Building a Conservation Economy in the Northeast Superior Region of Ontario
A Blueprint

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2012
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BUILDING A CONSERVATION ECONOMY IN THE NORTH EAST SUPERIOR REGION OF ONTARIO

A BLUEPRINT FOR SUCCESS

Prepared By: Ecotrust Canada
August 2012

1. Background

The Northeast Superior Regional Chiefs’ Forum (NSRCF) was created in 2008, comprised of the Chiefs of five First Nations1 whose members have a shared territorial interest in the Chapleau Crown Game Preserve (CCGP) and surrounding area2. The Northeast Superior Forest Community Corporation (NSFC), with a Board of Directors comprised of the Mayors from the six municipalities located around the CCGP, was created in 2006 as part of a federal government program designed to support economic diversification in forest-based communities across Canada3. The Chiefs’ Forum and the NSFC have a shared mandate to advance a regional economy that creates opportunities (work, health and wealth) for local residents, and that protects and/or restores the natural environments upon which the future of their communities depend (water, timber, wildlife herds, fisheries, wild foods, minerals).

Both groups have agreed that their priority is to develop a strategic approach and collective action in two areas of mutual interest:

1) **Future forestry activity:** Timber harvesting and lumber production has comprised the economic backbone of these communities for generations. About 2/3rds of the region’s land base is managed by forest tenure holders (three companies). There have been steep reductions in log value in recent years associated with market downturns, causing the closure of several local mills, the loss of the ability to sell a large component of the standing inventory (primarily the deciduous species) and associated economic declines in other parts of the economy. Regional research

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1 Chapleau Cree, Brunswick House, Michipicoten, Missanabie Cree and Hornepayne.
2 NSRCF Mission Statement: ‘Reclaim the rightful place of our member communities as land stewards and equal partners within Canada’s constitutional fabric, starting with the Chapleau Crown Game Preserve (CCGP) and spreading elsewhere within the territory as opportunities arise.’
3 NSFC Mission Statement: ‘To encourage innovation in forest-based projects that builds regional partnerships and entrepreneurship in value-added areas including wood products, energy, and non-timber forest products by building capacity, First Nation partnerships through education, advocacy and public policy.'
suggests that valuing the forests for more than timber, and considering the forest land base as a whole, could improve the region’s economic position. These alternative or additional uses may include some or all of: recreation/tourism; non-timber forest product production (berries, mushrooms, medicinals); ecosystem services (carbon sequestration and water); biomass; and value-added forest products.

**ii) Chapleau Crown Game Preserve**\(^4\) (CCGP): The wildlife preservation mandate of the CCGP provides for a special regime within which to base a demonstration project that could investigate ways to incorporate scientific and traditional Aboriginal knowledge in order to generate more wealth from the land, restore ecological integrity, promote social equity, and maximize benefits to the local and regional level from economic activity undertaken within this geographic unit.

Additionally, the group recognized that in order to achieve forward momentum on these two strategic regional priorities, a third shared objective would need to be realized.

**iii) Collaborative Management:**
The NSRFC and the NSFC have had a mixed history of success with working together in recent years, in spite of their shared mandate. Members of both groups recognized the need for either a stronger integrating relationship going forward OR an agreement to redesign one or the other of these institutions to create a single regional management entity that was acceptable to both constituencies.

To explore these shared areas of interest in greater detail, and begin the process of developing shared strategy, the NSFC and NSRFC co-hosted a 5 day workshop in early March, 2012. The workshop brought together community members, elders, chiefs, industry representatives, mayors, economic development staff and administrators to work with Ecotrust Canada\(^5\). Ecotrust has more than 20 years of experience in the Pacific North West region (northern California to Alaska), working with communities, industry stakeholders and governments to realize triple bottom line regional economic development – called, in the language of their organizational mission, ‘building conservation economies’\(^6\). It was agreed that Ecotrust was the right organization to assist those in the Northeast Superior Region to advance opportunities and avoid obstacles – by providing insights and observations grounded by their practice and experience.

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\(^4\) The CCGP, designated through provincial government policy in 1925, is the largest game preserve in the world with a surface area of 7,000 square kilometers (2,700 sq. mi).

\(^5\) [www.ecotrust.ca](http://www.ecotrust.ca)

\(^6\) **Conservation Economy** is a term coined by the Ecotrust family. In reports, the core concepts of a Conservation Economy are often witnessed in examples of a Triple Bottom Line Economy, a Resilient Economy, a Sustainable Economy, and a Green Economy.
2. Using a Conservation Economy Framework

Ecotrust, a not-for-profit organization working in the Pacific Northwest coined the phrase ‘conservation economy’ in 1991 as a way to describe an economy that enhanced rather than exploited natural capital and that was design/built to create tangible benefits to people and places close to the source of resource extraction. A conservation economy (CE) is focused on building economic activity at local and regional scales. It is differentiated from the ‘dominant economy’ by its requirement that economic activity not only generate wealth but that, as importantly, it also generate environmental and social/cultural benefits. The underpinning belief is that a better balance between social, economic and environmental outcomes will create economies that are more successful and resilient over time.

The Diagram below provides a simple overview of the Frame of Reference that begins to guide decision making when a region elects to use a 3E Conservation Economy approach to economic development. We have included an additional copy of this diagram, in larger format, as the final Appendix on page 25.
When a Region decides to work in a planned way towards achieving a conservation economy and the outcomes that accompany this approach, initiatives are planned to consider, and hopefully designed to address, as many of the elements embodied by the lexicon of Capital, Nature, and Society as possible. Clearly not every activity embraces all of these aspects – but the intention is to look through this lens at how each initiative is developed and managed forward.

