurement processes (shorter RFPs, fewer platforms, clearer requirements) | Governments; industry purchasers | Procurement authorities | Procurement design | Near-term |
| | Introduce phased or portfolio-based experience requirements rather than rigid multi-year thresholds | Governments; industry purchasers | Indigenous businesses | Procurement qualification rules | Near-term |
| | Apply weighted evaluation criteria for Indigenous participation measured by contract value and scope, not symbolic targets | Governments; forestry companies | Indigenous suppliers | Evaluation frame-works | Near-term |
| **Cash-flow constraints and long payment terms** | Shorten payment terms to 15–30 days for contracts with Indigenous SMEs | Governments; forestry companies | Finance/accounts payable units | Payment policy | Near-term |
| | Provide mobilization or advance payments at contract start | Governments; industry purchasers | Indigenous businesses | Contract terms | Immediate |
| **Capacity and workforce constraints** | Fund paid apprenticeships and on-the-job training linked to guaranteed work opportunities | Governments | Industry; training institutions | Workforce development funding | Medium-term |
| | Provide wage subsidies and retention incentives to support Indigenous employment | Governments | Industry; Indigenous employers | Labour market policy | Medium-term |

| Table 1. Integrated Summary of Wise Practices and Solutions to Support Indigenous Businesses in Forestry | | | | | |
|---|---|---|---|---|---|
| **Barrier Area (From Previous Report)** | **Wise Practice / Solution** | **Primary Intended Audience** | **Supporting Actors** | **Primary Lever of Change** | **Implementation Timeframe** |
| | Encourage flexible workplace policies aligned with Indigenous community realities | Indigenous businesses; industry | Governments (enabling) | HR practices | Near-term |
| **Limited Indigenous access to forest tenure and opportunities** | Increase Indigenous-held forest tenure through treaty, reconciliation, or allocation reforms | Governments (provincial/ territorial) | Indigenous Nations | Tenure policy | Long-term (structural) |
| | Establish joint review or co-decision tables between governments and Indigenous Nations | Governments | Indigenous Nations | Governance structures | Medium-term |
| **Limited integration of Indigenous Knowledge** | Support Indigenous-led cultural feature identification and land-use mapping | Governments; industry | Indigenous Nations; Knowledge Holders | Planning and stewardship practices | Near-term |
| | Integrate Indigenous Knowledge upstream into forestry planning and decision-making | Governments; industry | Indigenous Nations | Policy and planning frameworks | Medium-term |
| | Support Indigenous-led innovation (biomass, biochar, conservation-based models) | Governments | Indigenous businesses | Innovation funding | Medium-term |
| **Tokenistic or extractive partnerships** | Advance equity ownership and revenue-sharing arrangements in forestry operations (e.g., mills) | Industry | Governments (enabling) | Partnership design | Medium- to long-term |
| | Create clear pathways for Indigenous businesses to move into prime contractor roles | Forestry industry | Indigenous businesses | Contracting strategies | Medium-term |
| | Regularly review and evolve long-term partnerships to avoid dependency or stagnation | Industry; Indigenous Nations | Governments (enabling) | Relationship governance | Ongoing |

## 5.3 Implications for NRCan: Where Federal Action Matters Most

While forestry tenure and operations are primarily provincial/territorial, NRCan plays a pivotal role as a convener, funder, standard setter, and evidence partner. Based on the solutions above, four priority implications stand out.

**1. Procurement & Payment Leadership (federal family + influence on Crown corporations and primes).**

NRCan can set the bar for plain-language RFPs, Indigenous weighting by contract value, 15–30-day pay terms, and mobilization advances in its own procurements and in federal contribution agreements. Model clauses and a department-wide Indigenous Procurement Playbook can be shared with provincial partners and industry associations.

**2. Program Design for Capital and Compliance.**

Through IFI and sister programs, NRCan can expand nonrepayable/patient capital for equipment and retrofits and fund first-time compliance costs (e.g., safety certifications) for Indigenous suppliers entering forestry supply chains. Co-developing assignment-friendly financing templates with Indigenous financial institutions will reduce lender risk while avoiding overcollateralization of Indigenous firms.

