

2019 FNMPC ANNUAL REPORT

THE FIRST NATIONS
MAJOR PROJECTS
COALITION

DEDICATION

This Annual Report of the First Nations Major Projects Coalition is dedicated to the organization's members who have chosen to come together in unity concerning their business interests. It is through the action of working together that we will continue to better the economic and social standing for our communities and our people.

ACKNOWLEDGMENTS

The First Nations Major Projects Coalition would like to acknowledge the continued support of the First Nations Financial Management Board, in particular the Board's Executive Chair Harold Calla. The Coalition would also like to recognize the continued volunteer efforts of the Hon. Gerry St. Germain, P.C., for his assistance in helping to promote the values and objectives of the Coalition and its members.

Funding to support the Coalition's activities has been received from Natural Resources Canada Indigenous Partnerships West Office, as well as, the Province of British Columbia's Ministry of Indigenous Relations and Reconciliation and the BC Environmental Assessment Office.

CONTRIBUTIONS

The FNMPC would like to acknowledge the work of Four Directions Management Services as represented by Dan George and Kelly Mortimer for their assistance with the creation of this annual report. We also extend appreciation to Topshelf Creative for their graphic design and layout contributions to this report and a special acknowledgment to Drawing Change for their graphic illustrations located throughout this report.

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THE FIRST NATIONS MAJOR PROJECTS COALITION



Message from the Chair



Through the Coalition's work, we are empowering our communities with the knowledge and tools to chart their own path, make their own decisions, and continue to create their own success.

We must continue our efforts to create opportunities for Indigenous communities to get ahead and to start benefiting from the wealth that is being generated from our traditional territories. Creating these opportunities enables us to tackle head-on the historic barriers that have prevented our inclusion into the mainstream economy. It also enables us to influence the outcomes of development within our lands for the better.

As Chair of the Board of Directors for the First Nations Major Projects Coalition, I'm extremely proud of the work our organization has achieved in support of our members' abilities to make informed discussions regarding large scale development within traditional territories. The work of the Coalition continues to be recognized for its unique value and our continued growth in membership is a clear demonstration of this value.

Our Board is committed to ensuring that our organization's governance and objectives continue to meet the needs of our members at the community level. Member input and buy-in to the objectives and projects we seek to undertake is critically important to our continued success as a Nation-based, community driven organization.

Through the Coalition's work, we are empowering our communities with the knowledge and tools to chart their own path, to make their own decisions, and to continue to create their own success. The business information we provide is helping to increase the readiness of our communities for the next big projects that lay ahead, and it provides the ability for our members to respond to such opportunities in a manner that is designed to protect community interests while maximizing the economic benefits and social outcomes.

The heart of the Coalition is found in the strength our members provide by showing their continued willingness to work together. It is this spirit of collaboration that has united our interests and keeps us moving forward. The success the Coalition has achieved can be directly attributed to our members desire to do better and achieve more for their communities and their people.

This Annual Report is a showcase of their success.

Mussi!

Chief Sharleen Gale
Fort Nelson First Nation
Chair, First Nations Major Projects Coalition

EXECUTIVE DIRECTOR, NIILO EDWARDS

Message from the Executive Director

Supporting the needs of our members and their ability to make informed business decisions concerning development of projects within traditional territories is a top priority for the Coalition's technical team.

It is our focus to provide services to our members that meet the needs of their communities and help advance their project priorities. Our technical team is dedicated to helping advance these priorities in a way that leaves a lasting positive impact on communities by ensuring that we build business capacity, share knowledge, and develop meaningful tools for the future.

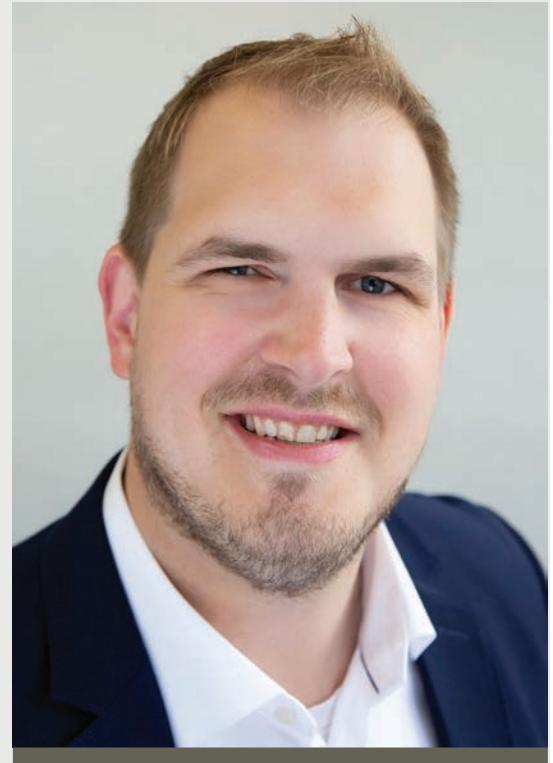
Over the past year we have taken on many projects and contributed to many areas of research including legislative and policy change at the provincial and federal levels. This work has led us to investigating models to project finance, building relationships with the banking sector, interfacing with infrastructure companies, and developing tools to ensure our members have baseline information available to assess the environmental impacts projects may have on the land.

The focus of the Coalition's technical service team will remain on providing our members with the most up to date information, tools, and resources that are available to us. We will continue to grow our knowledge base and expertise to match the complexity and volume of projects being advanced by our members.

Our long-term goals include the ability to provide our technical services to our members on a sustainable, efficient, and consistent basis over the years to come. The aggregation of our professional technical services that we offer to our members sets the Coalition apart as the only First Nation led member driven business capacity organization. It is because of the will of our members and their desire to achieve stronger economies that the Coalition's technical services are becoming known as a centre for the incubation of First Nations business opportunities.

Sincerely,

Niilo Edwards
Executive Director



DIRECTOR OF OPERATIONS, ANGEL RANSOM

Message from the Director of Operations

What started in 2013 as a group of 10 BC First Nations looking to work together to better understand topics such as how a Major Projects ownership approach might work, in understanding how a federal loan guarantee might be used to access capital in order to purchase equity, all while ensuring we have an active role in protecting our territories from cumulative project impacts through a common approach to environmental stewardship; has now grown into the First Nations Major Projects Coalition Society which is a community-based business capacity organization with 60+ First Nation members across this Nation. That's progress! I'm proud to say we're not just aiming to raise the bar in accessing better economic development opportunities and improving environmental stewardship -- we're actually doing it.

As the Director of Operations and Environmental Technical Lead to the First Nations Major Projects Coalition I have been responsible for direct oversight and management of the day to day operations of the Coalition. I have played a lead role in the work specific to the Environmental Stewardship Technical Team (as you will see highlighted later in this report), provided support and advice to the Board of Directors, and report to the Executive Director. This high-demand job has played a central part in ensuring the operations of the Coalition remain effective and responsive to the needs of our members.

Other key responsibilities have included:

- » The overall management and implementation of the Coalition's environmental technical work.
- » Working with the Executive Director to support the needs of the Board of Directors.
- » Providing direction and work planning to the Coalition's contractors.
- » Participating in Coalition financial matters and budget updates with the Executive Director.
- » Attend all Board of Directors meetings.
- » Working with the Executive Director, to co-develop the technical aspects of the Coalition's strategic plan for presentation to the Board of Directors.
- » Supporting the organization of outreach meetings with First Nations as required.
- » Identify opportunities and challenges to the Coalition's overall efforts and be proactive at providing solutions. Attend meetings with government and industry as required.

It's been a productive, busy year all thanks to the will and drive demonstrated by our Members to work together. I look forward to another exciting year. Together we are strong.

