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conservation
and community
wellbeing



The Talking Stick

NEWSLETTER OF THE COAST OPPORTUNITY FUNDS

Looking Forward to 2013

A New Year always brings new promise with it, and 2013 is certainly no exception. Coast Funds is looking forward to another productive year of working with the First Nations of the Great Bear Rainforest and Haida Gwaii to support your goals, projects, and activities.

In this issue I am particularly proud, as a member of the Haida Nation, to bring you two project stories featuring the Haida. HaiCo, the Haida Enterprise Corporation, has gone from strength to strength since it got under way in 2010. A profile of HaiCo's activities and an interview with CEO Kevin Ainsworth is accompanied by a short article on the Youth Stewardship Program and Cultural Camps run by the Council of the Haida Nation.

The program and camps are building vital human resource capacity in our Nation, a subject that's very important to me. To see our youth flourish and learn about resource stewardship in accordance with our cultural traditions, on the path to taking their place as the resource managers of tomorrow in Haida Gwaii, is incredibly rewarding.

As always, please don't hesitate to let us know what you think about material you read in *The Talking Stick*, and anything we could do to make it more informative, interesting and useful to you. Don't forget you can download the newsletter from our website, or any stories in it that you would like to share or reproduce in your own publication or on your website.

If you have ideas on where else we should distribute the newsletter, or you would like us to email it to you whenever it comes out, please contact us at info@coastfunds.ca or call Mary Speer at 1.888.684.5223. In the meantime, we hope you enjoy this issue. Happy New Year and best wishes for 2013 to all of you.



Cindy Boyko, Chair
Coast Funds Communications Committee

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Reaching New Heights: Haida Enterprise Corporation

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IN THE FIVE YEARS SINCE COAST FUNDS WAS CREATED, THE FIRST NATIONS HAVE EMBARKED ON A WIDE RANGE OF ECONOMIC DEVELOPMENT AND CONSERVATION PROJECTS, FROM ECONOMIC DEVELOPMENT CORPORATION CREATION TO CONSERVATION MANAGEMENT PLANNING. PROJECTS UNDER WAY INCLUDE FORESTRY, TOURISM BUSINESSES AND ACCOMMODATION, INTEGRATED RESOURCE MANAGEMENT, FEASIBILITY STUDIES AND MORE. WE PROFILE ONE OR MORE PROJECT STORIES IN EVERY ISSUE.

Westcoast Resorts – The Lodge at Hippa Island, Haida Gwaii: View from the dining room.

Westcoast Resorts – The Lodge at Hippa Island, Haida Gwaii: Staff member Paige Richardson poses with a freshly caught tyee.

The Haida House at Tlaal – One of the guest rooms.

Steinway pianos? Martin and Taylor guitars? Yes, it's true: The Council of the Haida Nation's economic development arm, the Haida Enterprise Corporation or HaiCo for short, is mulling over a tone-wood manufacturing facility to produce component parts made from Sitka Spruce for some of the world's most famous musical instrument makers.

Such a concept would have been a dream back in the 1980s, says HaiCo CEO Kevin Ainsworth, when the Haida Nation was more focussed on enforcing its aboriginal rights and title to stop the environmental depredation of large logging companies on Lyall Island than weighing the potential for owning its own sustainable value-added timber business supplying international markets.

"To go from those struggles to owning the resource, and not only being able to take care of it properly but profit from it sustainably in such a short time, is phenomenal," says Ainsworth, who has been at the helm of HaiCo for just over a year. "A lot of people here were at Lyall Island and remember vividly the way it was then. Now, to see the Haida Nation in control, creating good jobs, creating revenue for the people through these amazing enterprises—that's a huge transition in one generation. It's pretty neat to witness it unfolding this way."