**3. National Evidence, Measurement, and Learning.**

NRCan can anchor a minimal KPI set (see below) to track value, capability, and decision rights, not only spend or headcount. Publishing an annual dashboard with provincial/industry partners will normalize transparency and help the field learn faster from what works.

**4. Tables that Enable Co-Decision.**

NRCan can support the design and scaling of joint review tables (with provinces and Nations), develop model terms of reference, and fund the capacity needed to make co-decision bodies functional. While provinces hold tenure levers, the federal role in reconciliation and climate stewardship justifies and requires federal support.

## 5.4 Measuring What Matters: A Minimal KPI Set

To keep the system honest and learning oriented, leaders need a short list of indicators that are easy to collect, comparable across regions, and meaningful to Indigenous businesses and communities.

**Economic & Market Access**

- Indigenous procurement value (absolute and percent of total) by contract tier (prime vs. sub)
- Average payment cycle (days) and percent of contracts with mobilization
- Number and value of equity partnerships with Indigenous ownership

**Capability & Workforce**

- Number of Indigenous firms qualifying through phased/portfolio experience routes
- Apprenticeships: starts, completions, and 12-month retention
- Compliance onramp: # of first-time certifications funded/reimbursed

**Governance & Decision Rights**

- Indigenous-held tenure (hectares)
- Number of co-decision tables operating (used where Indigenous-held tenure is not practical, not the preferred solution, or serves as a transition toward Indigenous-held tenure)
- Indigenous weighting applied in procurement (Yes/No) and how measured (value vs. head count)
- Commitments met: percentage of engagement/consultation commitments completed on time

**Stewardship & IK Integration**

- Cultural feature identification: number of projects using Indigenous-led CFIs and percentage of design changes made based on findings
- Innovation: number of Indigenous-led biomass/biochar/conservation pilots reaching commercial stage

**Data discipline:** Report these quarterly for internal management, annually for public transparency. Where feasible, disaggregate by region and sub-sector to support targeted improvement.

# Conclusion

This report set out to shift the conversation on Indigenous participation in Canada's forestry sector from problem identification to practical action. The evidence confirms that the barriers documented in the earlier phase of this research, limited access to opportunities, capital, procurement pathways, and decision-making authority, remain real. However, it also confirms that solutions are not speculative. They are already being applied, unevenly but effectively, across jurisdictions and business contexts.

The integrated solutions presented here demonstrate that meaningful Indigenous participation is most likely when responsibility is aligned with authority. Governments shape tenure, funding, and procurement rules. Forestry companies design contracts, payment terms, and partnership structures. Indigenous Nations and businesses bring land-based knowledge, governance capacity, and entrepreneurial expertise. Progress accelerates when each actor focuses on what they control, rather than expecting Indigenous businesses to adapt to systems not designed for them.

The solutions summary table consolidates these findings into an actionable framework. It links each persistent barrier to specific wise practices, identifies the intended audience responsible for implementation, and distinguishes quick-win process changes from longer-term structural reforms. In doing so, it provides a practical reference for policy makers, program designers, and industry leaders seeking to translate reconciliation and sustainability commitments into day-to-day decisions.

Several themes cut across all solution areas. First, relationship-first engagement is not a precursor to economic participation; it is an enabling condition. Second, procurement and payment design are among the fastest ways to produce real economic outcomes. Third, workforce development and capacity building require shared responsibility and sustained investment. Fourth, Indigenous Knowledge integration and access to tenure are essential not only for reconciliation, but also for the long-term resilience of Canada's forests in the face of climate change. Finally, partnerships endure when they distribute value and authority, not just risk.

These findings are directly relevant to Natural Resources Canada's mandate to support sustainable forest management, advance reconciliation, and strengthen the forest sector's economic resilience. By grounding future policy and program decisions in the wise practices identified here, NRCan and its partners can help ensure that Indigenous businesses are not peripheral participants in forestry, but central contributors to its future.