Angel Ransom, B.Pl, MCIP, RPP
Director of Operations and Environmental Lead



About the First Nations Major Projects Coalition

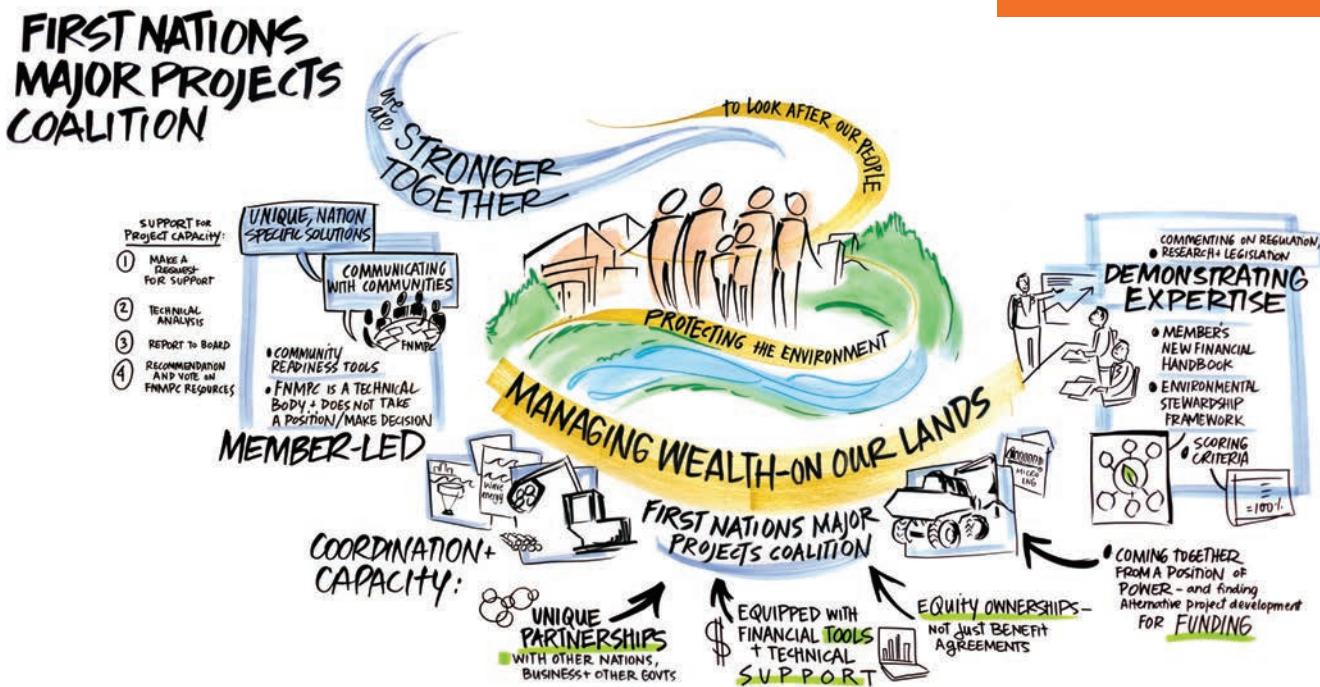
The **First Nations Major Projects Coalition** (“FNMPC” or “Coalition”) was established in October 2015 by First Nations that have chosen to work together because of major resource projects that are proposed for their territories.

The Coalition is an organization dedicated to the building of economic and environmental stewardship capacity of First Nations that are impacted by major project opportunities. The organization provides tools to support a growing membership of First Nations across 5 provinces and 1 territory. The Coalition also places a major emphasis around Indigenous equity ownership and management of projects aimed at building the kind of healthy, modern economies our communities need.

The Coalition is a non-political, First Nation led business capacity organization with a growing membership of over 50 First Nations nationally. The Coalition’s technical services are provided free of cost to First Nations. The Coalition is not industry or project specific in focus and supports the ability of its members, who retain the individual authority to make informed decisions concerning project opportunities.

OUR VISION

Member First Nations working collaboratively, cooperatively and cohesively towards the enhancement of the economic well-being of our respective memberships, understanding that a strong economy is reliant upon a healthy environment, supported by vibrant cultures, languages and expression of our traditional laws.



As stated in the FNMPC Constitution, the purposes of the Society are to support our members to:

- a. Safeguard our air, land, water and medicine sources from the impacts of resource development by asserting its members' influence and traditional laws on environmental, regulatory and negotiation processes;
- b. Receive a fair share of benefits from projects undertaken in the traditional territories of its members; and
- c. Explore ownership opportunities of projects proposed in the traditional territories of its members.

FNMP Our Members

Currently, 57 members across 5 provinces and 1 territory have formalized their participation in the business of the Coalition:

- » Gitsegukla Chiefs (2 Chiefs)
- » Lake Babine Nation
- » Cheslatta Carrier Nation
- » Nadleh Whut'en
- » Nak'azdli Whut'en
- » Stellat'en First Nation
- » Takla Lake First Nation
- » Kitselas First Nation
- » Skin Tyee First Nation
- » Gitsegukla First Nation
- » Suskwa Chiefs (8 Chiefs)
- » Wet'suwet'en Matrilineal Coalition (5 Chiefs)
- » Burns Lake Band
- » Yekooche First Nation
- » Tahltan Central Government
- » Nazko First Nation
- » Lheidli T'enneh First Nation
- » Chee Xial Taaiixou
- » Fort Nelson First Nation
- » Gitanyow Band Council
- » Saik'uz First Nation
- » Gitxsan Govt Commission
- » Tkémlups te Secwepemc
- » Iskut First Nation
- » Kaska Dene Council
- » Kispiox Band Council
- » Chippewas of the Thames First Nation
- » Okanagan Indian Band
- » Chipewyan Prairie First Nation (Alberta)
- » House of Delgamuukw
- » Moosomin First Nation
- » Norway House Cree Nation
- » Xat'sull Development Corporation
- » Lax Kw'alaams First Nation
- » Kitwanga Band Council
- » Thunderchild First Nation
- » Acho Dene Koe Development Corporation
- » Fox Lake Cree Nation of Manitoba
- » Tsideldel First Nation
- » Upper Skeena Watershed Chiefs
- » Wet'suwet'en First Nation (Bromant Lake)

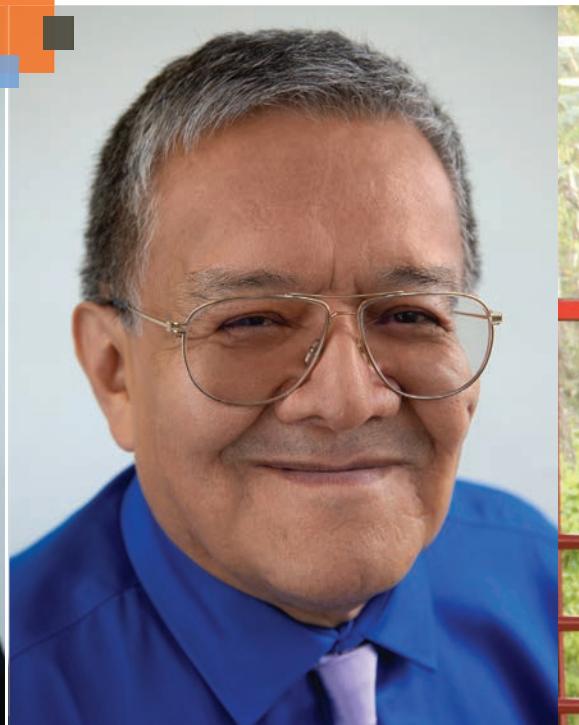
Board of Directors



Chief Sharleen Gale, Chair
(Fort Nelson First Nation)