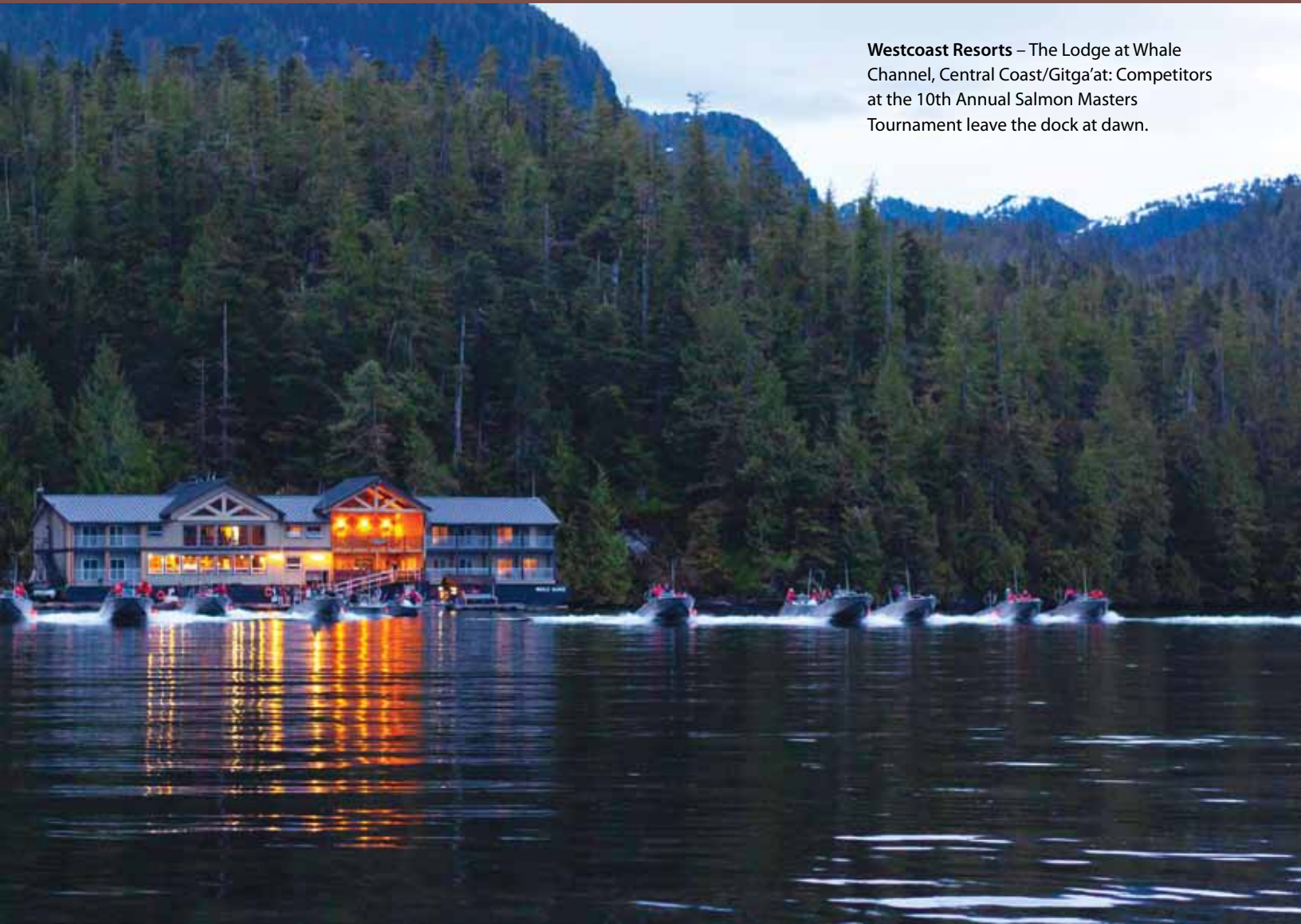
It's also an amazing achievement for such a young company. HaiCo was incorporated in 2009 but only got under way a year later, in December 2010, with former Coast Funds Director Thomas Olsen then in the CEO's chair. "We now own assets worth more than \$22 million and have five businesses and a joint venture in operation," says Ainsworth proudly. HaiCo expected revenues in the realm of \$35 million by the end of 2012. During the peak summer working season last year, more than 350 people were employed under contract or directly in HaiCo operations.

With the acquisition of Tree Farm Licence 60 in June 2012 HaiCo's subsidiary Taan Forest Ltd., managed by HaiCo's Chief Operating Officer Bob Brash, is now the largest forest tenure holder on Haida Gwaii and produces a significant volume of FSC-certified logs for the B.C. coastal market. "The majority of Taan's employees are Haida, as is the staff of Skidegate Enterprises, our joint venture pole production



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Westcoast Resorts – The Lodge at Whale Channel, Central Coast/Gitga’at: Competitors at the 10th Annual Salmon Masters Tournament leave the dock at dawn.



company with Skidegate Band Council.”To complement its other forestry operations, and to help fill Haida Gwaii’s energy deficit, HaiCo is also looking at the viability of a bioenergy proposal to B.C. Hydro to deal with biomass generated by its forestry company.