The challenge ahead is not a lack of solutions, but the discipline to apply them consistently, measure their impact, and adapt as conditions change. This report provides a foundation for that work.

### POTENTIAL AREAS FOR ONGOING WORK AND FUTURE PROJECT DEVELOPMENT

The solutions identified in this report indicate that advancing Indigenous business participation in the forestry sector is not a one-time intervention, but an ongoing process requiring sustained coordination, learning, and adaptation. While many wise practices can be implemented immediately, others require iterative development, cross-jurisdictional alignment, and continued engagement with Indigenous Nations, industry partners, and provincial and territorial governments.

Rather than prescribing a fixed implementation timetable, this section outlines potential areas of ongoing work that could form the basis of a new or extended project supported by Natural Resources Canada. These areas are framed to support adaptive delivery, allowing approaches to be tested, refined, and scaled as conditions evolve.

### STRENGTHENING PROCUREMENT AS A SYSTEMIC LEVER

Procurement emerged as one of the most effective and controllable levers for increasing Indigenous business participation. Ongoing work could focus on developing, piloting, and refining Indigenous inclusive procurement approaches that can be applied consistently across federal programs and encouraged among provincial partners and industry purchasers. This may include testing model clauses related to value-based Indigenous participation, phased experience requirements, mobilization payments, and shortened payment terms.

A future project could support structured learning across departments and sectors by documenting results, identifying trade-offs, and translating lessons into practical guidance. Over time, this work could help establish more consistent procurement practices that convert policy intent into reliable market access for Indigenous businesses.

### IMPROVING ACCESS TO CAPITAL THROUGH PRACTICE-BASED FINANCING MODELS

Although access to capital remains a persistent barrier, the research identified financing approaches that are already working in some contexts and could be further developed. Ongoing work could focus on strengthening Indigenous forestry appropriate financing models, such as patient capital for equipment and retrofits, assignment-based lending tied to secured work, and blended finance structures involving public and Indigenous financial institutions.

Future work in this area could bring together program designers, Indigenous lenders, mainstream financial institutions, and Indigenous businesses to identify where policy adjustments or risk-sharing mechanisms would improve capital flow without increasing financial vulnerability. This would be particularly relevant given market volatility and climate-related disruptions affecting forestry operations.

### ADVANCING WORKFORCE AND CAPACITY PATHWAYS

Workforce and capacity constraints are structural challenges that require sustained effort. Follow-on work could focus on developing more integrated approaches to training, credentialing, and employment that align public investment with real labour demand in Indigenous forestry businesses. This may include coordinated support for paid apprenticeships, wage and retention incentives, and flexible credential recognition.

A future project could also examine where regulatory or institutional barriers slow Indigenous workforce participation and explore options for increasing flexibility while maintaining safety and labour standards. Importantly, workforce strategies would need to remain aligned with Indigenous community priorities and regional realities.

### SUPPORTING GOVERNANCE INNOVATION AND SHARED DECISION-MAKING

Expanded Indigenous participation in forestry is most durable where governance structures allow for shared authority and transparency. Ongoing work could focus on supporting the development and refinement of co-decision and joint review mechanisms between governments and Indigenous Nations, including clarifying roles, mandates, and capacity requirements.

Future project activities might include documenting existing models, developing practical resources such as terms of reference and data-sharing protocols, and identifying the conditions under which these arrangements are most effective. Supporting this work could help reduce fragmentation and increase predictability in forestry decision-making.

### DEEPENING INDIGENOUS KNOWLEDGE INTEGRATION AND INNOVATION

Indigenous Knowledge integration is an ongoing practice rather than a discrete activity. Future work could support Indigenous-led approaches to embedding knowledge systems and stewardship principles into forestry planning, monitoring, and innovation. This may include cultural feature identification processes, stewardship-based management models, and innovation pathways such as biomass, biochar, and conservation-linked economic activities.