Chief Corrina Leween, Vice-Chair
(Cheslatta Carrier Nation)



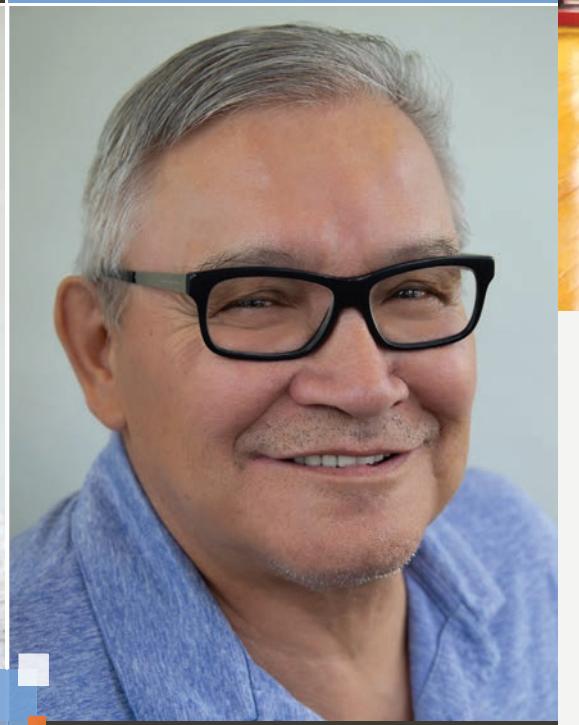
Chief Willie Blackwater, Treasurer & Director
(Gitsegukla Band Council)



Chief Priscilla Mueller, Director
(Saik'uz First Nation)



Councillor Savana Walkingbear, Director
(Thunderchild First Nation)



Maxwell Stevens*, Director
(Kispiox Band Council) *Term Ended in 2019

Technical Team



PROJECT CAPACITY SUPPORT

Mark Podlasly
Jason Calla
Dillon Johnson
Delbert Nattrass
Barry Vickers
David Luggi
Stephen Lidington (PwC)
Vinny Minett (EY)
David van Hemmen

ENVIRONMENTAL STEWARDSHIP

Alistair MacDonald (Firelight Group)
Trefor Smith (Firelight Group)

FACILITATION AND COMMUNICATIONS

Dan George (FDMS)
Kelly Mortimer (FDMS)

COMMUNITY ENGAGEMENT

Theresa Tait Day

Economic Participation and Project Capacity Support

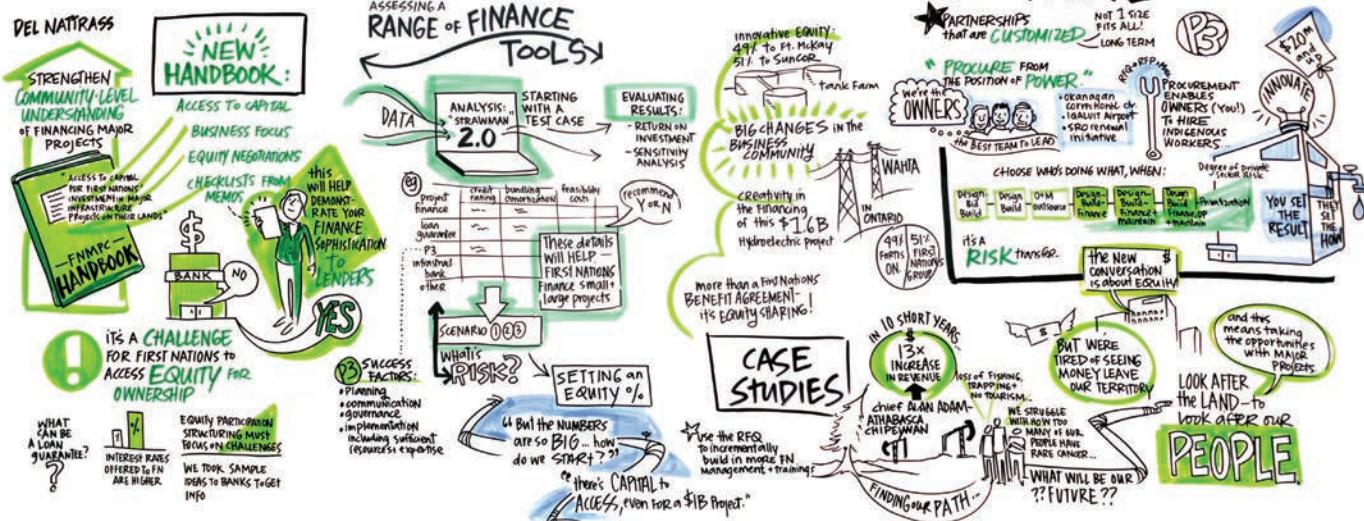
Through its Economic Participation and Project Capacity Support initiatives, the Coalition is working to support First Nations in overcoming barriers to accessing capital and increasing understanding of business opportunities and the steps necessary to achieve success. The FNMPC is developing tools and options in the areas of access to capital, benefit sharing, and wealth management for First Nations to consider when looking into economic participation in major projects. We also respond to requests from First Nations seeking help in dealing with major projects by performing major project assessment and delivering direct capacity support.

Over the course of this past year, the FNMPC has completed significant work to advance First Nations economic participation in the following key areas:

1. Providing Project Capacity Support at the request of our members;
2. Leading research on the role of Indigenous People in major project development and the paths for Indigenous participation in electricity infrastructure;
3. Undertaking Community Readiness Assessments to provide an idea of the degree of major project capacity support that a member community of the Coalition could benefit from;
4. Conducting a “Strawman 2.0” analysis to explore how First Nations could access capital for a major resource project; and,
5. Completing an “Ownership Model Handbook” to assist our members with project ownership and accessing capital for investment in major infrastructure projects occurring on their lands.

FIRST NATIONS MAJOR PROJECTS COALITION

ECONOMIC PARTICIPATION



Project Capacity Support

Project capacity support services is a core function of the FNMPC's service delivery and is guided by the member-adopted Project identification and Capacity Support Criteria. During 2018-19, the FNMPC received requests from member First Nations for capacity support. FNMPC's project capacity support is wide ranging and can be offered on many levels depending on the needs of the project and the First Nations involved. The table below describes the project and the status of the capacity support being provided.

PROJECT DESCRIPTION	IMPACTED FIRST NATIONS	STATUS
Sale of equity in the Coastal Gas Link LNG Pipeline	Up to 20 First Nations	FNMPC received initial requests from First Nations to provide capacity in February 2019. Support is ongoing to assist Nations in purchasing equity in the project.
NeToo Hydropower Project (formerly Kenney Dam Water Release Facility)	Up to 4 First Nations	Capacity support is ongoing to assist the pre-feasibility work on the project.
Prince George to Kitimat Transmission	Up to 16 First Nations	FNMPC has been requested to explore this project opportunity in its early stages with a variety of stakeholders.
Trans-Mountain Pipeline	3 requesting First Nations	FNMPC has been asked to research a range of options for First Nation participation and to provide analysis on the project's economic viability. This work is on hold pending further actions by the federal government to divest the asset.

Indigenous Ownership in Electricity Infrastructure

The Role of Indigenous People in Major Project Development: Paths for Indigenous Participation in Electricity Infrastructure

The report, The Role of Indigenous People in Major Project Development: Paths for Indigenous Participation in Electricity infrastructure, was prepared by the First Nation Major Project Coalition (MPC) for submission to the British Columbia Utilities Commission (BCUC) Indigenous Utilities Regulation Inquiry. The Inquiry is examining the role First Nations might play in providing electric utility services and in regulating Indigenous-owned utilities with the province. MPC Executive Director and MPC Economic Technical Lead Mark Podlasly presented the paper to the BCUC at a public hearing in Victoria, BC on July 4, 2019.