By designing an economy with a conscious eye towards ‘closing the loop’ between resource extraction and job creation and community decision-sets are shifted and priorities better aligned. Regions embracing this approach move away from ‘scatter gun’ economic development – saying ‘yes’ to each new opportunity regardless of its relationship to any other activity, and towards a more holistic approach to development that considers how the outputs of one venture can support the inputs of another.

The CE approach is most clearly demonstrated by example. In Nuu-chah-nulth territory on Vancouver Island poor housing stock on reserve is the root of serious health and social issues. The Nuu-chah-nulth Nations have been unable to manoeuvre the federal Aboriginal policy and program framework quickly enough to address this crisis. But, they own forest lands and sawmills AND they have band members in need of work. Using a CE approach, the Nuu-chah-nulth set out to design homes that met their social/cultural needs and to design with local resources and local labour in mind. They are now building homes on reserve that combine sweat equity financing, the use of locally sourced materials, the creation of value-added production facilities for siding and flooring, and on-site training opportunities in framing and carpentry. Voila! A circle of wealth – a conservation economy – local materials, local labour, local benefit, sound results.

A Conservation Economy includes a number of key attributes, as follows:

- **Sustainable, ecosystem based resource management (EBM):** The Coast Information Team in British Columbia, considered to be one of the pre-eminent authorities on the subject, defines EBM as “an adaptive approach to managing human activities that seeks to ensure the coexistence of healthy, fully functioning ecosystems and human communities. The intent is to maintain those spatial and temporal characteristics of ecosystems such that component species and ecological processes can be sustained, and human wellbeing supported and improved. The CIT’s approach to EBM allows for management flexibility by focusing on overall low-risk management at broad
scales, but allowing higher-risk activities at finer scales.”

This definition extends the scope of EBM beyond protecting ecosystem integrity to include the wellbeing of human communities. It also expands the policy environment in which EBM takes place, linking EBM to broader policy, planning, and decision-making concerned with building and maintaining healthy communities, such as education, health, incomes, transportation, equity, and economic development and diversification. It requires the use of the ‘precautionary principle’ and the maintenance of ecological integrity as the guideposts for all land and resource decision making.

- **Equitable Distribution of Opportunity and Access, and Equitable Distribution of Returns:** Dominant economies pivot on the premise that economic benefits can accrue to ‘the few’ but then will flow to ‘the many’ by virtue of redistribution (consumer purchase, social services, trickle-down effect). The CE makes no such starting assumption. Instead it states that economic activity must deliberately be designed for opportunity and access from the outset and establish priorities based on those that offer more immediate access to the less advantaged.

The World Resources Institute\(^7\) suggests that particularly in regions where natural resource use is the economic engine (as is the case with Northeast Superior), “poverty reduction can be greatly enhanced through policies that promote fairer distribution of natural resource benefits. In high-inequity, high-poverty regions, equitable access and fair distribution can be more effective than economic growth alone in reducing poverty.”

In Ecotrust Canada’s experience, the distribution of environmental benefits (and costs) is determined largely by public policies and government practices that too often (and often inadvertently) favor affluent people and regions, enriching a few powerful political and economic elites while passing disproportionately large social and environmental costs on to disenfranchised populations. Where natural resources dominate local economies and natural capital is particularly significant in determining the overall distribution of wealth, even small changes in these policies can have a large effect on building the assets of the poor and reducing poverty.

- **A Diversity of Ownership Models:** The CE fundamentally recognizes that providing a range of economic opportunity and creating multiple points of access for local and regional residents requires thinking about corporate and legal structures that ‘stretch’ the norm. Community-owned businesses, shareholder structures that account for different investment levels without diminishing decision making participation, and sweat equity accommodation offer just a few examples of how corporate and business structures can be modified to better support the dual objectives of improved access and distributed benefit. There is much to learn from Aboriginal cultures when it comes to alternative models of business ownership and management.

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\(^7\) [www.wri.org](http://www.wri.org)
• **Full Cost Accounting of the Value of Resources and Products:** Full Cost Accounting distinguishes itself from standard accounting methods by collecting and presenting information not only about financial costs and benefits but also about environmental and social ones. Full cost accounting embodies several key concepts such as:

| Accounting for costs rather than outlays: | This requires accounting for not only the original cash spent to purchase a good or service, but the cost incurred over its active life. |
| Accounting for hidden costs: | This assumes that a good or service has value even if no cash outlay is involved. |
| Accounting for overhead and indirect costs: | Indirect costs on the environmental side require an assessment of costs associated with creating a product across its life cycle. |
| Accounting for past and future outlays: | This includes placing a value on set-up and closure costs including environmental degradation and recovery time. |

• **Local and Regional Specialization:** This aspect of the CE approach has two benefits – the first is the identification and prioritization of economic initiatives that give the region a unique advantage over other regions. The second is the opportunity to consider how the choice of economic activities can help to advance a region’s objectives for greater social/cultural participation. Many regions in the world have discovered the power and practicality of a ‘cluster’ approach to economic development – focusing on the synergies that exist between industries and recruiting companies or establishing favorable policies (land use, incentives) to encourage them to establish.

• **Financing:** Most successful conservation economy initiatives, in EC’s experience, have come about as a result of a blended financing proposition over time – often starting with grants at the front end for planning and consensus building, and moving in phases to more conventional forms of financing including debt and equity investment. The federal government is currently considering several financial support instruments that may accelerate capital availability in this conservation economy space.

• **Demonstration:** Demonstration projects are often an important component of building a conservation economy. Demonstration projects allow people to engage in practice not theory; to test ideas in real time and place; and to better understand institutional barriers, associated policy implications/opportunities, and partnership requirements. Demonstrations also tend to increase the confidence of governments and financiers.