Ongoing efforts in this area would need to respect Indigenous protocols for knowledge protection and use, while ensuring that policies and programs provide sufficient flexibility to support Indigenous-defined priorities.

### ESTABLISHING A SHARED MEASUREMENT AND LEARNING FRAMEWORK

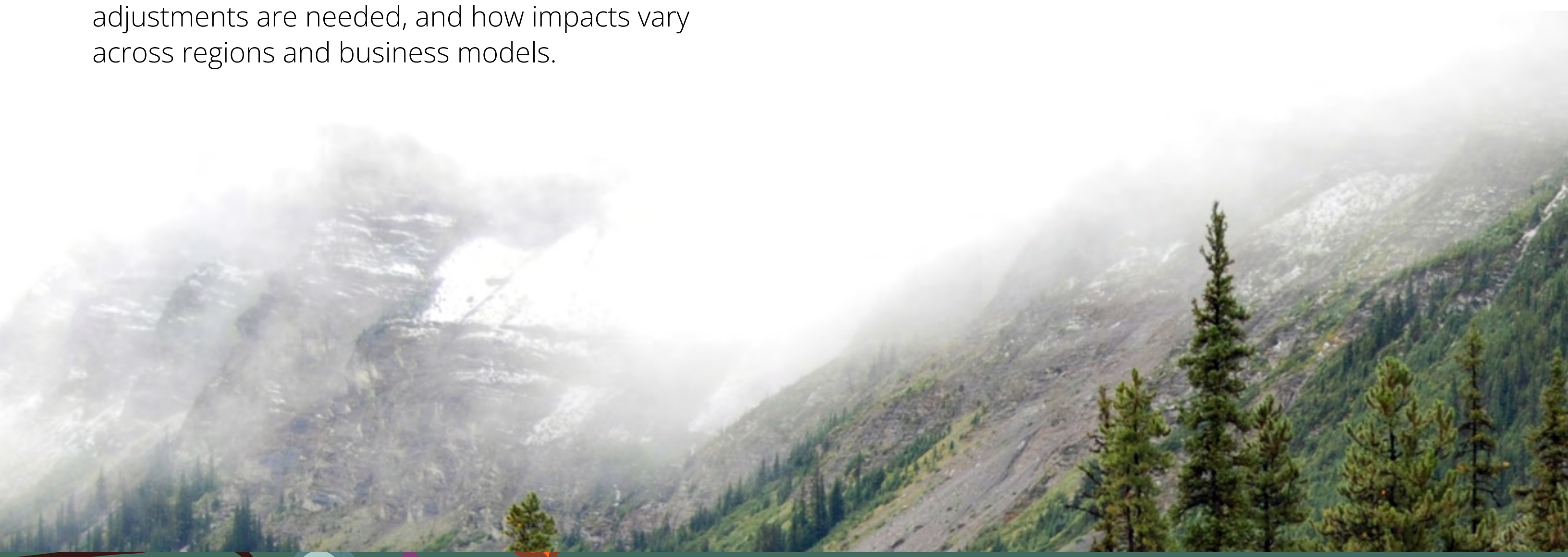
Finally, effective implementation depends on the ability to measure outcomes and learn from experience. Ongoing work could focus on developing a shared measurement framework that tracks economic participation alongside capability development, decision-making authority, and stewardship outcomes.

Rather than serving primarily as a compliance tool, such a framework could support continuous learning by helping governments, industry, and Indigenous organizations assess what is working, where adjustments are needed, and how impacts vary across regions and business models.

### POSITIONING FUTURE WORK AS PARTNERSHIP-BASED LEARNING

Across all thematic areas, a consistent lesson from this research is that durable change requires partnership-based learning. Indigenous Nations and businesses are not simply recipients of improved policies and practices; they are co-designers of systems that work. Framing future work as an ongoing, collaborative process creates space for experimentation, reflection, and adaptation, while avoiding rigid models that fail to account for local context.