The report highlights the growing world examples of Indigenous ownership in major projects including includes energy generation, transmission and distribution networks, oil and gas pipelines, mines and ancillary operations, transportation routes, or other projects.

The report includes information on over 60 Indigenous and local community-owned electric generation, transmission and distribution projects. The Indigenous equity ownership models highlighted in the paper include utility-related questions that require further investigation to fully understand how these examples could be adapted by governments and First Nations for use in Canada.

The intent of the report is to:

1. Highlight how, over the past 70 years, Indigenous people worldwide have started to pursue equity ownership of major projects and infrastructure;
2. Illustrate the ways that Indigenous people are capitalizing on policy and societal changes to pursue their interests, and;
3. Emphasize specific electrical infrastructure ownership examples for possible use by Canadian governments and First Nations.

BACKGROUND

Many Indigenous nations – once relegated to minor roles in project development on their own lands – are increasingly becoming equity owners in projects impacting their territories. Equity ownership of resource and infrastructure projects is increasingly seen by Indigenous people as a means to pro-actively exercise their rights, protect community interests and share to the economic benefits derived from their territories.

Consistent with global examples of Indigenous project engagement, this new normal has been fueled by a growing desire of Indigenous nations to be part of all aspects of resource development in their traditional territories.

The report states that the two main drivers for this growth are:

1. The increased global demand for raw materials and clean energy, and;
2. Indigenous nations' interest in acquiring equity positions in infrastructure for long-term revenue streams.

REPORT SECTION ONE:

REASONS FOR INDIGENOUS PARTICIPATION IN DEVELOPMENT PROJECTS

The first section of the report is an overview of the decades-long process that seen Indigenous people seek greater involvement in all aspects of infrastructure and major projects occurring in their traditional territories.

The section highlights how the ability of companies, governments, and investors to dictate terms of development in Indigenous lands is changing. Indigenous populations have found new ways to impact, intervene and in an increasing number of cases, have ownership, in pipelines, mines, energy generation, transmission and distribution systems and related infrastructure.

Court decisions favorable to Indigenous rights, increasing availability of legal and technical resources, changes in societal attitudes, the United Nations Declaration of the Rights of Indigenous People (UNDRIP), and the rise of internet-supported activism and knowledge sharing have changed how Indigenous populations worldwide envision their role in their host countries and states.

Capitalizing on these changes, there has been an incremental increase in Indigenous influence and leadership on large capital and infrastructure projects through negotiated participation agreements (e.g. Impact Benefit Agreements) with companies and governments.

The section outlines how Indigenous people worldwide have increased their participation in projects from initial environmental advising and employment participation, through to negotiating equity stakes and leveraging financing options for projects.

SECTION TWO:

ELECTRICITY INFRASTRUCTURE – INDIGENOUS APPLICATION EXAMPLES

Section two of the report highlights global trends of Indigenous participation specifically in electricity infrastructure. The report details 60+ examples of Indigenous and locally-owned examples of electricity infrastructure from around the world.

A number of the examples are presented as case studies for possible use in a Canadian context. These examples are divided into the categories of co-ownership, generation, transmission, and distribution.

FULL REPORT

The full report can be downloaded from the FNMP website at the following link: <http://www.fnmpc.ca/core-documents-1>

Community Readiness Assessment

The Coalition regularly carries out survey and evaluation exercises with our members, and in 2018-19 we completed a comprehensive community readiness assessment exercise. To carry this out, the Community Readiness Assessment questionnaire was developed to help characterize a First Nation's capacity to review a major project proposed in their territory. The document is intended to provide an idea of the degree of major project capacity support that a member community of the Coalition could benefit from. The assessment tool was designed to apply to both elected and hereditary structures, and included questions in the following areas:



Overall, readiness assessments from a total of eighteen (18) First Nation communities were submitted and comprised of a range of governance systems (elected and hereditary), size, and experience in working with major project development in their territories. Some of the results of the readiness assessment exercise are shown below:

» CAPACITY VARIES GREATLY ACROSS COMMUNITIES, BUT MANY ARE STRUGGLING:

- 29% do not have a lands department or function;
- 50% do not have a Land Use Plan or environmental management tools;
- 63% do not have the expertise to participate in an Environmental Assessment ("EA") process;
- 63% do not have the funding to adequately operate a lands dept;

» REVIEW OF ECONOMIC COMPONENTS OF MAJOR PROJECTS VARY:

- 71% do not have the ability to hire experts to help review and analyze the economic components of projects;
- Some communities hire consultants as needed, but very often depends on capacity funding or own-source revenue, which are sporadic.

» PROJECT PARTICIPATION:

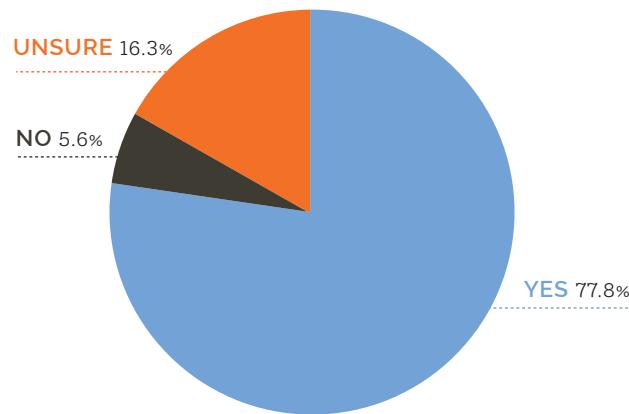
- 78% are interested in owning equity in major projects;
- 72% are interested in owning electric transmission infrastructure and are interested in participating in the establishment of a First Nation Utility Authority.

» ACCESS TO CAPITAL:

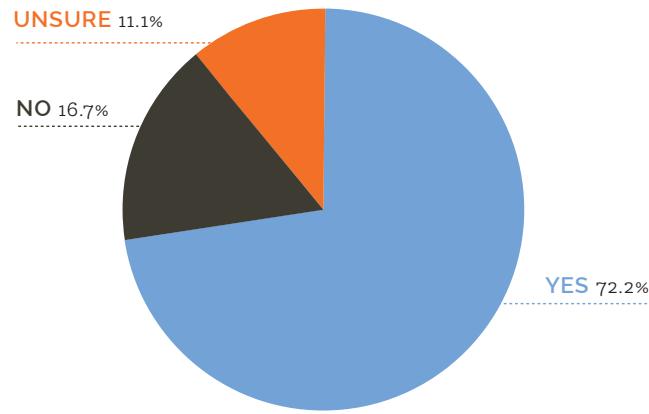
- 89% believe financial backing such as a loan guarantee would be required to obtain a meaningful equity stake in a project.

» COMMUNICATION & OUTREACH

Q: Is communicating with **industry** regarding major projects an area where your community needs capacity support?



Q: Is communicating with **government and government entities** regarding major projects an area where your community needs capacity support?



