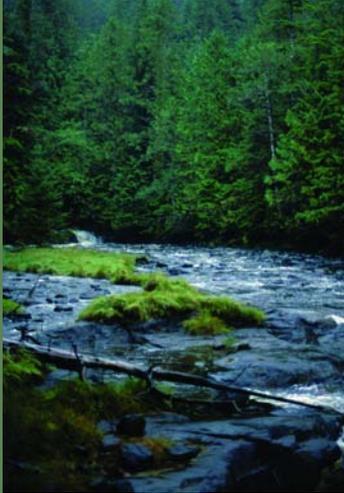


B.C.'s North and Central Coasts

The Great Bear Rainforest:

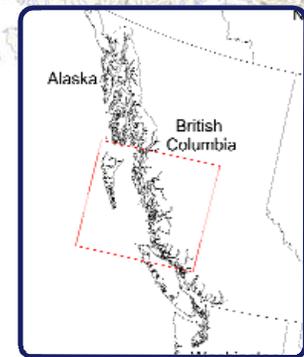
Seizing A Golden Opportunity



THE OPPORTUNITY

The government of British Columbia has a rare opportunity to establish a world-class land-use model that combines economic opportunities and First Nations' aspirations along with conservation and community development. The coastal solution consists of a five point plan and would result in:

- 1 A land use designation map—including a comprehensive network of protected areas in the globally significant temperate rainforest region.
- 2 Ecosystem-Based Management (EBM), an initial suite of EBM legal objectives and an EBM working group to govern and monitor the implementation of a cutting-edge, ecosystem-based approach to resource management, informed by science;
- 3 Conservation Investments and Incentives Initiative (CIII)—a government commitment to the initiative, \$30 million in provincial funds and up to \$110 million in private funding for community economic development as part of an innovative public-private partnership;
- 4 A new relationship between First Nations and the Province to address land use issues;
- 5 A land use plan document for the central and north coast.



BACKGROUND

Stretching along the coast of British Columbia, the Great Bear Rainforest is the last largest tract of intact coastal temperate rainforest left on earth. This type of rainforest covers less than 1% of the earth's surface. Today, less than 25% of this forest type remains.

In the late 1990s, concern over the fate of these forests resulted in protests. First Nation leaders and environmental groups united with concerned citizens to block logging roads. The issue of land use in the rainforest spilled over into the marketplace and international customers of B.C. forest products began demanding a solution to end the conflict.

In 2004, stakeholders at the North Coast and Central Coast planning tables ("The LRMPs") finalized consensus recommendations. Subsequent negotiations between First Nations and the Province have largely confirmed these consensus recommendations, and a solution has emerged.

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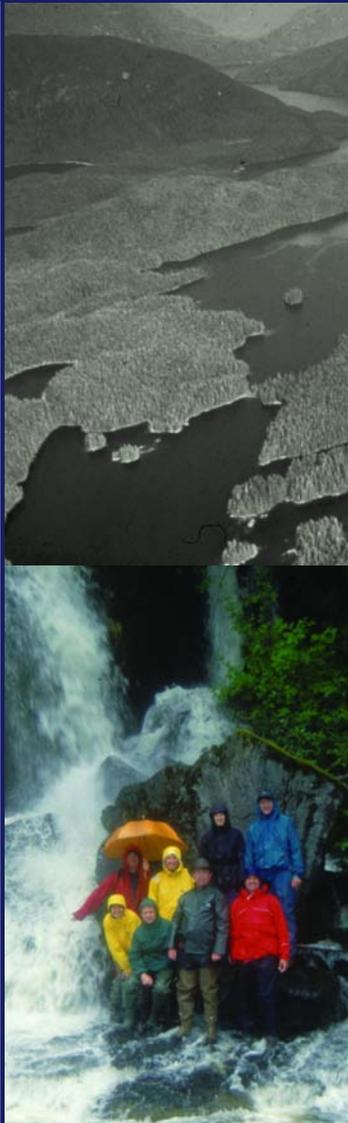
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A Greenward Shift in the Marketplace



In the late 1990s the campaign to protect the Great Bear Rainforest gained worldwide attention and the global marketplace responded.

Over 80 companies committed to stop selling wood and paper products made from ancient forests. Numerous other companies — small and large — in the U.S., New Zealand, the UK, China, Germany and The Netherlands committed to progressive procurement policies including Ikea, Home Depot, Staples and IBM.

