



Ecotrust Canada

Ecotrust Canada is a private, nonprofit organization promoting conservation-based development as the means to a conservation economy in the coastal temperate rain forests of British Columbia.

Ecotrust Canada works with civic entrepreneurs, local communities, First Nations, all levels of government, scientists, industry, and fellow conservationists. We are agents of change, catalysts in the ongoing search for true protection and sustainability of British Columbia's unmatched natural legacy.

Mission and vision

Ecotrust Canada's mission is to support the emergence of a conservation economy in the coastal temperate rain forest region of British Columbia.

A conservation economy sustains itself on "principled income" earned from activities and practices that restore rather than deplete natural capital. We envision a region in which the economy results in social and ecological improvement rather than degradation.

Strategy

Our strategy is to act as a catalyst and broker to create the institutions needed to envision, inform, and finance the conservation economy; support the civic entrepreneurs that can give it expression; and conserve and restore the landscapes and waterways needed to provide its benchmarks of health. We offer tools and resources to people and organizations who promote positive change at the intersection of ecosystem conservation, economic opportunity, and community vitality.

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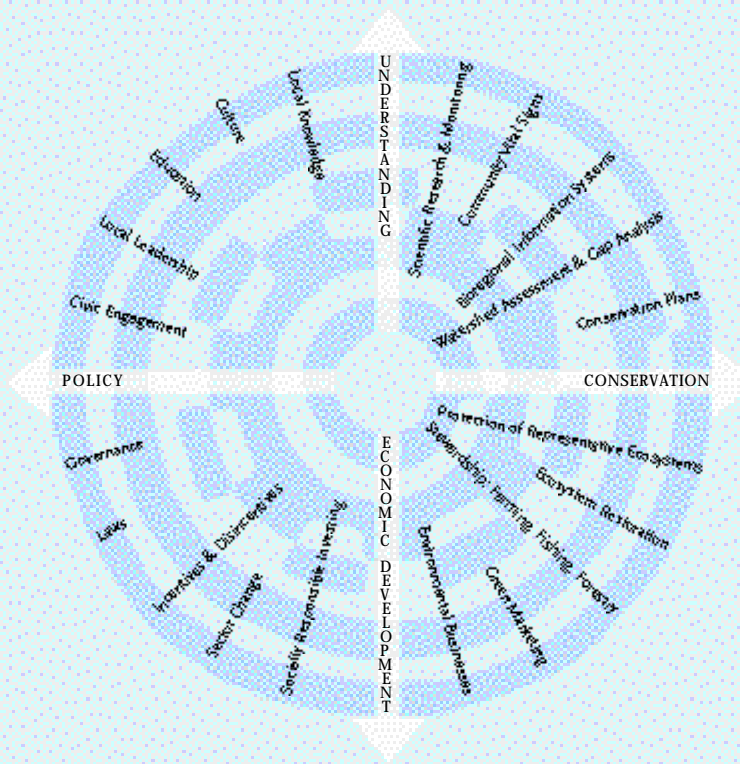


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the conservation economy
a capital idea



CARDINAL POINTS THAT GUIDE THE WORK OF ECOTRUST CANADA

Understanding through ecosystem-level scientific research, monitoring of ecological, economic and community trends, and education.

Conservation through protection, careful stewardship, and restoration of soils, waters, plants, animals, and natural ecological processes.

Economic development by providing technical, financial, and marketing assistance to environmental entrepreneurs.

Policy reform by ensuring that local experience and needs guide government decision-making at all levels.

contents

- 2** executive message
- 6** place-based programs
- 14** programs
- 19** financial information

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While not a membership organization, Ecotrust Canada welcomes the support of all who would like to share in our work.

Contributions to Ecotrust Canada are tax deductible.

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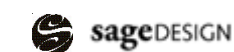


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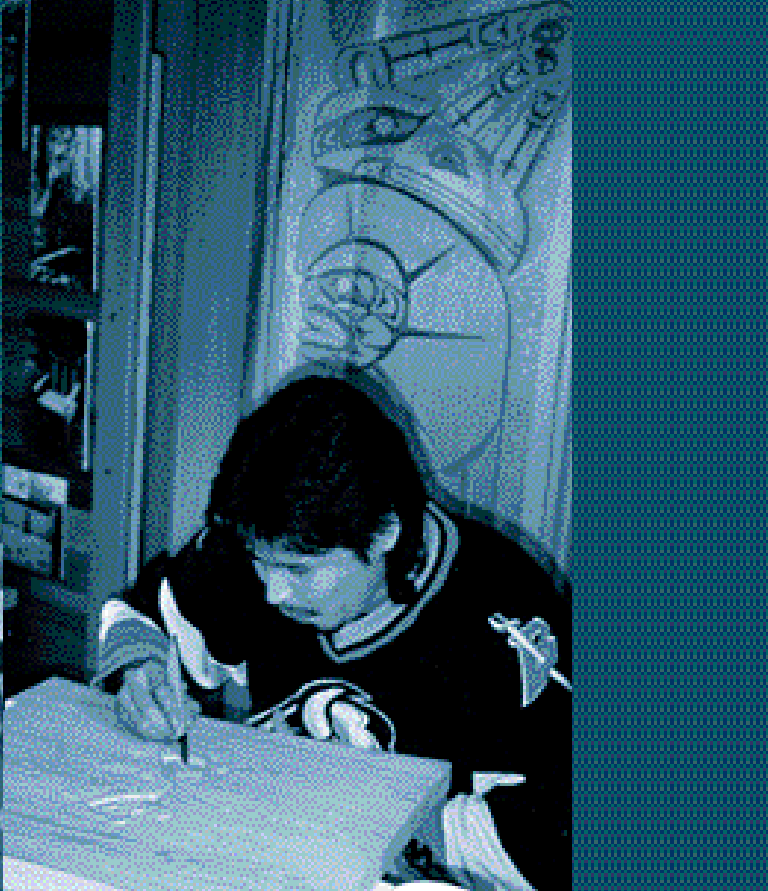
COVER: Adrian Dorst

