

Athlii Gwaii Legacy Trust Frequently Asked Questions

What is the Athlii Gwaii Legacy Trust?

The Athlii Gwaii Legacy Trust (AGLT) is a perpetual fund managed by the Gwaii Trust Society (GTS), which is currently worth just over 59 Million dollars. AGLT was created in 2007 when the Government of British Columbia (with federal sign-off) set up a charitable trust and transferred the South Moresby Forest Replacement Account (SMFRA) funds to this trust. The AGLT Deed of Trust outlines the purposes of the fund and how it is to be managed. The deed named Gwaii Trust as the trustee of the AGLT fund, with two GTS Executive members serving as individual trustees and Gwaii Trust as the corporate trustee. The trustees have control over AGLT with a legal obligation to administer it solely for the purposes specified in the deed.

Why aren't the funds being used for community granting?

The provincial government set up AGLT incorrectly with a combination of charitable and non-charitable purposes, which means the trust is not valid. The Canada Revenue Agency (CRA) determines what qualifies as charitable purposes, and the risk is that there could be significant taxes and penalties owing to the CRA if the fund is used.

Why has it taken so long to get this resolved?

For the past several years GTS has been negotiating with the original funding partners through the AGLT working group to transfer the funds to Gwaii Trust. The working group consists of representatives from the BC government (Ministry of Water, Land and Resource Stewardship), Canada (Ministry of Environment and Climate Change, and Natural Resources Canada) and Gwaii Trust. Each partner needs to satisfy themselves that there is a problem with AGLT as-is and that transferring it would be the right solution. Over the years, there have been numerous changes in external staff, ministers, and lawyers, which means that this process has had to restart several times.

When will funds be available for community granting?

Provincial legislation must first be written and passed to dissolve or amend the charitable trust. The province had indicated it was likely that this legislation would be put forward in the Fall 2023 session, however, we received notice at the end of January 2023 that the lead for the province has retired. This has pushed back timelines, and we don't have updated timelines for legislation.

How will the Athlii Gwaii Legacy Trust work?

AGLT will be governed by the same board, legislation, bylaws, and constitution as GTS. AGLT funds will be held as part of GTS but tracked separately. The Board may bring in technical advisors to assist with decision-making, but the funds will be Gwaii Trust's responsibility. There will be approximately 2 Million dollars available to be spent annually for grants and administration, and Gwaii Trust will need to create a

plan to spend down its excess buffer within five years. Grants may be application-based or by request for proposals, and the Board may consider providing loans through a third party.

The Board envisions that funding will support the following three goals:

1. Restoration (Natural habitat protection and restoration)
2. Renewables (Transition to renewable energy and sustainability of natural resources)
3. Revitalization (Economic development and diversification)

Where are we now?

Our Chief Operations Officer, lawyer, and members of the Gwaii Trust Board participated in regular meetings of the AGLT working group from December 2020 to November 2021 to finalize the details of the agreements to transfer the funds. The group made an agreement in principle in May 2022, and all appropriate ministers were briefed and supported the transfer, though there wasn't a government sign-off. As late as January 2023, the province and Canada stated they were on track for the Fall 2023 deadline. Several government conditions were included in the agreement to transfer the funds to Gwaii Trust.

The conditions to date are:

1. AGLT funds will support economic development initiatives on Haida Gwaii.
2. There will be a complaint process overseen by a third party (called the protector) to ensure that funds are used for the intended purposes.
3. AGLT funds cannot be used to sue the government.
4. Gwaii Trust agrees to publish its annual financial statements, strategic plans and a listing of all projects funded through Athlii Gwaii Legacy Trust.

The government is aware that the Gwaii Trust is looking to recover the legal costs it has incurred during the lengthy negotiations. Neither the federal nor provincial governments have indicated that this was under consideration.

In January 2023, the lead on the Athlii Gwaii file for the province retired. The provincial government is now stating that they need additional time to review the file and will not be ready for the Fall 2023 date for previously communicated legislation.

What about community consultation?

Gwaii Trust has committed to completing community consultation before starting any spending from the fund. The Board is going to the public with a framework of how Athlii Gwaii would operate and what it would fund prior to developing a full business plan. The framework is now ready to be presented to the public for feedback, and then a full business plan will be developed incorporating this feedback.