By investing in these ongoing work areas, NRCan and its partners can build on the solutions identified in this report and support long-term, Indigenous-led participation in a forestry sector increasingly shaped by reconciliation, sustainability, and climate resilience.



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# Appendix

# Indigenous Interview Guide

1. Can you please take a moment to describe your business, some of the primary activities, and what industries or sectors you operate in?
    - Ownership: One owner/Partners (how many)/Shareholders?
    - Years in business?
    - Industry/Sector?
    - # Employees?
    - Annual sales?

2. In your opinion, what strategies or business techniques are currently working for you related to supporting Indigenous business engagement in the forestry sector?
    a. Follow-up: What types of supports or best practices have you valued in supporting your engagement in the forestry sector?

3. What would you recommend, or like to see more of, related to best practice for supporting Indigenous businesses in your part of the forestry sector?
    a. Follow-up: Are there any gaps? How should they be addressed?

4. What are some best practices for establishing relationships/partnerships between Indigenous and non-Indigenous forestry companies? (Open communication, co-management, meaningful partnerships)
    a. Follow-up: How can things be improved?

5. What challenges do you face related to engaging in the forestry sector? (E.g., Regulatory compliance, finance, land tenure, systemic barriers, use of technology and innovation, geography, infrastructure, hiring and retention, trade and export, procurement, IP, etc.)
    a. Follow-up: Are there any that are specific to being an Indigenous business?
    b. SKILLS: Have you experienced specific challenges with skills and training?

6. How do government policies, rules, and regulations affect your engagement in the sector? (i.e., Carbon pricing, sustainability incentives/carbon credits, support for Indigenous businesses, grants, FTAs, etc.)
    a. Follow-up: How have movements towards sustainability and ESG impacted your business?

7. Are there opportunities in the forestry industry that you have not yet pursued? Why or why not?
    a. Follow-up: What might need to change to allow you to explore new business or professional development opportunities?
    b. Have you engaged in government or corporate procurement/supply chain opportunities?
    c. Follow-up: If yes, was this direct procurement or as a subcontractor?
    d. Follow-up: If yes, what is the average size of these contracts? What was the largest?
    e. Follow-up: If yes, how has procurement impacted your business?
    f. Follow-up: If no, what factors have prevented you from engaging in procurement or supply chain opportunities?
    g. SKILLS: What supports, training, or skills development-related services do you feel are most valuable for Indigenous businesses seeking to engage with forestry procurement opportunities?

8. How familiar are you with IP protections (Trademarks, copyrights, patents, etc.)?
    a. Very familiar
    b. Somewhat familiar
    c. Not very familiar
    d. Not familiar at all
    e. Follow-up: Depending on familiarity, how has this impacted your business? Follow-up: Do you integrate TK in your business? If so, how do you integrate TK? What steps do you take to protect it?

9. Do you think that the ability of Indigenous companies to innovate and establish new products or services is supported adequately in this sector? If not, why and what needs to change?

10. If you could identify a first priority for changes to improve Indigenous businesses' engagement in the forestry sector, what would that change be, and how do you think it should be implemented?
    a. Prompt question: In your mind, what can government, corporations, or Indigenous organizations do to support this change?

11. What is your opinion on the role Indigenous Peoples and businesses should play in the management of forestry resources in Canada?
    a. Prompt question: How can engagement in the forestry sector impact Indigenous Peoples and communities?
    b. Prompt question: How can Indigenous communities, Indigenous organizations, corporations, and governments (federal or provincial) support these efforts?

12. SKILLS: What tools and supports have been helpful in increasing your engagement with the forestry sector?
    a. SKILLS: What training are you looking for? (general business or forestry-specific?)
    b. SKILLS: Where have you gone to access training and support?
    c. SKILLS: Who has provided you with this support? What Indigenous and non-Indigenous organizations are active in this space?
    d. SKILLS: Was there anything that worked particularly well? Explain.
    e. SKILLS: At what stage of business do Indigenous forestry businesses most require support (start-up, mid, late)?
    f. Are there any skills or training needs specific to each of these stages?
    g. SKILLS: What skills do your employees need? Are there any gaps?
    h. SKILLS: How responsive are programming, training, and skills development opportunities to the needs of Indigenous entrepreneurs working in the forestry sector?
    i. SKILLS: Are there any specific types of programming, resources, tools, or support offerings that are currently missing from the Indigenous forestry landscape that you feel would be valuable to Indigenous entrepreneurs in this sector?
13. What do you envision some of the future trends and realities related to your business in Canada's forestry sector?