• **A Commitment to Using Resources Closer to Home in order to Increase Local Benefits:** One of the fundamental principles in the Conservation Economy approach is that of Adjacency – most simply, that if resources are being extracted from Place, then the Place should be included as a first priority in the assignment of benefits. This means considering resource extraction as a means to an end, rather than as an end in and of itself. Job creation is one form of benefit – in fact the one best understood and most easily measured, but there are multiplier effects
that, with careful planning, can be articulated and build into design including:

- Enhanced ecosystem function;
- Secondary processing (achieving more value from the harvest);
- Subsidiary or ponied industry development;
- Public amenities;
- Preservation of cultural and historic artifacts; and
- Resource revenue sharing.

3. Socio/Cultural Pre-Conditions for a Conservation Economy

To achieve a conservation economy, a region must first establish several pre-conditions including:

- **A Spirit of Collaboration**: A CE requires that a region is working collaboratively not competitively on solution-building – using a consensus framework for all decision-making. Bringing elected leadership, industry sectors, government representatives and civil society organizations together around a single vision and approach helps to ensure success.

- **Community and stakeholder engagement**: Creating deliberate channels and creative methods that not only allow, but encourage citizen participation in decision-making is a critical component of success. Particularly in smaller regions, where there are historical relationships for good and bad, where territoriality is a tendency that runs deep, and where everyone has an opinion about the ‘best way forward’, finding ways to capture these voices and gently encourage them to move in a single direction is key.

- **Access to Information**: The creation and distribution of good information – in as many forms as possible so that all participants have an equal opportunity to ‘understand the plan through their own set of eyes’ is necessary to building understanding and informed decision-making.

- **Respect for Aboriginal Title and Rights**: Recognizing inherent rights and using planning and priority setting to recognize and rebuild Aboriginal authority, including active engagement towards reconciliation, enables Aboriginal wisdom to emerge and participate in solution building.

- **A Sense of Place**: Achieving a CE requires that a region self-identify as a geographic entity that desires to ‘hold together’ as an identifiable place that is greater than the sum of its parts.

- **A Shared Commitment to Planning**: This involves both planning on a case by case basis, but more importantly on the basis of shared vision that begins with the declaration of core priorities, and the establishment of a staged approach to realizing these priorities, including investment planning and political negotiations.

- **Technical Expertise**: Often challenging to achieve due to financial, geographic and capacity constraints – bringing technical expertise to bear early in the process of ecdev design is extremely helpful. Some regions have had good success with the formation of technical working groups that bring both science and
traditional Aboriginal knowledge together to problem-solve and advise on core issues to be considered in the development process.

4. State of Readiness in the Northeast Superior Region of Ontario

Ecotrust Canada’s experience in Chapleau, while brief, demonstrated that this Region has already done a tremendous amount of ‘underpinning’ work to set the stage for a conservation economy approach to their local and regional development.

While clearly there is more work to be done, the EC team was excited by what we witnessed within the Northeast Superior region during the workshop and we are cautiously optimistic to see that some of the essential elements for a Conservation Economy future are in place, or are underway.

Some of the encouraging signs that the EC team noted during our visit included:

- Collaborative Spirit

The two significant leadership organizations in the region – the Northeast Superior Regional Chiefs’ Forum and the Northeast Superior Forest Community Corporation which together represent the political leadership for both regional municipalities and regional First Nations have been collaborating for 4 years and understand the need to further strengthen their alliance. They have a shared commitment to local and regional development that will have a multiplier effect. They have experience with consensus based decision-making.

Some of the communities in the region have come together under the auspices of a provincial forest tenure modernization initiative which could lead to a precedent setting regional management of an Enhanced Sustainable Forest Licence (ESFL). Both the NSFC and NSRCPF acknowledge that some power dynamics and ‘rifts’ have emerged over time but there is a shared interest in moving beyond these issues. These entities provide a very strong starting point for collaborative planning and shared decision-making. They also offer an important political force when they can articulate shared interests and move these forward to provincial and/or federal ministries.

- Community and Stakeholder Engagement

The Chiefs Forum has created an Elder’s Council with representation from their member Nations. This Council provides guidance to the regional leaders, contributing their cultural and traditional knowledge to deepen dialogue and inform decision making. They are also committed to working with the region’s youth and engaging them directly in the work of building a next generation economy. The co-creation of the workshop to which EC was invited was also an indication of the
growing intention in the region to collaborate on new ideas and initiatives.

The NSFC and the NSRCF have co-funded the establishment of an information management center to be housed at the NITGC office in Wawa and have signed data sharing agreements to populate a shared information base for planning. The Living Atlas and Terra Truth, two decision support tools developed by Ecotrust Canada, have been customized for the Northeast Superior Region. Working with the NITGC office (see below), the members of the Elder’s Council have started to document sites of traditional significance in the region.

There have been several initiatives in the Region over the past five years that currently exist largely in isolation from each other but that COULD be knit together into a strategic vision and regional plan. These include:

- Chapleau Cree First Nation, Community Development Strategy (2008/revised 2010);
- NSRCF Center of Excellence Discussion Paper, Feb 2011;
- A comprehensive vision statement and master action plan prepared by the NSRCF, April 2011;
- Several valuable feasibility studies developed for regional initiatives by the NSRCF and/or the NSFC (blueberries, ecotourism, non-timber forest products opportunity assessment, harvest biomass analysis, White River mushroom mapping, value added wood production);
- Emerging discussions around forest tenure management systems that may help to advance a more holistic approach to lands and resource management and to diversify the benefits accruing from forest land base activities. The declaration during this workshop that forest tenure reform (moving towards an Enhanced Sustainable Forest Licence) and thoughtful economic development in the Chapleau Crown Game Preserve were priorities shared by the Chiefs and the Mayors begins to create the framework for collaborative action.