In Japan, over 70 companies — including Mitsubishi and Fujiya — agreed not to purchase products from International Forest Products, as long as the company was logging intact rainforest valleys.

Research has clearly shown that most major customers of British Columbia's forest products want forest products derived from ecologically sustainable harvesting. Furthermore, these customers believe that the trend to procurement based on environmental factors will continue and is sustainable.

For some customers, the main motivation for these shifts in procurement was to avoid contro-

versy and to stop specific campaigns being carried out by Environmental Non-Governmental Organizations.

However, other customers have expressed that they will no longer take a reactive approach. With increased awareness they have chosen to become proactive. These customers are not only making procurement policies public, but are developing training programs, marketing and communication plans and have preferred supplier lists.

This kind of proactive approach means that customers have a tremendous opportunity to facilitate action on the Coastal Solution, paving the way for increased economic activity based on maintaining ecological integrity and sustainable logging for British Columbia's coast.

Awareness of the existing solutions in the Great Bear Rainforest by customers like you is critical. We would like to thank you for your continued engagement and for remaining committed to these magnificent forests — home to grizzly bears, rivers of wild salmon, towering ancient cedars and the rare white "spirit" bear.

¹The conclusions presented here are based on the report "Greenward Shift in the Market for Forest Products from British Columbia" - IBM Business Consulting Services, 2003.

"Take a lead — these will be the suppliers we will work with when we return to previously controversial areas"

— Major B.C. forest customer, pg.32, 1.

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Great Bear Rainforest: The Next Steps



- Cabinet approval of the Coastal Solution* is required in September 2005 in accordance with Premier Campbell's commitment to First Nations.
- Government resources are required to ensure there is adequate capacity to complete the work on the Coastal Solution for the September deadline.
- This timeline is critical. The consensus from stakeholders has been in place for over a year. First Nations have been constructively engag-

ing despite unresolved land claim issues. A consensus and solution of such a significant nature cannot hold together indefinitely without action, legislation and implementation. In addition, investors will take their money elsewhere if it cannot be allocated to B.C.'s coast in a timely manner. A golden opportunity for coastal British Columbia exists. The time to act is now.

In summary, "The Coastal Solution" requires government action on the following:

- Legal designation resulting in one third of the Central and North Coast being managed for ecological integrity, including 1.3 million hectares of new areas.
- Creation of a new 'conservancy designation' equivalent or stronger to a Class 'A' Park.
- Adequate funding for an EBM Working Group and credible science.
- An initial suite of EBM legal objectives that, at a minimum, reflect stakeholder recommendations.
- Adoption of the EBM Handbook and commitment to phase it in by March 2009.
- Partner funds from provincial and federal governments to attract \$110 million in private funding and investment poised to flow into the region.
- Adopting the broader land use plan recommendations for the region.

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B.C.'s North and Central Coasts

The Great Bear Rainforest:

Ecosystem-based Management

April 6, 2005, Written by forest industry and environmental organizations

1. The EBM system is 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 so that species and ecological processes can be sustained, and human well-being¹ supported and improved.

2. The EBM system incorporates a set of principles, a multi-scale planning system, and management thresholds and targets derived from the assessment of risk using the best available science. In addition, management targets and thresholds may be subject to a troubleshooting process to address situations where they pose unacceptable impacts to human well-being.

3. Within the multi-scale planning of the EBM system there is a cumulative approach to risk management. This means there is a tradeoff - higher risk activities are allowed at lower scales only if low risk is maintained at higher scales. In other words, watershed and site planning targets are only likely to maintain ecological integrity if landscape and territory/sub-regional requirements and targets are also met. Prior to the completion of higher level planning, care must be taken at lower scales to maintain the overall low risk and

inherent flexibility of EBM.

4. There are a number of practical features that may distinguish the EBM system from current/prior approaches to land use planning - these include:

a) A hierarchy of scales, including variation in both spatial and temporal scales, plus regional contexts outside the planning area;

b) First among equals - both ecosystem and human wellbeing are actively and concurrently pursued while recognizing that human wellbeing must occur within ecosystem limits;

c) Systems thinking i.e., recognition of the complexity and dynamism of ecological and social systems, the interdependent roles between humans and nature;

d) Precautionary approach - recognizing uncertainty and working to establish and implement management objectives and targets that err on the side of caution until adaptive management can provide greater certainty;

e) Use of appropriate expertise² to inform decision-making. - this includes recognition of the need to create appropriate distinctions between the process of engaging