Tourism is no less successful, with HaiCo’s \$16+ million flagship operations, West Coast Resorts and the Haida House at Tlaall, both showing good revenues and offering a significant amount of permanent and seasonal employment to locals. In 2012 HaiCo also purchased Haida Seapak, a seafood processing company, and is looking closely at expanded shellfish aquaculture opportunities. Such operations synch nicely with the lodges in HaiCo’s

Westcoast Resorts – The Lodge at Hippa Island, Haida Gwaii: A helicopter leaves the helipad at the lodge.



stewardship: "With the acquisition of Haida Seapak, we will be able to process local seafood that can be served in our own lodges," says Ainsworth.

What's the secret to HaiCo's success? "We operate HaiCo, which is owned by the Council of the Haida Nation (CHN), on very sound corporate governance principles without compromising the importance of Haida cultural values," says Ainsworth. Following expert advice, the CHN set up HaiCo as an independent economic development corporation at arm's length from the Council, while retaining shareholder control. CHN appointed an experienced Board of Directors and a strong staff team.

In turn, HaiCo as a company committed to principles of sustainability and core values of transparency, accountability and fiscal discipline, amongst others. "We have very clear lines of responsibility and within those lines are able to operate without any external influence to do the best job possible. Adhering to those sound governance principles are vital, and the excellent structure and relationship between HaiCo and its shareholder support that in every respect."

HaiCo also made some key commitments to support its goal of achieving a sustainable economy on Haida Gwaii for the long-term wellbeing of the Haida people and culture. Those commitments include conducting operations in a manner that respects the inherent limits of the natural ecosystems in which it operates and ensuring all its operations function in a socially, culturally, economically and environmentally responsible manner—a quadruple bottom line that cannot be compromised under any circumstances.

"It also comes down to acquiring good assets and ensuring we have a sound, practical human resources strategy in place. We've done both. Leslie Brown, our skills development

Taan Forest – Taan Forest Tour of Haida forestry tenures: General Manager Mike Richardson leads the group during one of the 6 stops during the tour.





Westcoast Resorts – The Lodge at Englefield Bay, Haida Gwaii: Guests enjoy watching some of the abundant local wildlife during their stay.

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coordinator, works on matching up people with skills with job opportunities and also is implementing training and capacity-building programs. So we’re starting to see more and more Haida people move into these new jobs that are being generated as we acquire or expand HaiCo operations. We’re also seeing very good financial results already, despite such a short time in operation and all the costs associated with acquisitions.”

All these good results haven’t been achieved without a lot of hard work, all the same. “HaiCo has experienced the same normal business challenges that everyone else does,” says Ainsworth. “Fluctuating markets, the poor global economy is affecting tourism, those kinds of things. Specific to Haida Gwaii, we have to overcome transportation costs from such a remote location, and lack of access to dependable energy sources in some areas.”

“Access to capital to take advantage of all these good opportunities for smart acquisitions has probably been the biggest challenge,” continues Ainsworth. “I applaud BMO’s aboriginal lending arm for being willing to take the risk to work with us when other financial institutions have been sceptical. BMO helped us with financing to acquire West Coast Resorts and to secure the Seapak deal. They’re already being rewarded for their good faith in us, but they could see it was a smart transaction for themselves and they were more than willing to come on board with it.”

CHN’s Coast Funds allocations have also been vital, says Ainsworth. CHN has utilized part of its allocation to support the set-up of HaiCo, business planning, early core operational funding and acquisitions of key business assets like the Haida House at Tlaall. “That Coast Funds money has made a huge difference,” says Ainsworth. “Coast Funds staff have also been incredibly helpful to us and supportive of our goals in using the money for these purposes.”

It’s not all business for Ainsworth, however. “I have been fortunate to be here since December 2011. It’s been such a pleasure to meet so many great people in this job and to see the huge amount of pride the Haida take in ownership and management of their own company and business operations.” Instead of watching outsiders harvest their resources and leave with all the profits, as they once used to, says Ainsworth: “Now, the Haida own the resources. That’s the way it should be.”