clockwise from left

PAGE 1: Larry Jorgenson; Sarita Furniture; Catherine Jordan

PAGE 5: Larry Jorgenson (all three)

PAGE 13: Logo by Damian George; John Nelson; Nancy Turner



Ecotrust Canada has created a Natural Capital Fund to help build the conservation economy by providing loans to entrepreneurs like Sarita Furniture, and support for new infrastructure like this beam being carved for a Heiltsuk elders' seaweed camp.

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the conservation economy - a capital idea

As the world becomes saturated in the self-reflection that the end of the 20th Century seems to demand, at Ecotrust Canada we look back not on 100 years but on a mere five. Our fifth birthday is a modest milestone, but we are proud of our achievements and confident in our vision of a conservation economy.

Our job is to look to the coming century - the conservation century - and envision and help bring about a conservation economy in the coastal temperate rain forests of British Columbia.

By conservation economy we mean an economy that sustains itself on “principled income” earned from activities that conserve and restore rather than deplete natural capital. The wealth of this economy will be vital communities, flourishing diversity, and healthy landscapes and waterways.

Here in British Columbia, that means we will be doing business in myriad new ways. We will continue to cut down trees and to catch fish, to farm, and to mine. But how we do all this in the conservation century will differ markedly from the practices of the industrial century.

We will extract less and produce more, and add value everywhere along the production chain. There will be fewer one-industry towns, and a greater diversity of enterprises and institutions that will add wealth and stability to communities. There will be greater cultural diversity, and in particular, First Nations will occupy a central role in the economic mainstream after being driven to the sidelines during the 20th Century.

To build a new economy, we will need to build new infrastructure. The infrastructure of the industrial economy simply will not do. Much of the existing infrastructure on our rain forest coast is old, inefficient, and operates at a scale that is wholly inappropriate to the conservation economy. Much of it has simply exhausted its usefulness, or has been concentrated in a way that has destroyed the economic diversity and resilience of coastal communities.

Consider that on the northwest coast alone, in just one industry - fishing - there are now no salmon canneries located outside Prince Rupert. Our research and mapping of the northwest coast reveals that until the 1920s there were 23 cannery towns in the 100 sea miles between the north end of Vancouver Island and Bella Bella alone, and upwards of 40 on the whole northwest coast.

Now, the fishery is exhausted. The fleet - once an icon of independence and resilience - is controlled by two companies, and fishermen spend most of their time in port. Cannery towns that used to vibrate to the sound of hundreds of people are now forlorn ghost towns. How many more towns have to die because the fish haven't come back, or the forests haven't grown back?

In a conservation economy, in the conservation century, no community will have to wager its future by consuming its natural capital on the promise of quick economic returns. The communities that succeed will be those that see conservation not as a threat, but as an opportunity.

At Ecotrust Canada, we envision the building of new infrastructure all along the coast, not to perpetuate the plunder but to support conservation-based enterprises, and the conservation entrepreneurs who will create and operate them. There *should* be cannery towns once again, and mill towns, and tourism towns - in fact, there should be towns that do all three, and more. But the communities that survive will scale their pursuit of wealth to the natural wealth that surrounds them. The ones that survive will build a conservation economy, or have no economy at all.

Building this conservation economy is going to take time, and it is going to take capital. That capital will come from private, public, and philanthropic sources, and Ecotrust Canada is now actively seeking partners who will help seed the new economy by investing in it.

We have taken a few decisive steps of our own. Over the past two years, we have worked hard to fashion an innovative economic development program that marries conservation and development. We have created an economic development delivery service for conservation entrepreneurs in B.C., beginning in Clayoquot Sound.

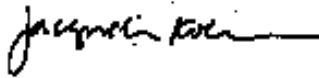
We have begun by making business loans to entrepreneurs who are building the conservation economy. Ecotrust Canada is committed to delivering about 100 business loans over the next five years throughout coastal B.C. We already have \$750,000 in seed capital for conservation lending in B.C., and are launching a "Natural Capital Campaign" to raise many times more than that. We are doing this in partnership with Shorebank Enterprise Pacific, thereby bringing to Canada for the first time the extraordinary skills and experience of Shorebank, one of the world's premier community development banks.