Leadership is a key ingredient to success in any initiative, no matter how large or small. People who are able to hold and articulate the vision as well as to motivate others and who know the difference between holding-the-line and calling a bluff are critical to leadership success. In the Northeast Superior Region, the EC team witnessed some incredible leadership qualities in the workshop participants. In both the Aboriginal and non-Aboriginal communities there are clearly people willing to work hard to contribute to the Region’s overall success, and most importantly they are people who seem to understand the difference between compromise and consensus and are willing to straddle both to get the job done.
Aspects of the Region’s readiness that appear to need further development include:

The NSFC and the NSRCF have a stated commitment to collaborate but have been challenged to realize this commitment over time due to different mandates as well as different expectations at both the board and staff level.

The Regional Chiefs Forum is a political advocacy with a mandate to advance the following vision: ‘reclaim their rightful place as resource decision makers and land stewards, starting with the Chapleau Crown Game Preserve and spreading elsewhere within the territory as opportunities arise’. On the other hand, the NSFC is an incorporated organization with a Board of Directors that creates a partnership between six northern Ontario municipalities and the Northeast Superior Regional Chiefs’ Forum. This corporation, operating under the auspices of the federal ministry of Natural Resources Canada, is ‘committed to exploring innovative opportunities within the forest sector and striving for resource development activities that support long-term environmental sustainability and an equal sharing of opportunities between local Aboriginal and non-Aboriginal communities’. There is one seat on the NSFC board for the NSRCF. On top of this, the Northeast Superior Mayor’s Group (NSMG), comprised of virtually the same people as the NSFC Board of Directors, mimics the political advocacy role of the NSRCF but for regional municipalities.

And here lies the rub. The three regional institutions indeed have similar mandates in many respects – regional economic development, improved environmental conditions, political advocacy as well as healthier and more vibrant communities. But they also have a competing interest – in the natural resources of the region and specifically in the question of ‘who benefits’ from their exploitation and development. The townships and municipalities are feeling the pinch of forest sector declines with mill closures and inevitable population drift. The Aboriginal communities are feeling disenfranchised from the resources that have sustained them for generations. It is a common problem and if the region is going to move ahead, it is imperative that solutions – through respectful exchange, compromise and innovative institutional restructuring be the first focus of attention.

The NSRCF is recommending that the right way forward is to form a non-political institution governed by a system of equal representation from the Aboriginal and non-Aboriginal communities, and staffed by technical experts in forestry (as a priority),

8 Chapleau, Manitouwadge, Hornepayne, Dubreuilville, White River and Wawa
economic development, tourism, and planning. Quoting from the NSRCF Draft Document titled Five Year Forest Community Renewal Strategy and dated Feb 2011, “As a regional collective we need to learn to trust one another, respect one another and love one another from a spiritual perspective. Fear has been programmed into the hearts and minds of regional citizens, pitting Aboriginal and non-Aboriginal people against each other for over one hundred years.”

The EC team supports this notion in that it allows the regional political advocacy bodies to work either collaboratively or independently on creating new regional opportunities while allowing a re-tooled NSFC corporate entity to operationalize the opportunities through non-political regional partnerships. We recognize the challenge inherent in this recommendation but direct experience demonstrates the power of this approach. It garners federal and political attention/action like no other; it builds a stronger plan of action more quickly because obstacles are addressed from the outset and have less space to undermine; and it builds cross-cultural understanding and brings the strength of both cultures to bear on decision making.

**Capacity Development**

In smaller regions and communities, capacity is always a challenge and becomes increasingly so as opportunities for good livelihoods diminish with economic decline and talent moves away. The EC team was not in the region long enough to assess the availability of sectoral expertise or management talent, but we did hear a number of times from workshop participants that this challenge indeed exists. The value of recruiting and sustaining strong talent as part of a regional re-development strategy can only be viewed as an investment in the future.

In EC’s experience, this role has been filled in two ways – by municipalities paying for economic development talent as part of their mandate, and by provincial governments agreeing to maintain regional offices. The Haida have adopted an interesting capacity building strategy in this regard, insisting that every government office in their jurisdiction pay for and include a First Nations position to mentor and train on-the-job.

**Shared Plan and Priority Setting**

Obviously linked to the first challenge in this sequence, the fact that there is more than one regional institution working on similar issues but not consistently aligned creates complexity when it comes to priority setting.

In EC’s experience, regional development priorities are a critical success factor – because initiatives are naturally linked and are individually and collectively strengthened if they occur in proper order; and because financial capacity and human capacity is limited and therefore must be focused rather than diffused.

The March, 2012 workshop proposed that a shared strategy to build a Conservation Economy Pilot Project in the CCGP was a likely starting point – bringing together a number of concurrent threads that are currently at play.
The EC team would concur with this analysis – the CCGP provides a very interesting opportunity to plan a deliberate reorientation of forest tenures to better support ecosystem values AND the economic needs of the communities; to introduce Aboriginal knowledge into planning and decision making; to articulate a shared economic strategy for a key piece of the Region’s shared geography; and to build stronger cross-cultural relationships through a win-win solution set.

The Tla-o-qui-aht Tribal Parks initiative on Vancouver Island (Appendix 1), provides some insight into this opportunity.

**The CCGP provides a very interesting opportunity to plan a deliberate reorientation of forest tenures to better support ecosystem values AND the economic needs of the 12 regional communities.**

**Information Management**

Here the region has taken some important initial steps such as:

- the establishment of technical teams to support Moose and Sturgeon Recovery (and to document both the TEK and science base for these strategies);
- the implementation of Living Atlas™ as a way to catalogue and showcase data about the region;
- the engagement of the Elders Council to contribute their knowledge and information about sensitive habitats and important historical and/or cultural areas in the CCGP; and
- the development of a Traditional Knowledge Sharing protocol.