To learn more about HaiCo, check out its newsletter, *linaasdl*, and other information at www.haico.ca.



Westcoast Resorts – The Lodge at Whale Channel, Central Coast/Heiltsuk: HaiCo CEO Kevin Ainsworth meets with band council members, Chief Councillor Marilyn Slett, hereditary chief Harvey Humchitt, Councillor Travis Hall, Heiltsuk Economic Development Corporation General Manager Gary Wilson and lodge manager Paul Dowler.

Many thanks to Shawna McKay for supplying the photos and captions for this story.

In 2012, the Council of the Haida Nation (CHN) used part of its CCEFF allocation to help fund its summer culture camps (the Swan Bay Rediscovery Camp in the South and the T'aalan Stl'ang Youth Camp in the North). Additional funding was provided by the CHN, Gwaii Trust, Parks Canada and the Ministry of Child and Family Services.

Stewardship training and experiential learning opportunities were increased and youth were provided with job-shadowing and internship opportunities for careers in stewardship, with the key objective of building on existing efforts in order to create a unified and staged approach to youth education, employment and natural resource stewardship and increasing the Nation's human capacity to steward its resources over time. The funding also allowed the CHN to better coordinate the stewardship activities

Haida's Swan Bay Rediscovery and T'aalan Stl'ang Youth Camps



at the two youth camps and improve the integration of the programs with two government-sponsored career exploration initiatives (the Haida Gwaii Youth Stewardship Program and the Federal Student Work Experience Program).

But as Secretariat of the Haida Nation Administrator May Russ points out, the value of the camps goes much further: "As a result of the Kunst'aa guu/ Kunstaayah Protocol we have now protected 53% of the land base and 72% of the foreshore. The Haida Nation and B.C. are also jointly developing protected area management. What this project does is provide youth with a vision for their future and the opportunities that exist for them as they engage in their education. It also provides an atmosphere of cooperation, friendship and understanding because it is offered to all Haida Gwaii youth."

Russ also notes that the stewardship program incorporates Haida cultural values and traditional knowledge. "In keeping with this objective, students also learn the value of preserving and perpetuating Haida culture, tradition and skills and of building a foundation of physical, mental, emotional health for self and the island community."

To learn more about L'aanaa Dagangaa or the Swan Bay Rediscovery Program, go to: <http://www.swanbayrediscovery.ca/> or contact Program Director Dana Moraes at swanbay@skidegate.ca. Amber Bellis, Program Director for the T'aalan St'ang Cultural Camp, can be reached at Amber.Bellis@haidahealth.ca. Information about the Federal Student Work Experience Program can be found here: <http://jobs-emplois.gc.ca/fsweepfete/index-eng.htm>.

Many thanks to Amber Bellis for supplying the photos for this story.



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Photo Catalogue Project

From time to time in our materials—including this newsletter—we showcase the projects and communities of the First Nations we work with in articles and with photographs. To that end, we are collecting suitable images for a catalogue of photos that we can draw upon when we need them. If you have good quality, high resolution digital photos of your community or of projects that we can use, we'd be delighted to hear from you—please get in touch with Katherine Gordon at communications@coastfunds.ca.



COAST FUNDS NEWS

There is a lot under way, as usual! As part of our annual strategic planning process the Board and staff of Coast Funds always look for ways to enhance the efficiency and effectiveness of the awards process in order to serve you better. To that end, in 2012 we commissioned an independent comprehensive review to help us with ideas and recommendations for action. We are still digesting the contents of the report, delivered in December, and will be sharing more information about it as soon as we can.

We're happy to say it is a positive report about Coast Fund's success to date, and there were few surprises. The recommendations for action are largely consistent with the strategic direction we intend to take forwards into the 2013—2105 planning cycle. As always, we want to continue to hear from you on all of these issues and expect to be in touch soon.

COMING UP NEXT

The next issue of *The Talking Stick* will be published in July. If you have ideas for project stories or news items you would like to see included in the newsletter, please let us know by emailing us at communications@coastfunds.ca.

SEND US YOUR STORIES

If you have stories to share, project photos, ideas about Coast Funds projects and community activities, or other interesting information, we want to know. We'll publish stories and photos on the website and in this newsletter whenever we can. You can send them to us any time at communications@coastfunds.ca.