To build an asset base for this work, we have created the Ecotrust Canada Natural Capital Fund, which provides an investment vehicle for people who care to help us protect and restore British Columbia's landscapes and revitalize its communi-

ties. Think of it as an Ecological Public Offering (EPO) that seeks to capitalize ventures that are truly conservation-based.

Over the next few years, we will grow the fund. Through it, we will be brokers, investors, and chroniclers of the conservation economy. In particular, we seek to inform and support people whom we have come to call conservation entrepreneurs. These are the people who demonstrate that it is possible to achieve and to balance the three Es - environment, economy, and equity. The report that follows celebrates some of their accomplishments and the ways in which we have tried to support them.

In the coming conservation century, these and many more innovators and visionaries will succeed in building a conservation economy. Ecotrust Canada will just help speed the plough.



Jacqueline Kohn, Chair



Ian Gill, *President*



The most powerful form of capital in the conservation economy is human capital. The people - elders and youth, Native and non-Native - whose energy and creativity fuel this new economy. Ecotrust Canada is privileged to be able to work with many of these people.

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tapping into true wealth - people in place

By far the most important and powerful form of capital in the conservation economy is human capital - the people whose energy and ideas provide the real fuel for the new economy. In the past five years, Ecotrust Canada has been privileged to work with many of these conservation entrepreneurs in communities up and down the coast.

Our strategy wherever we work is to tap into the wealth of local conservation entrepreneurs. These are people who see opportunity in the conservation economy, work creatively and persistently against all odds, and are motivated by long-term interests in the health of their community and the place in which they live. Through our place-based programs, Ecotrust Canada identifies, supports, and networks a growing number of conservation entrepreneurs in the region. We have been fortunate to both expand the geography of our work and deepen our engagement in each place since we began operations five years ago:

NORTHWEST COAST

In all of B.C. it is harder to find a region endowed with more natural capital than the northwest coast. It is home to some of the largest remaining stands of old-growth forest and the most productive estuarine and marine areas in the province. Over the past five years, Ecotrust Canada has been working with communities and individual entrepreneurs throughout the northwest coast who are committed to finding ways to capitalize on this natural wealth without diminishing it for future generations.

We began by helping the Haisla Nation protect the world's largest unlogged coastal temperate rain forest ecosystem - the Kitlope - so that it could continue to provide cultural and livelihood sustenance to the Haisla people. In the process we supported the Na na kila Institute, a Haisla-run organization that continues to provide conservation, cultural, and economic opportunities to the Haisla community.

We then took this experience to the region surrounding the Kitlope. We staffed an office in the area's economic centre and largest fishing port, Prince Rupert, to support conservation fishers, community forestry initiatives, nature- and culture-based tourism, and other conservation-based development activities. This office became an important hub and support for conservation entrepreneurs in the region. Finally, building directly on our work with the Haisla Nation, this last year we forged a long-term partnership with the neighbouring Heiltsuk Nation to help determine its conservation and economic development opportunities and priorities.

Kitlope Ecosystem

Protecting the Kitlope was not just about conservation for the Haisla Nation - it was also about culture and reviving the community's connection to its ancestral lands and waters. The Haisla were the first to teach Ecotrust Canada the integral part that cultural rediscovery plays in a conservation economy. By protecting their natural capital, the Haisla were protecting their culture, since the two are inseparable. The Haisla call the Kitlope Heritage Conservancy, 'Huchsduwachsdu Nuyem Jees,' which literally means the stories and laws of the Kitlope. The land itself holds stories and lessons that continue to inform the Haisla people. Since its inception, Ecotrust Canada has been honoured to work with the Na na kila Institute, one of the only Native-run conservation-based development organizations in British Columbia.

One of Na na kila's highest priorities has been securing protection of the 40,000-hectare Kawesas watershed, which was left out of the Kitlope Heritage Conservancy when it was established in 1994. Na na kila and Ecotrust Canada conducted and published the results of the *Kawesas Watershed Assessment*. This was the first detailed survey of a watershed's biophysical and cultural values to be undertaken in B.C. before logging was to occur; a practice which is just now being adopted by others. We also commissioned an economic study of timber harvesting values in the area and constructed a research lodge in the valley. This past year, Na na kila has worked tirelessly to add the Kawesas to the Kalum Land Resource Management Planning table's recommended protected areas, and was able to make a very persuasive argument for conservation using information from the watershed assessment and the economic study. It did so by developing an interactive CD ROM, building technical expertise that it was then asked to lend to the Haisla Forestry Department. Na na kila also conducted a wildlife habitat survey in preparation for more detailed studies next year.

In keeping with a commitment to Haisla youth, Haisla culture, and the integrity of their traditional territory, Na na kila has also developed a Haisla Watchman program employing three young men to act as guardians in the Kitlope and other parts of the territory. In 1999, Na na kila launched a Resource Management Training Program in conjunction with the Northwest Community College and Malaspina University which aims to provide high-level training to First Nations in resource management as well as traditional ecological knowledge and stewardship.