The final report titled, *“What First Nations Are Saying They Need to Improve Their Participation in Major Projects”* put forth a number of recommendations for the Province of BC, which funded the community readiness assessment exercise. The recommendations included:

- 1. The Province of BC should provide access to funding or revenues for First Nations communities to address needs at the community level, such as:**
 - a) Operating a lands management function;
 - b) Participating in EA and post-EA processes;
 - c) Carrying out land use planning exercises;
 - d) Developing decision-making protocols between elected and hereditary structures; and,
 - e) Communicating with community members, government and industry.
- 2. The Province of BC should fund the FNMPC to deliver identified areas of technical support at the request of First Nation communities:**
 - a) Building capacity across all areas of major projects
 - b) Assisting in EA and post-EA processes;
 - c) Economic analysis and due diligence on major projects;
 - d) Maximizing benefits and/or participation in major projects;
 - e) Understanding options for structuring their participation;
 - f) Understanding options for sharing of economic benefits among impacted First Nations; and,
 - g) Preparing information for and coordinating communications with decision-makers, community members, government and industry.
- 3. The Province of BC should work with the FNMPC to develop new programs to facilitate FN equity participation in major projects, including power transmission infrastructure.**
 - a) Specifically, the Province of BC should establish a loan guarantee program to provide access to capital for First Nation's to acquire equity in major projects.
- 4. The Province of BC should work with the FNMPC and interested First Nation communities in exploring the formation of a First Nations Utility Authority. There are examples that could be drawn upon of First Nation's coming together to explore ownership of transmission lines and the establishment of a power authority.**

Strawman 2.0

Strawman 2.0 was meant to explore how First Nations could access capital for a major resource project applying some of the ideas from recent projects and initiatives. For example, Kwagis Power, Tlicho Road, Watay Power, and the Fort McKay Tank Farm all included First Nation ownership in the transaction. An objective of this work was to determine if lessons from these projects could be applied to projects being considered by Coalition members.

Initially, Strawman 2.0 was an infrastructure project (i.e. hydroelectric) with assumptions about capital cost, the power that could be generated, the sales price for the energy, and the operations and maintenance costs. Throughout the year, other opportunities arose and two additional project scenarios were created including a pipeline project and a transmission line project.



Against these illustrative projects, several methods to access capital were analyzed including:

EXAMPLES OF METHODS



These methods were evaluated against criteria that included: credit rating, ability to support bundling, amortization and term, whether they would support feasibility costs, whether they could be used to support construction costs, and whether they could support operations and maintenance costs. This analysis informed discussion amongst FNMPC members and industry at small group discussions on March 4, 2019 in Prince George, BC.

Strawman 2.0 analysis and input from industry have informed FNMPC members that are working together to pursue ownership in real projects: a pipeline project, a hydroelectric project, and a transmission line project.

Ownership Model Handbook



Borrowing money to pay for equity in a project is very difficult. Most often the money for investment in equity cannot be borrowed unless the lender is provided with: other security, or a guarantee of governments or other credit worthy parties. If the money can be borrowed without providing the lender with the other security or a guarantee, the interest rate on the loan is likely to be high and the resulting profit to First Nations from the project small. Accordingly, the best approach for First Nations is likely to align their interests with the interests of project developers, governments, and lenders. Understanding the requirements of lenders of money and of potential guarantors of loans is necessary if First Nations are going to be successful in attracting capital for investment in infrastructure projects occurring on their lands. Much planning and help are going to be required.

In that regard the First Nations Major Projects Coalition mandated and approved the creation of an Ownership Model Toolbox containing the information that First Nations should have and be aware of when considering borrowing money for ownership in projects. That information has been collected and was presented to our members as the "Ownership Model Handbook".

The purpose of the handbook is to:

- Build and strengthen community level literacy concerning the economics of business opportunities and the corporate and governance structures required; and
- Provide Coalition members with a resource to help understand the steps involved in getting access to capital for the debt financing of: equity ownership in, or the development of, major infrastructure projects on their lands.

The handbook is a collection of memos describing project development and explaining financing requirements. The memos illustrate processes, conditions, timelines, and decisions that are likely necessary for a group of First Nations with a common interest to achieve financing to purchase an equity interest in, or develop a project, on their lands.

Environmental Stewardship

Members of the FNMPC have flagged time and again that a healthy economy needs a healthy land, and that First Nations people need both in lockstep in order to be healthy people. Participating members of the FNMPC have said: “We want an active role in protecting our territories from cumulative project impacts through a common approach to environmental stewardship.” This has led the FNMPC to develop an Environmental Stewardship Framework (ESF) that runs parallel to the economic mandate of the organization: to support member Nations in assessing major project specific effects, develop community capacity to engage in these assessments, and promote stewardship initiatives to protect and manage the land.

Over the course of this past year, the FNMPC has completed significant work to advance First Nations environmental stewardship in the following key areas:

1. Formally adopting the Coalition's Environmental Stewardship Framework;
2. Finalizing the Coalition's Major Project Assessment Standard;
3. Hosting and co-facilitating workshops for our members;
4. Engaging with Canada and BC in legislative and policy review processes for the new BC Environmental Assessment Act and the federal Impact Assessment Act; and,
5. Developing the Environmental Technical Advisory Committee.



Environmental Stewardship Framework

The Coalition's Environmental Stewardship Framework ("ESF") was developed using the broad Stewardship Vision developed by member Nations to support member Nations in accessing the tools they may need in ways that make a difference in protecting their lands, waters and way of life.



The Environmental Stewardship Framework includes six elements to support its mission:

1. Capacity training for member Nations so they can engage in major project assessment;
2. Expertise, available on-demand, to support member Nations in major project assessment;
3. Tools and methods for member Nations to access and use in major project assessment;
4. On-demand support for the development of Nation-specific assessment processes;
5. Support for member Nations in reviews and revisions to federal and provincial environmental assessment processes, policy and legislation; and,
6. The Major Project Assessment Standard - A set of membership endorsed principles, criteria and guidance on requirements for major project assessments

The Major Project Assessment Standard

“It is a tool that was developed at the request of our members to assist with building their local capacity needs, while upholding the principles of Free, Prior and Informed Consent by ensuring that what matters most to our respective Member communities is adequately assessed”

- **Chief Sharleen Gale,**
Coalition Chair

The Major Project Assessment Standard (“MPAS”) - a culmination of more than three years of engagement, research, and drafting to establish project assessment standards developed by First Nations, for First Nations - was approved by the Coalition Caucus on March 25th, 2019. The MPAS identifies members’ expectations for assessment of environmental effects of major projects, including 9 principles and over 100 specific criteria to ensure First Nations can make informed decisions regarding the development of major infrastructure, energy, and resource projects.

The Major Project Assessment Standard raises the bar for meaningful inclusion of Indigenous Peoples in the assessment of major projects in Canada. It recognizes that our worldview, our knowledge base, is not just an input into project assessment, it needs to be one of the lenses by which decisions are made. This is the first major environmental tool we have developed for our membership, to go along with a suite of economic benefit maximization tools we have developed. Our members have insisted that environmental protection must go hand in hand with economic development; both are essential for any proposed major project.

The Major Project Assessment Standard is a tool that can be used by our members, other Indigenous groups, and industry and government. It is a tool best used in collaboration between two or more parties to make sure their relationship, and their assessment of change likely to occur from a project, are meeting indigenous expectations. Our members are already using this tool, in developing their own rules for environmental assessment and land use planning, in their engagement with industry and other levels of government, and even to develop their own proposed projects.



BACKGROUND CONTEXT ON THE MAJOR PROJECT ASSESSMENT STANDARD

Coalition members had expressed concerns about the inadequate focus of federal and provincial environmental assessment processes for major projects on the concerns of First Nations' communities; the MPAS is in direct response to these concerns. The member Nations have agreed that it is no longer acceptable to have the requirements of major project assessments largely determined by the Crown and proponents of major projects. The stewardship and governance rights and responsibilities of First Nations – recognized by the United Nations Declaration on the Rights of Indigenous People, Crown commitments, and the customary laws of our people - demand the First Nations themselves identify applicable requirements.