**Information management – which necessarily includes collection, collation, and dissemination in multiple forms to support stakeholder and community engagement – is early-stage work in any planning process. In the Northeast Superior Region, it is work that would clearly benefit from further investment.** If there is agreement to focus on the CCGP as a demonstration area, EC would recommend

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9 Traditional Knowledge Sharing Protocol, NSCF/NSRCF, (draft manuscript, 2011)
that efforts to capture and catalogue all relevant information about that place be a cornerstone piece of the joint planning effort. Excellent information will yield excellent results or, as stated in the NSRCF Vision Statement, good information leads to good decision-making.

Cross Cultural Training

Regional stakeholders all too often challenge the merits of good old fashioned cross cultural training as a means to build bridges and strengthen shared outcomes. But in EC’s experience there is really no substitute for spending time genuinely and generously learning about each other’s culture. If it is done well (and there are many facilitators who work in this field), a cross-cultural training exercise can not only be a way to understand various perspectives, but also a way to build shared commitment. Working consciously with youth and elders in addition to regional government and industry leaders is a very worthwhile investment.

The EC team did notice that the way political interests are currently being expressed by Aboriginal leaders is creating tension and defensiveness on the municipal side of the table. Limited resources and a challenge over jurisdiction need to be reframed.

Once again, if the region elects to focus on the Chapleau Crown Game Preserve, a cross-cultural learning exercise that focuses on what everyone understands about this geography could be an easy and important entry point to shared planning.

Provincial and Federal Policy Support for an Alternative Approach

The EC team was not in the Region long enough to assess whether the stated desire for an alternative approach to resource management and economic development was an objective that is shared by policy authorities. Our suspicion, if the Northeast Superior Region mirrors others in which we work, is that these objectives are not well understood by government and are largely treated with suspicion. Undoubtedly, the fact that the NSRCF has chosen a politicized approach to reform from time to time and has used the language of Rights and Reconciliation has been done at the risk of pushing jurisdictional governments harder than they are accustomed to being pushed on the need to reform resource management in a way that is respectful to history, place and story. The corollary to this is that such an approach, if well managed, serves to push jurisdictional governments in a positive direction as a means of avoiding entrenched legal and political conflict. The NSRCF influence in shaping the development of a principled provincial approach to ESFL development would suggest that it has an important ongoing regional political advocacy role to play.

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5. Moving Forward – Proposed Steps and Stages

When the Ecotrust Canada team was asked to join and facilitate the NSFC and NSRCF workshop in March 2012, the notion was to explore the Region’s readiness for a conservation economy approach to development, and to consider some of the possible early-entry points should there be interest.

The steps that follow in this report are based on a review of the documents produced by the two organization’s to date, added to our very brief visit to the Region. In making these observations and recommendations, the EC team has considered how the Northeast Superior situation ‘fares’ in light of other initiatives of similar type. In NO WAY should these steps be viewed as a step-by-step roadmap that suggests that the region can “follow our yellow brick road to success”. Rather these steps should be assessed by those who know the region much better than we do, for relevance, sensibility and do-ability.

As a caution – It is unlikely that the building of a Conservation Economy, even under laboratory conditions, could ever progress along a linear path. It is an art, not a science, to build-out the complex set of relationships, inter-dependencies and vulnerabilities that co-exist in the form of communities and economies. Careful planning and staging is definitely required - to manage financial implications and capacity - but equally or more importantly the less tangible elements of finesse, patience, strategic leadership, good will and intention.

Based on a review of the materials provided prior to the meeting, and the discussion at the workshop itself, It is the assessment of the EC team that the next right-step for the Northeast Superior Region is to focus regional energies, in cooperation with MNR and local industry, on building a Demonstration Project in the Chapleau Crown Game Preserve, including the negotiation of an Enhanced Sustainable Forest License (ESFL) that will increase the range of management options for the preserve.

Created by the Province of Ontario in 1925, the Chapleau Crown Game Preserve, with a surface area of 7,000 square kilometers (2,700 sq mi), is the largest game preserve in the world. Unfortunately, only a limited number of policy instruments were developed in support of protecting its ecological integrity. This important and culturally significant geography offers a very unique opportunity for this Region to chart a
different course – one that thoughtfully brings together the interests of the Aboriginal and non-Aboriginal communities, the forestry and eco-tourism industries, and the interest in protecting sensitive areas and biodiversity for generations to come.

**Work is already underway** for both moose and sturgeon population recovery programs in the CCGP, and includes strong and supportive technical working groups. There is emerging discussion about the potential to reorganize existing tenures that sit adjacent to, or inside the CCGP in order to reduce timber harvesting pressures in some of the more sensitive ecological areas of the preserve. And there is early-stage work with Aboriginal elders to articulate and map the important historic and cultural areas within the preserve boundaries.

**In the pursuit of a Conservation Economy Demonstration Initiative in the Chapleau Crown Game Preserve,** the Ecotrust Canada Team therefore **RECOMMENDS:**

1. **Discussions with the province for the creation of an Enhanced Sustainable Forest Licence (ESFL) continue and conclude.** Securing an ESFL designation will achieve two things – it will put timber and tenure squarely into the hands of the region so that longer term planning and priority setting can be done through a conservation economy ‘lens’; AND an ESFL designation will require the creation of a regional management body which provides an opportunity to take action on the idea of an a-political body that includes equal representation from the Aboriginal and non-Aboriginal communities and stakeholders. The co-creation of this regional management body, whether it rises out of a reformation of the existing bodies or lives alongside them, is a decision that should be jointly taken. Clearly, in terms of maximizing the use of limited capacity, a ‘collapsing’ of the two existing entities into one new entity would be the preferred option.