North Coast

Recognizing that the Kitlope and Haisla territory was the heart of a much larger, but equally important area of rain forest coast, Ecotrust Canada opened an office in the northwest's economic hub, Prince Rupert, in 1996. Prince Rupert and the north coast are still home to much of the infrastructure of the industrial age - large pulp mills and high-volume fish canneries. An initial survey of entrepreneurs in the region convinced us, though, that there were many people already building new infrastructure for the conservation economy. Much of this effort was in the fishing industry, so we in turn concentrated much of our energy in this sector.

Over the three years that we worked in Prince Rupert, fishing became a precarious enterprise in a community that boasts the largest fleet in B.C. Undaunted, a group of local fishers incorporated Skeena Wild, a "quality seafood cooperative" in Prince Rupert, with fundraising and organizational development assistance from Ecotrust Canada.

Quality has a double meaning for these fishers - first, that the fish are as fresh and handled as carefully as they can be, and second, that they are caught in a way that ensures the future survival of the stocks. Skeena Wild members Fred and Linda Hawkshaw, Clarence Nelson, and Ken and Richard Kristmanson are now leading the way in developing and testing selective fishing methods on the north coast.

In order to reap the full reward of its conservation-based fishing practices, Skeena Wild has also explored the feasibility of stewardship certification from the Marine Stewardship Council. Recognizing more widespread interest in seafood certification, Ecotrust Canada and Simon Fraser University's Institute of Fisheries Analysis co-sponsored a workshop with the Marine Stewardship Council in Vancouver in the spring of 1999, which drew an enthusiastic audience of fishers, fish processors, environmentalists, and others involved in the fishing industry.

Meanwhile, another piece of fishing gear, this one hearkening back hundreds or even thousands of years, took shape over the last two years. The Northcoast Net Project, born out of the vision of a few local Tsimshian and non-Native artists, completed a beautiful traditional stinging nettle gill net for the first time in over 50 years. Along the way, elders Frances Jackson and Frieda Deising literally revived this almost forgotten art through trial and error as they harvested over 5,000 stinging nettle stalks and twisted the fibres into twine for the net.

"Sixty-five years ago, my father used a linen net," explains Jackson, who was honoured during the final celebration feast. "Then came nylon nets, electronic depth finders and million-dollar seiners."

"[Building a traditional nettle net] was hard work. But once we got started we weren't going to quit. By weaving the nettle net we want to show our young people to be proud of the past; we want our traditions to stay alive."

Thanks to their efforts, along with those of project coordinator Ron Bolton, over one hundred people did indeed have a hand in fashioning the net through numerous



net-making workshops in Prince Rupert and the surrounding Native villages. The net will now be installed in the Museum of Northern B.C. and is expected to tour the province in the coming year.

Over the past three years, Ecotrust Canada also supported community forestry initiatives, helped to build the first ecotourism trail in the Prince Rupert region, sponsored the first ever Quality Seafood Expo with a host of other local organizations, provided assistance to cultural rediscovery programs in the area, and offered technical assistance to economic diversification efforts in aquaculture as well as non-timber forest products.

With a small staff and modest budget, however, it is sometimes difficult to balance our interest in expanding the geography of our work and deepening our engagement in each place. For this reason, in July 1999, when many of the initiatives described above were well underway on their own, we made the difficult decision to close our Prince Rupert/ North Coast office. We remain committed to the people and projects this office supported and encouraged, and continue to provide any help we can from a distance.

Mid-Coast

The Heiltsuk Nation's territory encompasses over one and a half million hectares of land and water on the mid-coast of British Columbia. Bella Bella is the largest Native community on the coast, and the Heiltsuk Nation has direct influence over some of the most productive forest and marine areas left in North America. In fact, an analysis Ecotrust completed of the whole coastal temperate rain forest region in North America for the David and Lucile Packard Foundation indicates that B.C.'s central coast is the least funded, but highest conservation priority area in the whole bioregion.

Ecotrust Canada was very pleased to strengthen our partnership this past year with the Heiltsuk community of Bella Bella. On December 11, 1998, Ecotrust Canada, the Heiltsuk Tribal Council and the Heiltsuk Treaty Office, on behalf of the Heiltsuk Nation, signed a long-term cooperative working agreement. With the blessing of both the elected and hereditary chiefs, we committed to build a better understanding of the state of the region's resources, both biophysical and cultural, and to help the Heiltsuk undertake conservation-based development planning for the entire territory.

To this end, we are now working with the treaty office on a cultural landscape assessment to determine the conservation, restoration, and economic development opportunities in Heiltsuk territory. This landscape assessment is unique in that it is led by cultural values and principles, and supported by strong ecosystem-based science. The treaty office and Ecotrust Canada hosted a workshop in June, which provided Heiltsuk hereditary chiefs, elders, and other community members an opportunity to work with professional scientists to develop a methodology for the assessment.