The MPAS identifies members' requirements for assessment of environmental effects of major projects, including:

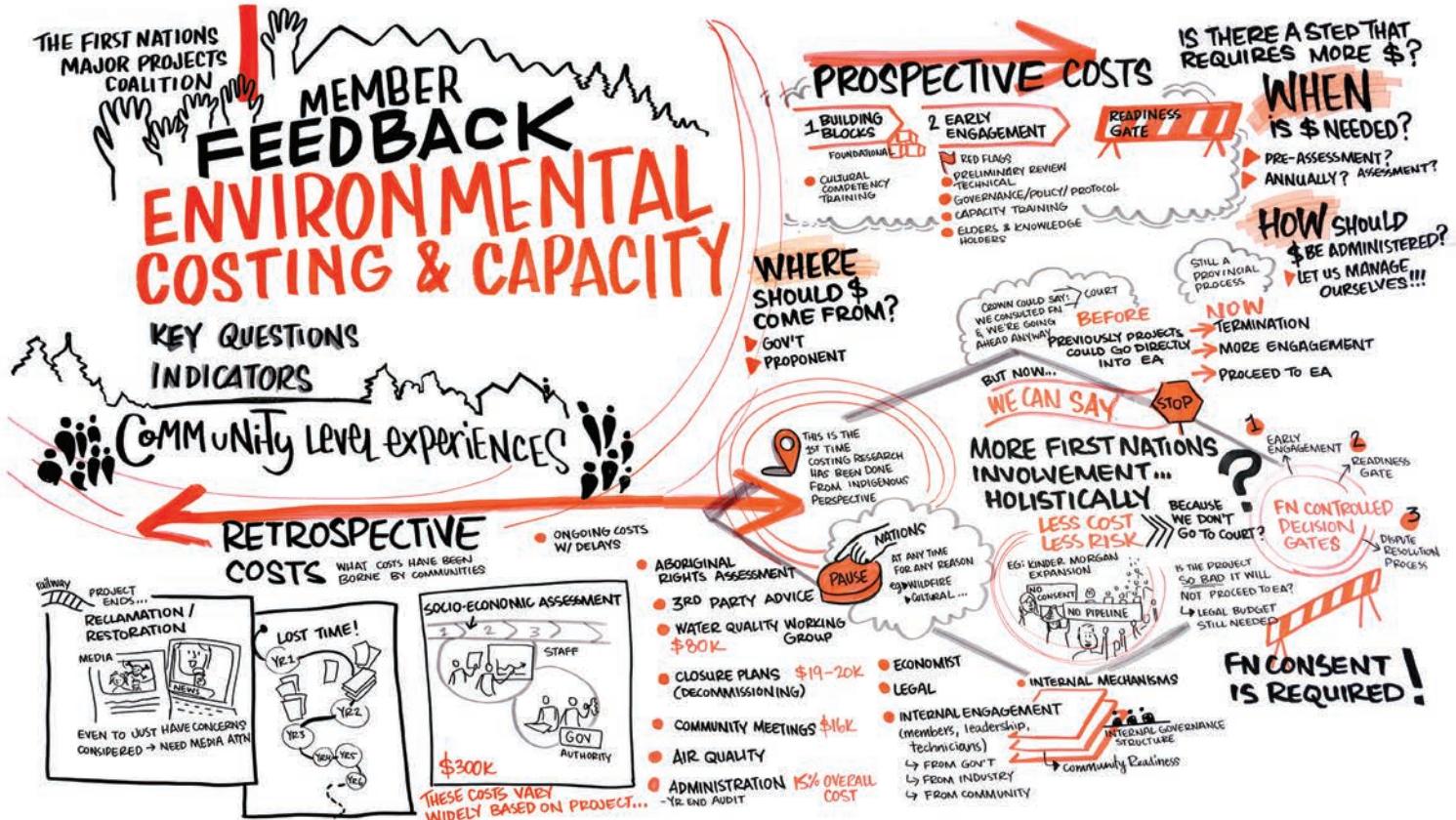
- Expectations Proponents of major projects will be held to; and
- Expectations for the conduct of Crown impact assessment processes.

The MPAS addresses engagement, funding, scoping, assessment, and other requirements. It recognizes that for our member Nations, the purpose of major project assessment is to protect the biophysical and human environmental resources relied upon by our member Nations for the meaningful practice of Aboriginal or treaty rights and exercise of title, and to promote Indigenous economic development and reconciliation.

The MPAS differs from other Canadian environmental/major project assessment guidance in that it was developed by and for affected First Nations, and it is explicitly designed to promote major project assessment conducted through an Indigenous worldview.

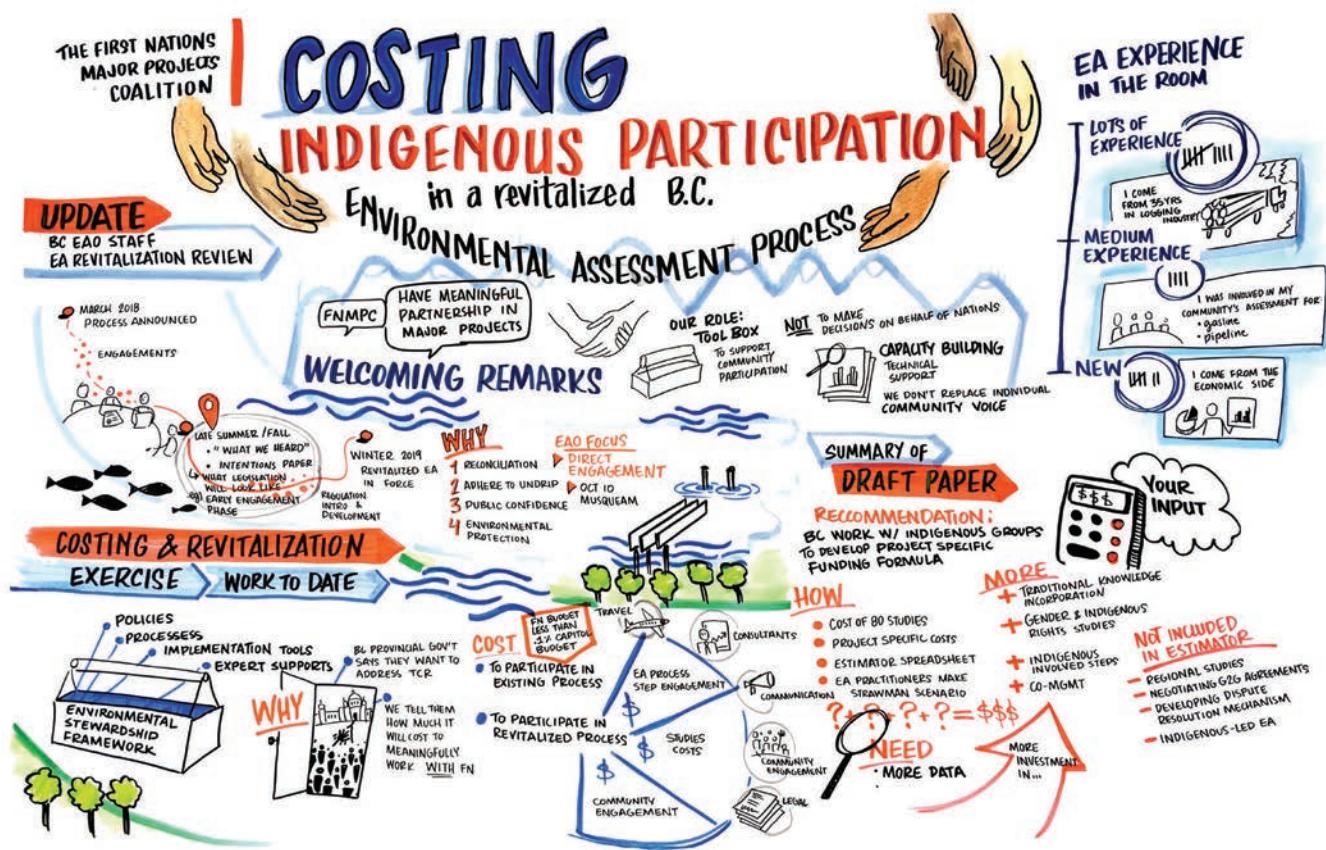


Environmental Stewardship Technical Workshops



In 2018/2019 the Environmental Stewardship Technical Team (“ESTT”) held Technical Workshops on the MPAS and in support of the Community Readiness Assessment, which included:

1. On September 17 and 18, 2018, the ESTT held the Environmental Assessment (“EA”) and Community Readiness Assessment Technical Workshops. Objectives for this Workshop included:
 - a. Present the FNMPC’s research and costing work concerning Indigenous capacity needs required for meaningful inclusion and participation in a new EA process;
 - b. Discuss the report on FNMPC’s findings with Members to seek feedback, input and ensure accuracy; and,
 - c. Receive an update from BC Environmental Assessment Office (“EAO”) staff on the status of the EA revitalization review.
2. On February 11, 2019 the ESTT also held a MPAS Environmental Technical Advisory Committee Workshop. Objectives of this workshop included:
 - a. Review feedback from the Committee on draft appendices to the Major Project Assessment Standard (forthcoming in fiscal 2019/20); and,
 - b. Final review of the Major Project Assessment Standard before it goes to Caucus.



The ESTT also held and/or participated in several other workshops throughout the year including workshops coordinated with legislative and policy reviews being undertaken by Canada and the BC government through 2018-2019. These workshops include:

1. **Presentations to the FNMPC Caucus**
 - June 25th, 2018 – The ESTT presented to FNMPC Members on the Environmental Stewardship Framework. The ESF was formally adopted by the FNMPC Members at this meeting.
 - November 19th, 2018 – The ESTT presented on the results of the Community Readiness Technical Workshop and provided an update on ESTT initiatives including the MPAS at the FNMPC Members Meeting.
2. **BC Legislative and Policy Review Workshops**
 - May 16th, 2018 – BC EA Process – Discussion on considerations in Indigenous Engagement.
 - June 25th, 2018 – ESTT provided an update to FNMPC members on the provincial environmental assessment revitalization process.
 - October 10th, 2018 – Supporting membership attending BC EA “Intentions Paper” Workshop.
 - February 12th, 2019 – Implementation of the New Environmental Assessment Act Workshop.
3. **Federal Legislative and Policy Review Workshops**
 - June 25th, 2018 – ESTT provided an update to FN MPC members on the Federal environmental regulatory review processes (4 key areas; Bill C-68; Bill C-69).
 - November 19-20th, 2018 – ESTT Co-Facilitated workshop with Canadian Environmental Assessment Agency Officials on the Impact Assessment Act.
 - May 15-17th, 2019 – Federal Impact Assessment and Bills 68-69 Indigenous Knowledge Policy Framework.

In addition to hosting and co-facilitating workshops, FNMPC also presented at the March 19th, 2019 Federal Capacity Workshop (CEAA).

ESTT Expertise on Demand

In 2018 and 2019, the ESTT made itself available to assist Member Nations in a number of ways:

- The ESTT has been and is available to meet with Member Indigenous Leadership and/or Staff in person or by teleconference call to discuss, and/or answer any questions Members may have in regards to the BC environmental assessment and federal Impact Assessment process changes.
- In January 2019, ESTT staff were able to provide support for 4 different Member nations in developing their applications for the Government of Canada's Development Of Policy And Guidance On The Proposed New Impact Assessment System Grant. This grant provides funding for Indigenous participation in the development of policy and guidance related to the new impact assessment system up to \$12,000.
- Upon approval of the MPAS, the ESTT has also made staff available to work with Members to understand what and how the tool may be used and will continue to be available to assist in this capacity into the future.

The Environmental Technical Advisory Committee

One of the key accomplishments this past year has been the development of the standing member's Environmental Technical Advisory Committee. The Environmental Technical Advisory Committee is a standing committee of experts from member Nations, who advise the Environmental Stewardship Technical Team in the development of tools, policies (like the MPAS), reports and other deliverables. A six-member committee was first struck by the Board in October 2018, and its Terms of Reference finalized in November 7th, 2018. This standing committee adds to community-level input and the credibility, expertise and accountability of the Coalition's environmental work.



Strategic Partnerships and Engagement

Part of the FNMPMC's mandate is to act as a convener of relationships between our members, industry, government, and the financial sector. Throughout 2018-2019, the FNMPMC advanced this agenda by participating in major national conferences, appearing before parliamentary committees, meeting with government, and engaging with the private sector all in an effort to build stronger relationships in order to assist our members.

Below are some highlights of this work over the past year:

- April 2018: Vice Chair Chief Corrina Leween appeared before the Standing Committee on Indigenous Affairs to provide evidence of FNMPC's work on advancing the principles of the United Nations Declaration on the Rights of Indigenous Peoples.
- June 2018: FNMPC invited the President of the Canadian Council for Aboriginal Business, JP Gladu, out to address a meeting of Coalition Members
- November 2018: FNMPC holds a "Market Sounding" on a hydroelectric project in front of a packed business audience at the annual Canadian Council for Public Private Partnerships Conference in Toronto, Ontario.
- December 2018: FNMPC holds a roundtable session at the Institute on Governance in Ottawa with senior federal government officials and members of industry to promote the Coalition's objectives.
- March 2019: FNMPC hosts an industry engagement event at its members meeting in Prince George where over 30 industry representatives from a variety of sectors attend.



MOU with the BC Assembly of First Nations

On March 15th, 2019, the British Columbia Assembly of First Nations and the First Nations Major Projects Coalition Society entered into a Memorandum of Understanding concerning efforts to advance the business capacity of the organization's respective First Nations membership.

Under the terms of the MOU, the BCAFN and the FNMPC have agreed to collaborate on their respective business capacity efforts to the benefit of their members, work together to advance major project opportunities that may be of mutual interest to their members, and agree to work together to advocate on matters of public policy that align with the interests and mandates of the respective organizations.

"The MOU signing marks an advancement in the ability of First Nations to work together on common interests. I have always believed that First Nations are stronger when we work together to advance the interests held by our members, and to be better positioned to make business decisions regarding the economic activity taking place within our traditional territories" - Coalition Chair Sharleen Gale.

"This commitment works to foster a spirit of cooperation and focus as we all move toward tackling economic, political and social challenges facing BC First Nations. We must intensify and continue the important work to support and grow First Nations' innovation and clean projects that are developed in their communities and traditional territories. Sustainable prosperity that respects First Nations rights can be made attainable for everyone." - BC Regional Chief Terry Teegee

Moving forward, BCAFN and FNMPC will use the MOU as a basis upon which to determine avenues of collaboration between the two Indigenous organizations with a focus on advancing the interests of their respective members.



ABOUT BCAFN

The BCAFN is a Provincial Territorial Organization (PTO) representing the interests of 203 First Nations in BC. Part of the BCAFN mandate is to develop and promote policies and resources for the benefit of First Nations people in BC including but not limited to economic, social, education, health, and cultural matters, and to work in collaboration with other organizations that promote the Rights and interests of Indigenous peoples.

MOU with the Indian Resource Council



On May 23rd, 2019, the Board of Directors of the Indian Resource Council (IRC) and the First Nations Major Projects Coalition signed a memorandum of understanding to support their members interests.