2. **Continue and expand the work with the Elders and others to create a comprehensive data set for the CCGP.** Use this data gathering exercise as a way to build not only better ecological information, but as a way to have the communities articulate what their future shared vision is for this special place. The data collection should therefore be expanded to include places of historical and cultural significance; places that provide an opportunity for economic development initiatives (NTFP’s, ecotourism highlights, fish and wildlife habitats etc...), and regional kinships. The Living Atlas is one tool that can be exploited to assist with this process. Traditional and cultural mapping may also be expanded. Having a technical committee comprised of Aboriginal and non-Aboriginal members to support the data collection and collation would be a useful addition to the process.

3. **Test scenarios.** The backbone of this Conservation Economy building work has always been a thorough collection and analysis of the existing natural, social and economic resources, followed by the development of future management scenarios for the lands and resources, together with carefully selected feasibility studies designed to test the viability of economic development ideas. Just what does ecosystem function and long term sustainability look like in the CCGP based upon current management practices and what would it look like under alternative future scenarios? What if moose population density was the driver for meeting land use
objectives rather than volume of timber harvested? What would forest cover and age class distribution need to look like across the whole landscape to achieve that? Managing at a watershed scale, what reserves need to be in place to protect the most critical habitat? What do the licensees need to know about the protected zones in order to better focus harvesting efforts?

4. An ecosystem based approach creates a series of net-downs to the managed forest resulting in a final “timber harvesting land base” and thus provides surety for those trying to understand fibre supply for mills and downstream value added manufacturing, for those needing to harvest non-timber forest products and even for those trying to develop tourism facilities. It is this final timber supply ‘number’ that is needed as the basis for testing alternative economic development scenarios.

5. Introduce Cross Cultural Training in as many ways and as many forms as possible. Encouraging the Elders to work with youth is one obvious priority at this time, but equally important is space and time for the Chiefs and the Mayors to better understand each other and to discover and articulate their mutual interests more clearly.

6. Partnership opportunities can take many forms. Given the limited capacity in the Region it will be important to both stage developments and be strategic about the balanced use of external ‘experts’ and internal capacity building. In the CCGP, a carefully crafted partnership with the licensee responsible for managing the land base will be an important key to realizing success. The experience in BC that is resulting in increased activity and economic prosperity for First Nation communities has most definitely come through a combination of government action over tenure allocation coupled with capacity building through partnership with existing forest tenure holder. Only now with the advent of community forests are we seeing serious efforts between First Nations and local municipalities to partner up to manage land and forest resources. So clearly with a goal of tenure ownership for the region, consistent with the emerging international trend towards community forestry, it is relations with government that are critical and they may be difficult to realize without securing operating partners that can ensure current activities are maintained as a minimum and/or for a transition period while alternative economic activities scale.

7. Find support through promoting sustainable forest management. During the process of working towards achieving tenure or even co-management, the NSRCF and partners would be well advised to consider the potential of encouraging the licensee to adopt certification with the Forest Stewardship Council. Of all the certification standards out there, FSC is the only one that demands meaningful consultation with First nations and local communities as well as having stringent requirements around biodiversity management. These principles are the pillars that set FSC apart and are an avenue for getting real involvement in the activities on the land base and ensuring your voice is heard. Actions and opportunities that help build relationships with the local licensees can be seen as a link in the chain towards business relationships and co-management.
8. **Build the regional economic development plan with a keen eye to the availability and effective deployment of both financial capital and human capital.** Clearly money and people are the essential ingredients in any economic development plan. Understanding how to leverage a wide spectrum of capital support, from philanthropic grants on one end to conventional loans and equity investment on the other is incredibly important. One of the biggest single challenges to economic development is ‘lining up the financial ducks’ that will underpin the dream. Equally important is to recognize and build the leadership talent and the technical talent that exists in the region and to prioritize at least in part based on what the region has the skills-sets to do. Getting some early ‘wins’ is part of the magic of building profile, confidence and political support for your larger vision.

6. **In Conclusion**

The Ecotrust Canada team would like to thank all those who initiated, and all those who participated in the Conservation Economy workshop. We were impressed with the level of discussion, commitment and interest. We were humbled by the integrity of those in the room.

We came away realizing that the challenges you articulated – resource pressures, closing mills, declining infrastructure, inter-personal and inter-cultural conflicts are mirrored across Canada and around the world.

As communities grapple with an economic model that is past its peak – where resource extraction is expected to provide the fuel for growth, everyone is looking for a new approach that will result in longer term benefits for people and for places. Most, like the folks in the Northeast Superior Region, are figuring out that we need to build economies that recognize the limits of our natural capital and that create maximum value and maximum opportunity from everything that is borrowed from the earth.

The Northeast Superior Region is blessed with people who are committed to building an economy that capitalizes on the natural wealth of the area, and that builds on the strengths and wisdom of generations. They are well on their way.
APPENDIX 1

Tla-o-qui-aht Tribal Parks

“Hishuk ish ts’awalk” Everything Is One

Environmental Stewardship / Developing Sustainable Livelihoods
Restorative Justice/Community Healing / Traditional/Ecological Governance

Our Vision

To re-establish a healthy integration of economy and environment in which there is a balance of creation and consumption and a continual investment in biological and economic diversity.

Our Mission

We will realize our vision by practicing the teachings of our ancestors, working in close cooperation with our neighbours, and having transparent communication with all of our stakeholders

TRIBAL PARKS

“Tla-o-qui-aht Tribal Parks are watersheds in Tla-o-qui-aht traditional territory, managed to integrate human and ecosystem well-being, as taught by our ancestors and adapted to today’s situation.”