Former Chief Negotiator Edwin Newman, described the ultimate goal of the landscape assessment: “We have managed the territory for over 10,000 years and we want to continue to manage it. We aren’t going anywhere. This is for future generations. We need to think about a thousand-year plan for the territory - five year plans are not enough.”

The means of this project are just as important as the ends, and all involved are committed first to building expertise and skills for this work locally. For this reason, Ecotrust Canada and the treaty office have hired local professionals where possible, and when outside expertise is warranted, young Heiltsuk professionals work side-by-side with outside contractors.

In a similar vein, we have supported cultural rediscovery and heritage ecotourism initiatives in Bella Bella for the last three years. The mission of the Qqs program, for which we have provided modest fellowships to the very talented camp director, Elroy White, sums up the connection between culture and landscape better than anything we can pen: “By encouraging our youth to re-embrace their culture and look back to traditional lands, we hope to open their eyes and hearts to their responsibility to care for it and preserve it for generations to come. We are dedicated to helping our youth to see themselves and their environment in a new way. Through our teaching, we will help to prepare them to be the future leaders of the Heiltsuk Nation, and through our support, help them gain the strength to face the future and its challenges.”

Finally, sometimes the new infrastructure for the conservation economy is real bricks and mortar - or in this case, cedar and stone. The Heiltsuk are building cabins throughout their territory, often in traditional food gathering areas, and are constructing traditional big houses in the town of Bella Bella to provide new venues for community gatherings and significant events. For three years, Ecotrust Canada has sponsored the work of master carpenter, Mark Downing, who helped to build the Kawesas lodge in neighbouring Haisla territory. In Heiltsuk territory, Mark has assisted in the construction of heritage ecotourism operator SeeQuest Adventure’s big house, and this past summer, he aided in building an elders’ seaweed camp. The seaweed camp will allow Heiltsuk elders to once again harvest and dry seaweed in a traditional site that is now quite remote from the village of Bella Bella.

As we mentioned above, Ecotrust Canada sees cultural rediscovery as a vital element of the conservation economy. In few places is this as dramatically manifest as in Heiltsuk territory, where the most promising and fulfilling new economic opportunities are often tied to cultural tradition and stewardship.

CLAYOQUOT SOUND

Investors and venture capitalists use the term “patient capital” for investments in which they are willing to leave their money for a long period of time. Clayoquot Sound captured provincial and international attention in the early to mid-1990s

with logging blockades and mass arrests during its “war in the woods.” The battles aren’t entirely over, but most residents have settled down to the quieter but equally important task of building a vibrant conservation economy. They are doing so largely on their own initiative, but Ecotrust Canada is proud to count itself among the few outside organizations that have demonstrated a long-term commitment to the region.

In 1996, after working for several years with many local organizations and First Nations on a host of conservation and development initiatives, we summarized our experience with the publication of *Seeing the Ocean Through the Trees, A Conservation-Based Development Strategy for Clayoquot Sound*. Since then we have supported some of the people and organizations that have been bringing many of the recommendations of this analysis to fruition.

We provided mapping training and technical assistance to First Nations and others in the area, and economic development services on a pilot basis. This past year we opened an office in Ucluelet with two staff. Caron Olive has expanded Ecotrust Canada’s community mapping services to the region on a full-time basis, and Bill Girard provides on-site lending and other business development services to local entrepreneurs. We are now in a position to help capitalize Clayoquot’s conservation economy, and can take the time needed to see it flourish.

The first loan out of the Ucluelet office was approved in July 1999, and several others have been approved or are under review for value-added timber processing, ecological tourism, and small scale manufacturing enterprises. The Ucluelet office provides not just credit, but other innovative financial and management support to local individuals and companies who are creating the conservation economy.

Clayoquot Sound also has an extraordinary history of agitating for greater local resource management and stewardship responsibilities. Hence the Central Region Board, established at the insistence of the Central Region Chiefs of the Nuu-cha-nulth Tribal Council (NTC). More recently, the NTC, local fishers, regional and municipal governments, and other organizations have come together to form the Regional Aquatic Management Society (RAMS) to assume greater responsibility and accountability for fisheries resources in the area. And in the fall of 1999, designation of Clayoquot Sound as a UNESCO Man and Biosphere Reserve seemed all but assured. The Central Region Board, RAMS, and the Biosphere Reserve committee all recognize the importance of generating and keeping information about the region in the community - a major reason behind the creation of these institutions.

Ecotrust Canada is furthering this aim by providing training and technical support in Geographic Information Services (GIS) to the Ucluelet, Toquaht, Uchucklesaht, Hupacasath, and Tseshaht Nations; helping a stream mapping project in Ucluelet enter data into a GIS; and working with RAMS’ watershed stewards to compile environmental profiles of important watersheds in the

region. To create more momentum for community and regional information management, we have now entered into a partnership with RAMS to begin to put into place a regional fisheries database that captures community and government generated information.

RAMS and Ecotrust Canada acknowledge the great wealth of information that local fishers have about the region's fisheries resources, and also plan to experiment with ways of including this wealth of local knowledge in the information system - and thus in decision-making processes.