the best available, independent and neutral expertise to inform decision making from the integration of ecological and human wellbeing and from "social choice" decision making;

f) Harvest rates (e.g. AAC) are an output of planning - not an input;

g) Adaptive management - use of peer reviewed scientific experiments (active) and ongoing monitoring (passive) to "learn by doing";

h) Monitoring of both the implementation and effectiveness of planning - this includes establishing ecological and human wellbeing baselines for analysis and interpretation of monitoring results, and use of reference areas operating at multiple spatial scales;

i) Organizational change, recognizing that a move to EBM may require change in organizational nature of agencies, new legislation and/or policy and an acknowledgement and attempt at equalization of power relationships; and

j) Co-operation between managers and interested and affected parties - collaborative planning and acknowledgement of power imbalances.

¹ Human wellbeing is a condition in which all members of society can determine and meet their needs and have a large range of social choices and opportunities to fulfill their potential. Indicators of human wellbeing include healthy communities and a diversity of viable businesses.

² Expertise consists of peer reviewed science, local and traditional knowledge.

An New Relationship with First Nations



The Great Bear Rainforest and the archipelago of Haida Gwaii are rich with the history and presence of coastal First Nations.

Indigenous history in this region extends beyond human memory. Archaeological evidence dates settlements from the end of the last Ice Age, more than 10,000 years ago. Today the region remains home to First Nations peoples whose histories, identities and spirituality are inextricably linked to the lands and waters of the rainforest.

The coastal First Nations are not a single people. Each First Nation has distinct traditions as well as unique circumstances and aspirations. At the same time, their languages, oral histories, and ecological knowledge reflect the shared

philosophies that underlie a deeply-rooted ethic of conservation and a millennia-old commitment to the sound stewardship of coastal ecosystems.

A new relationship has developed over the last few years with coastal First Nations engaging in unprecedented government-to-government discussions about land use within their territories. Currently these government-to-government protocols are being finalized. This is the first step on a path towards the new relationship with First Nations.

The following First Nations have territories entirely or primarily within the Great Bear Rainforest and Haida Gwaii:

Da'naxda'xw
Gwa'Sala-Nakwaxda'xw
Haida
Gitxaala Gwa wa aineuk
Kwiakah
Lax Kw'Alaams
Metlakatla
Que'Qwa'Sot'Enox
Wuikinuxw

Gitga'at
Haisla
Heiltsuk
Kitasoo/Xai'xais
Kwicksutaineuk
Mamalilikula
Nuxalk
Tsawataineuk

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Conservation Investment and Incentives Initiative

A diverse group of stakeholders - resource businesses, First Nations, environmental organizations, local communities, and philanthropic foundations - have been working to create a new conservation and economic development model for the Great Bear Rainforest in an effort known as Coast Investments and Incentives Initiative (CIII).

CIII was designed to support the understanding that promoting sustainable economic development, meeting community needs and preserving ecological integrity are interdependent and must be advanced in unison. The CIII parties have focused on using conservation commitments to attract investment funds to support both sustainable economic development and conservation management in the Great Bear Rainforest. This is a new and innovative approach to supporting local communities that have developed strong conservation land use plans in the region. As well, there will be funds available for communities outside the region that have historically gained employment through resource activity on the coast.

The CIII financing and investment strategies include:

A conservation financing initiative -

Approximately \$100 million - for grants to First Nations communities. This fund is comprised of \$50 million each from private and public sources. These funds will be managed through a new organization, the Coast Opportunities Funds. Over half of the private funds have been pledged subject to government agreements being finalized and a commitment to the Coast Opportunities Foundation. The BC government has provisionally proposed contributing 30 million dollars.

A socially responsible investment initiative- \$83 million - for venture capital and loan funds for community-based businesses and emergent economic sectors. These funds will be available to applicants from First Nations and non-First Nations communities. This initiative will be comprised of \$57 million from private and philan-

thropic investors, and \$26 million in public support (an initial \$4.5 million has been conditionally pledged by a private foundation subject to government agreement).

To make CIII work, government must commit - both provincial and federal governments need to provide public funding to match funds raised by the environmental groups and philanthropic foundations. This will support the transition to stable, viable conservation economies in the communities of the Great Bear, as well as showcase BC's coast as a model of sustainability worthy of worldwide recognition.

Over \$100 million in new private funding and investment is poised to flow into the region and create sustainable business opportunities for communities of the Great Bear Rainforest. It is highly unlikely that these funds will be released if either or both governments do not do their part in matching these considerable conservation investments.

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