In recent history, Meares Island was formally declared a Tribal Park by our Hawiih (hereditary chiefs) in 1984. In 2007, Tla-o-qui-aht First Nations took several more formal steps to carry out traditional teaching principles, by signing an agreement to pursue joint sustainability with the District of Tofino, and by partnering with Parks Canada on a Tribal Parks Establishment Project, with the first focus on Haa’uukmin (Kennedy Lake watershed).

What is the difference between a park and a “tribal park”?

A park is usually a protected area which excludes most human activities apart from recreation. A tribal park integrates human activities while caring for the ecosystem at the same time – this was done successfully by our ancestors, resulting in superior ecological integrity of the whole landscape in the territory.

To pursue tribal parks actively today means that we must look to uses which avoid harming and instead benefit the land and water. For example, clear-cut logging and industrial mining would be prohibited, while low-impact eco-tourism, habitat restoration, and carefully-controlled run-of-river energy generation would be allowed. To be successful, tribal parks will need to manage existing land uses and interests, and provide a comprehensive vision for present and future generations.
The purpose of the Tribal Parks establishment project is:

To establish a Tribal Parks administrative organization; and, to develop the required governance tools to operate Tribal Parks, including a watershed management plan and a community development plan; and, to initiate and partner in business opportunities that promote sustainable livelihoods.

The power to create Tribal Parks comes from our Ha'wiih and we intend to respect them by incorporating them into Tribal Parks governing structure to ensure proper representation. By creating a Tla-o-qui-aht Tribal Park land use plan, we hope to present our Ha'wiih and their Muschum designated areas that would remain highly protected. Alongside this, we are proposing areas that could have possible low impact sustainable industry that would benefit all Tla-o-qui-aht.
APPENDIX 2
The Ecotrust Canada Team

In attendance at the March 2012 workshop, and delivering this report, the EC team includes:

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APPENDIX 3
Relevant Experiences from B.C.

Building Regional and Local Economies

The Ecotrust Canada team quickly confirmed that the experiences described by those living and working in the Northeast Superior Region mirror many found in British Columbia. These include: rural population declines; industry consolidation; small business failure; Aboriginal/settler tensions; youth disenfranchisement; and ecological declines. The stark difference may be found in the fact that unlike Ontario, BC has never completed treaty-making with resident First Nations and now, in the face of multiple Supreme Court decisions affirming Aboriginal Title and Rights, is required to demonstrate processes of consultation and accommodation associated with lands and resources development. It is interesting to note that the current conditions of Aboriginal communities, and the issues with which they grapple in the 21st century, seem starkly similar in both the Treaty and non-treaty environments.

This said, the NSRCF’s Vision Statement and Action Plan (April 2011), clearly articulates the opportunity and the opportunity/cost for Ontario if they minimize or ignore the court-supported position regarding Aboriginal authority. Quoting from that document, “There has never been a better time in the history of Canada to advance a resource stewardship agenda that takes into consideration Aboriginal rights and traditional values. Conflict-based approaches to land issues at Gustafson Lake, Burnt Church, Oka and elsewhere in Canada have demonstrated that it is best for the Crown, First Nations and society in general to work together on solving a number of complex land and resource issues. Ontario’s recent experiences at Caledonia, Ipperwash and Kichenuhmaykoosib Inniniwug (KI) further demonstrate that the time is right for a reconciliatory approach. The merits of a reconciliatory approach are further supported by global societal trends that indicate an evolution of ideas that are becoming increasingly compatible with traditional Aboriginal values. Obvious examples include movements toward greater environmental vigilance, economic-environmental-social triple bottom line planning, multi-cultural acceptance including spirituality in the work place – and other balance points outlined in the traditional Aboriginal Medicine Wheel model. This trend is generally defined as convergence - a blending of western and traditional Aboriginal values – and has been predicted through Aboriginal prophecy and teachings.”

In British Columbia, there are current examples of innovative ways to approach the challenge and the opportunity of redefining relationships to the land, and creating a conflict-resolution and stakeholder engagement framework. Relevant examples, for both the CCGP and for the forestry sector include:
**A/ Legislative Changes:** In the absence of treaty settlement in BC, advancing an effective economic development agenda that satisfies industry, government and community must strike a balance between: (1) operating certainty on the land base; (2) equal opportunity for all citizens; (3) environmental security; and (4) revenues. The two examples below, demonstrate new and innovative legislation aimed at creating a more robust and equitable climate for development.

i) **The creation of the New Relationship Trust Act and the formation of The New Relationship Trust Corporation (NRT)** in 2006 went some distance towards striking a different intentional note by formally recognizing the need to build a very different relationship between First Nations and the provincial Crown. The Act established and seeded the NRT with $100M specifically targeted towards Aboriginal-designed and led capacity development across the province. This action simultaneously signaled critical acknowledgement of the successive failure of governments to honour Aboriginal rights, and created the mechanism to course-correct and re-level the playing field of opportunity. Most relevant to the Ontario discussion, the NRT, with a mission to assist B.C.’s First Nations governments to achieve autonomy and to build positive, healthy futures for their people, has designed their fiscal and programmatic interventions towards building localized economies – stating that healthy ‘home’ economies will provide the foundation for a thriving culture. The NRT invests annually in 5 strategic areas including: education, language, elders and youth, economic development and governance.