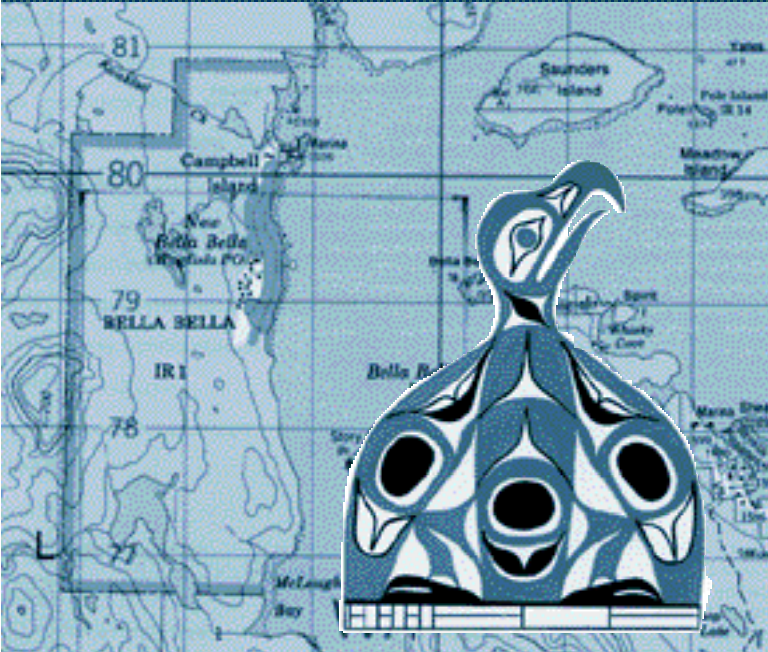
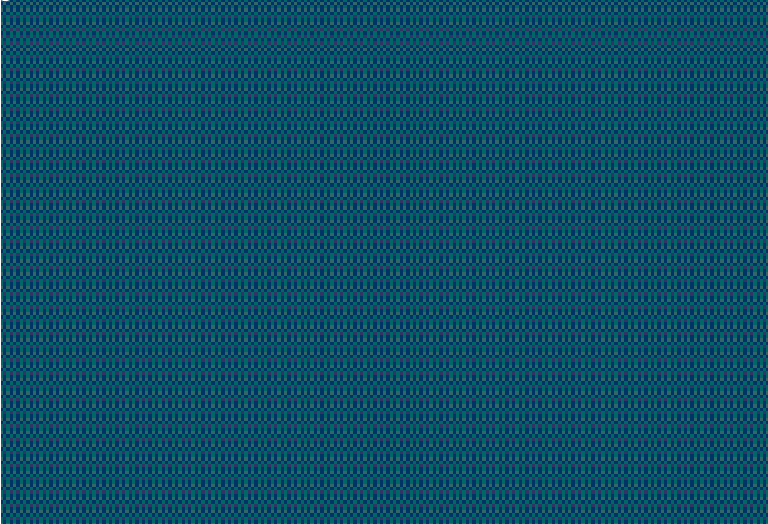
Whether the currency is conservation loans or community mapping expertise, Ecotrust Canada is very pleased to now be in the position to serve conservation entrepreneurs in Clayoquot Sound on a comprehensive and full-time basis.

GEORGIA BASIN

Ecotrust Canada's main office and a bulk of our staff are located in the heart of downtown Vancouver. Yet to date most of our activity has been in rural communities along the coast. Eager to become more engaged in our own community, we were particularly gratified by an invitation to work with the Tsleil-Waututh Nation in North Vancouver on management planning and stewardship of nearby Say Nuth Khaw Yum Park (Indian Arm Park) and the surrounding Indian River watershed.

The Tsleil-Waututh knew of our support to the Haisla Nation in their bid to protect and jointly manage the Kitlope, and were familiar with the expertise of our mapping program. On November 25, 1998, Ecotrust Canada signed a Protocol Agreement for Collaborative Work with Chief Leonard George of the Tsleil-Waututh. This work has begun with the collection of important base-line information for the park and surrounding territorial lands, which includes the mapping of cultural land use activities as part of the Tsleil-Waututh's Traditional Land Use Study.

The Tsleil-Waututh continually impress us with their creativeness in resolving one of Canada's first urban treaties, and in building relationships with tenure holders in their territory, such as BC Hydro, to push for proper stewardship and restoration of the Indian River watershed. Like the Heiltsuk, regardless of whether or not they eventually sign a treaty, they are committed to putting their own "face" on their entire traditional territory, and thereby reaping the conservation and economic returns that this will undoubtedly generate. They are precisely the kinds of innovators who will bring about a conservation economy, and we are proud to now be working with them right here in our own backyard.