The purpose of the MOU is to better position their member First Nations to make informed business decisions in major capital projects such as infrastructure, transportation and energy initiatives. IRC and FNMPC intend to work together to ensure that their member First Nations have access to technical skills, capital and other resources to evaluate, participate, and have ownership in selected projects that are equitable and mutually beneficial to the economies of First Nations and Canada.

"This MOU signing represents a historic development in our ability as Indigenous people to come together from different regions and exercise our interests and build capacity around the business decisions we need to make regarding development in our territories. The narrative in Canada has to change and today we have committed to take our tools and best practices and share them with one another across provincial boundaries." - Coalition Chair Sharleen Gale.

According to Wallace Fox, Chairman of the IRC Board: "This MOU is an important step towards harnessing our collective strength as First Nations peoples to secure economic benefits associated with major projects for the benefit of those that we serve. There is synergy in our respective mandates; we want to exploit this opportunity to move forward in a good way".

Moving forward, the IRC and FNMPC have committed to a coordinated approach to working together in order to address capacity requests from First Nations requiring access to sustained tools and best practices regarding major resource and infrastructure development.

ABOUT THE IRC

The Indian Resource Council of Canada (IRC) is a national advocacy organization that represents the oil and gas and energy interests of its First Nations members both on Reserve and traditional lands. The IRC advocates for a greater participation and involvement of its members in all aspects of energy development – upstream, downstream, midstream and renewables - as employees, employers, owners and equity participants. The IRC works closely with industry and government regulators to ensure that energy projects are developed in environmentally sustainable ways and that economic benefits associated with this industry accrue to its members.

Engagement with Industry

Members have asked the Coalition to play a role in facilitating discussions between industry and our communities for the purposes of discussing community level interests, issues of capacity, and project opportunities in an open and factual manner. The First Nations Major Projects Coalition is dedicated to providing our members with support to build business relationships with industry to advance commonly held commercial objectives in major project development. Holding “engagement days” is one way the Coalition can facilitate these discussions. To this end, the FNMPC hosted its 2nd Annual Industry Engagement Day that brought together over 120 participants on March 4th& 5th 2019, in Prince George, BC.

The ultimate goal of this event was to provide an environment for building relationships between the Coalition’s members and industry that leads to business opportunities and new economic growth for all participants. This two-day event included presentations from the FNMPC, Industry representatives, and other invited guests. Over the two days, professionally facilitated sessions between Industry and First Nation members of the Coalition who are directly impacted by project development opportunities took place which served to advance relationships and will inform the work of the Coalition moving forward.



Engagement with Government

Throughout 2018 and 2019, the Coalition’s ESTT was actively engaged with Canada and BC in the ongoing legislative and policy review processes for the new BC Environmental Assessment Act and the federal Impact Assessment Act. This engagement included a number of meetings, workshops and forums held throughout the year, as well as key Coalition deliverables providing input on the development of regulations and policy for both new impact assessment regimes.

KEY DELIVERABLES DURING THE REGULATION AND POLICY REVIEW

In 2018 and 2019 several deliverables were prepared to distribute internally to inform FNMPC Members and externally to inform Federal and Provincial changes to impact assessment legislation. One key deliverable that was provided to the BC Environmental Assessment Office was the FNMPC's "EAO Revitalization Indigenous Engagement Costing Study." The study was developed to promote dialogue concerning the critical question of how the new BC EA system will be funded to ensure that the spirit and intent of reconciliation and indigenous rights protection are lived up to.

Methods used included development of a database of EA-related indigenous studies costs, interviews with Coalition members who had information on their Nations' costs in Project- specific EA, and development of a "Costing Estimator" spreadsheet for estimation of costs of the newly proposed EAO process steps. The draft report and Costing Estimator spreadsheet was workshopped September 17, 2018 with Coalition members in Prince George, and the EAO reviewed and commented on the Costing Estimator and a draft report in September 2018. To date, no other similar study exists providing analysis of "real, on-the-ground" costs required for a First Nation to meaningful participate in an EA. The findings have supported the call, being enshrined in BC's revised environmental assessment process, for increased funding for Indigenous groups (whose costs have exceeded available guaranteed funds by a factor of tenfold or greater) and a Fees Regulation.

Provincial Deliverables:

- First Nations Major Projects Coalition Initial Themes and Issues List for the BC EA Revitalization Process, April 26th, 2018 – comments provided to BC EA Revitalization Committee.
- Information About The Province Of BC's Environmental Assessment Revitalization Process, May 10th, 2018 – informational Memo sent internally to Member Leadership and Environmental/ Natural Resources Technicians.
- First Nations Major Projects Coalition Response to the BC EA Revitalization Discussion Paper, July 30th, 2018 - a written submission provided to BC Environmental Assessment Office.
- First Nations Major Project Coalition EAO Revitalization Indigenous Engagement Costing Study, October 5th, 2018 – report prepared to foster dialogue with BC Environmental Assessment Office.
- First Nations Major Project Coalition Dispute Resolution, November 27th, 2018 – Approaches and Potential Roles in a New BC EA Process (BC EA Revitalization Process) – Internal Document prepared for FNMPC Members.
- First Nations Major Project Coalition Early Engagement – Potential Approaches in a New BC EA Process (BC EA Revitalization Process) – Internal Document prepared for FNMPC Members.

Federal Deliverables:

- Submission on the Federal Consultation Paper on Information Requirements and Time Management Regulations: A Proposed Impact Assessment System ("Information And Time Paper"); May 30th, 2018 – formal submission to Canadian Environmental Assessment Agency.
- Submission on the Federal "Consultation Paper on Approach to Revising the Project List: a Proposed Impact Assessment System" (The Project List Consultation Paper); June 1st, 2018 – formal submission to Canadian Environmental Assessment Agency



FIRST NATIONS MAJOR PROJECTS COALITION SOCIETY

Statement of Financial Position

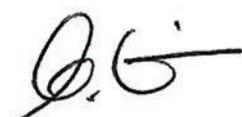
March 31, 2019, with comparative information for 2018

	2019	2018
Assets		
Current assets:		
Cash	\$158,422	\$247,687
Accounts receivable	\$236,594	\$157,127
	<hr/> \$395,016	<hr/> \$404,814
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$248,528	\$263,244
Deferred revenue (note 2)	\$146,488	\$141,570
	<hr/> \$395,016	<hr/> \$404,814
Net assets	-	-
Economic dependence (note 5)	<hr/> \$395,016	<hr/> \$404,814

Approved on behalf of the Board:



Director



Director

Statement of Operations and Change in Net Assets

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Indigenous Services Canada ("ISC") funding	\$751,111	\$1,134,773
Province of British Columbia: environmental assessment and revitalization process funding	\$372,904	-
Ministry of Indigenous Relations and Reconciliation funding	\$400,000	-
Canadian Environmental Assessment Agency funding	\$138,512	-
Natural Resources Canada funding	\$62,500	-
Other revenue	\$52,025	\$27,547
	<hr/> \$1,777,052	<hr/> \$1,162,320
Expenses:		
Administration	\$173,715	\$116,056
Board of director meetings	\$138,405	\$69,154
Economic participation	\$436,387	\$333,581
Environmental stewardship	\$502,794	\$267,167
Outreach	\$154,289	\$184,745
Structure and governance	\$371,462	\$191,617
	<hr/> \$1,777,052	<hr/> \$1,162,320
Excess of revenue over expenses	-	-
Net assets, beginning of year	-	-
Net assets, end of year	<hr/> -	<hr/> -

See full financial statements for accompanying notes.



FNMPC in the Community





THE FIRST NATIONS
MAJOR PROJECTS
COALITION