## Non-Indigenous Interview Guide

- Can you describe some of the key activities under the purview of your role?
- How long have you been working in your current role?
- What prior experience or background do you have that helps you in your current role?

1. In your opinion, what strategies or business techniques are currently working related to supporting Indigenous business engagement in the forestry sector?
    a. Follow-up: What types of supports or best practices have you valued in supporting your engagement with Indigenous businesses in the forestry sector?
2. What would you recommend, or like to see more of, related to best practices for supporting Indigenous businesses in your part of the forestry sector?
    a. Follow-up: Are there any gaps? How should they be addressed?

3. What are some best practices that you have utilized or observed for establishing relationships/partnerships between Indigenous and non-Indigenous forestry companies? (Open communication, co-management, meaningful partnerships, equity partnerships)
    a. Follow-up: How can things be improved?
    b. Follow-up: Are there any specific challenges related to relationships and partnership development that you have encountered?

4. What challenges do you face related to engaging Indigenous businesses in the forestry sector?

5. How do government policies, rules, and regulations affect your engagement in the sector? (ie. Carbon pricing, sustainability incentives/carbon credits, support for Indigenous businesses, grants, FTAs, etc.)
    a. Follow-up: How have movements towards sustainability and ESG impacted your business and its engagement strategy with Indigenous businesses and communities?

6. What might need to change to allow you to explore new business opportunities with Indigenous firms and communities?

7. Have you engaged with Indigenous businesses in government or corporate procurement/ supply chain opportunities?
    a. Follow-up: If yes, was this direct procurement or as a subcontractor?
    b. Follow-up: If yes, what is the average size of these contracts? What was the largest?
    c. Follow-up: If yes, can you provide an estimate related to your Indigenous procurement spend (2023)?
    d. Follow-up: If no, what factors have prevented you from engaging with Indigenous businesses in procurement or supply chain opportunities?
    e. SKILLS: What supports, training, or skills development-related services do you feel are most valuable for Indigenous businesses seeking to engage with forestry procurement opportunities?

8. Do you think that the ability of Indigenous companies to innovate and establish new products or services is supported adequately in this sector?
    a. Follow-up: If not, why and what needs to change?
    b. Follow-up: How do you observe Indigenous TK or TCEs manifesting in the forestry sector?
    c. Follow-up: What are some of the potential benefits that including Indigenous TK In forestry operations provides to your activities?

9. If you could identify a priority for changes to improve Indigenous businesses' engagement in the forestry sector, what would that change be, and how do you think it should be implemented?
    a. Prompt question: In your mind, what can government, corporations, or Indigenous organizations do to support this change?

10. What opportunities do you see for increased inclusion for Indigenous Peoples and businesses related to engagement in the forestry industry and forestry management?

11. I would now like to ask some questions related to skills development, support, and resources necessary to ensure Indigenous success in the forestry sector:
    a. SKILLS: At what stage of business do Indigenous forestry businesses most require support (start-up, mid, late)?
    b. Are there any skills or training needs specific to each of these stages?
    c. SKILLS: What skills do your employees need? Are there any gaps?
    d. SKILLS: How responsive are programming, training, and skills development opportunities to the needs of Indigenous entrepreneurs working in the forestry sector?
    e. SKILLS: Are there any specific types of programming, resources, tools, or support offerings that are currently missing from the Indigenous forestry landscape that you feel would be valuable to Indigenous entrepreneurs in this sector?

12. As an industry leader, what do you envision some of the future trends and realities related to your business in Canada's forestry sector?