Money is not the only form of capital that Ecotrust Canada seeks to deploy. We work with First Nations, community organizations, and social and natural scientists to ensure that information and knowledge become equally potent forces for the conservation

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adding value -leveraging new expertise

As mentioned earlier, conservation entrepreneurs are the key assets in a conservation economy. Ecotrust Canada attempts to add value to their ventures in whatever way we can - through our mapping program, with a policy reform campaign, or with communications tools. Many forms of capital - financial, informational, and political - are needed to support conservation entrepreneurs and the conservation economy they are building. Our work in communities is therefore designed to bring several disciplines and perspectives to bear on the task of environmental and economic revitalization. In addition to organizing our work around particular places, we make a point of finding and capturing the synergy where the cardinal points on our compass - understanding, conservation, economic development, and policy - intersect:

MAPPING AND INFORMATION SERVICES

In the new knowledge economy, as in the old industrial one, there are the haves and the have-nots. Money isn't the only form of capital that Ecotrust Canada seeks to deploy in the conservation age. Information and knowledge are equally important, and without both, conservation entrepreneurs will fail.

In the past five years, Ecotrust Canada has developed considerable expertise in community mapping and geographic information systems (GIS), in order to provide quality information and analytical capacity to communities. Without it, the conservation economy will pass them by.

In 1995 we created Ecotrust Canada's mapping program to help support effective First Nations' and community participation in decision making, as well as to increase our understanding of environmental conditions and changes in B.C. Since then, we have collaborated with First Nations and other non-profit conservation organizations on state-of-the-art mapping and landscape analyses, provided mapping training and technical support to at least a dozen First Nations, and produced maps of B.C.'s land and seascapes as well as its political

and economic infrastructure - maps that portray common and not-so-common knowledge in new and startling ways. In *Falldown* for example, Dr. Patricia Marchak's important critique of B.C. forest policy, maps produced by Ecotrust Canada revealed for the first time the extent of the overcutting of B.C.'s forests.

Always eager to put new, more powerful technology in the hands of local community organizations, we were pleased to work with the Galiano Conservancy Association to create an airphoto image that provides a bird's eye view of the entire island. The image analysis software and expertise we used is the stuff of spy thrillers and international espionage. To date it has mainly been available to government, industry, and universities. The fact that we were able to access and use it illustrates the magnitude of what can be achieved by a community organization in partnership with organizations like Ecotrust Canada and industry. The Conservancy is now using this photo for community planning, and it was the centrepiece of a workshop on healthy communities.

With the Gitksan and Ahousaht Nations, we created the Aboriginal Mapping Network (AMN), the first Native GIS users group in North America. This year, the AMN website (www.nativemaps.org), which showcases information on methodologies, data, and work by different mapping offices, has been receiving over 1,500 hits per month from as far afield as Australia. We hosted a two-day First Nations GIS mini-conference within the International GIS'99 conference in Vancouver in the spring of 1999. In all, around 80 Native mappers participated, with panel presenters from across Canada and as far off as Barrow, Alaska and Australia. Feedback to date has been exceptionally positive and the appetite for information relating to the field of cultural mapping is rapidly growing.

Because of this success and the growing demand, the AMN is also now bringing together smaller groups of people to share ideas at informal workshops and round tables, and has joined with the Union of B.C. Indian Chiefs (UBCIC) to co-produce a publication series relating to cultural mapping and land use and occupancy research. The first publication is a monograph written by Terry Tobias. The manual looks at "best practices" in designing and implementing a cultural use study and ways to achieve a final product which will satisfy local research objectives and at the same time withstand legal scrutiny in the courts.

Ecotrust Canada's mapping program was incubated in Victoria to share mapping technologies and information with other non-profit organizations. In June of 1999 the mapping staff moved operations to Vancouver, from where they continue to provide professional information and technical support to communities throughout the province.

Mapping is fast becoming a common language for many coastal communities to communicate local values to others. Once used by only industry and government, mapping technologies are now employed by myriad local groups to design conservation and development initiatives that are grounded in local knowledge and experience. Ecotrust Canada's mapping program is helping many of these groups

to become proficient in this new language, and to use it to tell stories of how the conservation economy is being put into practice. We offer these sophisticated mapping and information services to help bring about information democracy, thus to ensure that information and knowledge become potent forces for the conservation economy.

ECONOMIC DEVELOPMENT

At Ecotrust Canada we realize that capitalizing the conservation economy needs to include all economic sectors and cut across rural and urban lines. We have worked over the last two years to create an early-stage rural strategy to support conservation entrepreneurs with financing, marketing, and business planning assistance in partnership with our U.S. affiliate Shorebank Enterprise Pacific.

With Shorebank Enterprise, we established our first, full-time joint operations in B.C. this past year. Now located in Ucluelet, and serving the Clayoquot-Port Alberni region, B.C.'s very first conservation loan officer delivers loans to rural small businesses, while helping these entrepreneurs identify financial and conservation improvements to their business. Our strategy is to use the credit process to begin relationships that over time can assist in shifting business practices toward compatibility with conservation and a positive impact on the local ecosystem.

While this program has barely fledged here in B.C., Shorebank Enterprise Pacific's track record south of the border is remarkable. In a region with a declining fish and forest base, Shorebank Enterprise has nonetheless provided \$6.5 million U.S. in credit to over 70 businesses in what many considered high risk sectors - fishing, farming, forestry and tourism - and leveraged an additional \$7 million U.S. from other sources. It has done so while maintaining loan losses at less than 0.3%, proving that conservation is good business. In an area with high unemployment, Shorebank Enterprise's activity has created and retained more than 300 jobs. In addition to direct lending and marketing support to individual businesses, Shorebank Enterprise has helped two communities to establish locally controlled and led community development corporations.