ii) **The Great Bear Rainforest Agreement** signed in 2006 and implemented in 2009 is a second relevant example for Ontario, especially in light of the 1925 CCGP designation. With this Agreement, nearly 5.2 million acres of land have been protected from logging; a new conservancy designation, created to provide protection for biological diversity and for First Nations’ cultural and traditional uses, has been legislated under the Parks Act; ecosystem based management has become a requirement for all land/resource use; and a $120M financial package has been established to support First Nations’ regional and local economic development. There are several elements of this Great Bear Agreement that may be significant for Northeast Superior. First, the fact that the Coast Opportunity Funds were designed specifically to recognize the place of First Nations in this region – the potential impact of resource decisions on their future and their central role as land stewards. Second, the deal acknowledges the need to support local and regional development in two related arenas: conservation management, and local and regional economic development. Third, like the legislation that established the CCGP, the Great Bear Agreement establishes a unique approach to integrated lands and resource management within a defined geographic area – including the establishment of conservancy areas that foster the dual purpose of protecting biological diversity and Aboriginal (food, social, ceremonial) activities. And finally, the structure of the Agreement recognizes the unique place of First Nations with respect to the region’s economic and conservation future and provides investment capital for their internal development.
B/ Negotiated Land Use: A second approach that is emerging in BC could be considered a ‘softer’ approach, but is proving no less effective in changing the dynamics of land use and the sharing of costs and benefits.

i) Tribal Parks: This example is happening at a slightly different scale within the traditional territory of the Tla-o-qui-aht First Nation on Vancouver Island. The failure of BC to address outstanding Treaty obligations since confederation set the stage for conflict in the early 1980’s when First Nations in Clayoquot Sound took land and resource management responsibilities into their own hands by blockading conventional forestry in a part of their traditional territory known as Meares Island. What was keenly established by that action was a new awareness that the status quo approach to utilizing natural resources in BC was no longer acceptable and could not prevail. The result of this First Nation action was that Meares Island was declared by local First Nations to be a Tribal Park, a term then unfamiliar to the Provincial Supreme Court and therefore upheld (to this day) as the basis for an injunction against logging.

Three years ago, the Tla-o-qui-aht decided to ‘extend’ the Tribal Park designation to include their traditional territory around Kennedy Lake. With partnership funding from Parks Canada and a Memorandum of Understanding with municipal government, the Nation created Haa’uuukmin Tribal Park, and has charted a triple-bottom line economic development strategy that will allow them to (1) protect and restore critical ecosystems; (2) support economic activities (including resource extraction; and (3) generate wealth for their Nation and for other resource users. The intent of the Tribal Park initiative is to fully embrace the spirit, intent and wording of evolving court rulings in a number of related areas including royalty sharing, resource co-management, meaningful consultation and accommodation, and to demonstrate their practical application. Stakeholders and tenure holders are invited to participate in defining uses and benefits from the land. It is expected that special consideration be given to the cultural significance of Aboriginal peoples as stewards of the land and their equal right to benefit economically as well as culturally from activities occurring in their territory.

C/ First Nations Forestry Agreements: In March 2009, the final report from the Working Roundtable on Forestry was published by the provincial government. The report identified key issues and opportunities facing the forest sector in B.C and released 29 recommendations for "a vibrant, sustainable, globally competitive forest industry that provides enormous benefits for current and future generations and for strong communities," including 5 recommendations directed towards making First Nations full partners in forestry. These recommendations are helping to shape a different approach to land and timber allocation (including the decision to phase out volume based tenures and move exclusively to area based tenures), and are encouraging a more thoughtful and long-term, stewardship-view of forest land management. Among other things, the Roundtable’s work has stimulated the creation of the following government initiatives.

i) First Nations Forest Sector Technical Support Program – This $1.2M program is designed to help First Nations with economic development in the forest and wood products
industries by providing funding for technical advice and hands-on expertise, such as best practices in harvesting, transportation, equipment selection, mill layout, manufacturing, market intelligence and market opportunities.

ii) The First Nations’ Woodland Licence – a new forest land designation created to support increased First Nations participation in the forest sector, this licence offers a long-term, area-based tenure to qualifying Nations. First Nations’ woodland licence holders are required to prepare both management and operational plans to ensure compliance with the environmental values and standards of the Forest and Range Practices Act. The licence includes:

- Exclusive rights to harvest timber on Crown land.
- The right to harvest, manage and charge fees for botanical forest products.
- The ability to practice Aboriginal stewardship.

The licence is awarded without competition and the First Nation is required to follow all provincial regulations and policies including the payment of stumpage and other fees.

iii) Forest and Range Agreements – Forest and Range Agreements are interim agreements between the Ministry of Forests and eligible First Nations designed to provide for "workable accommodation" of Aboriginal interests that may be impacted by forestry decisions during the term of the agreement, until such time as those interests are resolved through treaty. These agreements provide the Ministry with operational stability and assist First Nations to achieve their economic objectives by providing revenue and direct award of timber tenure. Accommodation may be in the form of revenue and/or tenure to address the economic component of a First Nation’s potential Aboriginal title interest. Accommodation may also include operational approaches to address a First Nation’s potential Aboriginal rights interest. With the Forest and Range Agreement program, the Province provides to the First Nation, a short term direct award forest tenure and a share of forestry revenues. In return, the First Nation acknowledges that they have been accommodated for the economic component of administrative and operational decisions made during the term of the Agreement (usually 5 years). In addition, the First Nation agrees to not support unlawful interference with forestry operations nor engage in litigation with respect to adequacy of accommodation, as set out in the Agreement. Another key component of these agreements is the inclusion of consultation processes to address both administrative and operational decisions and to ensure timely forestry decisions.

The Ministry has set a target of 8% (about 5.6 million cubic meters) of the provincial AAC to be held by eligible First Nations pre-treaty. Volumes currently available for disposition include AAC uplifts, one-time volumes arising from cut control decisions, or temporary AAC uplifts arising from section 61 of the Forest Act. Additional volume will become available as a result of the timber reallocation made though the Forestry Revitalization Act, but that will take some time to reconcile.