Building on Shorebank Enterprise's strategy of helping local enterprises improve their market access, Ecotrust Canada also piloted RainKist to Clayoquot artisans. RainKist is a marketing program designed by Shorebank Enterprise to bring artisan-made specialty forest products from the coastal temperate rain forest into large-scale giftware and houseware markets. Now salvage wood-framed art cards produced in Barclay Sound are selling in international markets. We also helped the Ahousaht Women's Society and the Ahousaht Walk the Wild Side Heritage Society increase visits to their hiking trail on Flores Island through an urban media campaign. Once our loan services are firmly established, we will expand these kinds of conservation market development services.

This past year *Business in Vancouver* headlined "Ecotrust loans to boost 'conservation economy'" and an article in the *Vancouver Sun* described Ecotrust Canada

as “deeply interested in promoting the kind of sustainable, conservation-based economic development that is value-driven rather than volume-based. This both diminishes the weight of the industrial footprint while helping to diversity local economies and providing communities with genuine equity in local resources they exploit.” We will continue to put our money where our mission is - helping businesses with a commitment to their community and the place in which they live and operate, to flourish.

POLICY AND COMMUNICATIONS

At Ecotrust Canada we do not think of political capital as something you trade up, cash in, or sell out in Victoria or Ottawa. For us true political capital lies in a community’s capacity to influence its own future - an ability to share in the benefits and responsibility of resource use. We intervene in policy debates on issues that we feel will provide the greatest leverage for conservation-based development and best support communities’ efforts to create a conservation economy. In the short history of Ecotrust Canada there have been two such issues: forest tenure reform and protected areas management.

The concentration of the forest industry in B.C. is now not only affecting the ecological health of the forests, but is hampering any serious efforts to support small business development in the value-added wood products and non-timber forest products sectors. We have met entrepreneur after entrepreneur with the financial wherewithal to create thriving businesses, but who simply cannot get the raw material - wood. To tackle this issue head on, in partnership with the David Suzuki Foundation, we commissioned an analysis of the forest tenure system in B.C. and related forest policy.

Dr. Patricia Marchak, a noted sociologist and author of several books on forestry, produced a comprehensive and hard-hitting review of the forest industry, and the failure of industry and successive governments to address the fundamental unsustainability of B.C.’s forest practices. In *Falldown, Forest Policy in British Columbia*, Dr. Marchak and co-authors Scott Aycock and Deborah Herbert recommend that to continue to have viable forestry, we must have healthy forests; in order to maintain healthy, diverse forests the provincial Allowable Annual Cut (AAC) must be decreased significantly; and to capitalize on the wealth of these forests we must move from volume to value.

Hubert Beyer, who is syndicated in 35 local papers throughout the province, said of *Falldown*, “At the very least, *Falldown* should be required reading for every MLA, particularly David Zirnhelt, the forest minister, and everyone else connected, no matter how vaguely, to the harvest of trees in British Columbia.” We heartily concur.

Through our work with the Haisla Nation to protect the Kitlope, it became clear that the Park Act did not address First Nations’ rights and interests, and was no longer capable of protecting large ecosystems like the Kitlope. Again we commis-

sioned two well-known legal experts and published *More Than the Sum of our Parks: People, Places and a Protected Areas System for British Columbia*. One year later, although there were even more signed co-management agreements with First Nations for protected areas management, the dissatisfaction among First Nations was palpable. In the fall of 1998, the Canadian Parks and Wilderness Society's B.C. Chapter and Ecotrust Canada co-sponsored a workshop for those involved in joint management of protected areas. More than 70 First Nations representatives, provincial agency personnel, and environmentalists participated in what turned out to be an extremely lively and candid discussion of the strengths and weaknesses of existing co-management agreements, and ways to strengthen them.

Aside from bringing serious policy issues to public attention, the emergence of a conservation economy will turn, in large part, on our ability to provide examples and inspiration for those who are willing to give it a try. We constantly look for appropriate ways to profile the conservation entrepreneurs with whom we work.

This is not a difficult task, as they naturally attract attention with their innovative ideas. Over the past five years, they have been profiled in the *Vancouver Sun*, *Business in Vancouver*, *National Fisherman*, on a host of local television stations, and on Ecotrust's own daily web-based news service, *Tidepool* (www.tidepool.org). To further bring the excitement and possibility of the conservation economy to the 14 million residents of North America's coastal temperate rain forest communities, Ecotrust Canada and its bioregional affiliates (Ecotrust, Shorebank Enterprise Pacific, and ShoreBank Pacific) engaged a communications firm in Seattle to undertake social marketing of the conservation economy. Their work, as with ours, has really just begun. Together, we aim to create a social movement that will carry us to the conservation century and beyond. Our future depends on it.

Auditor's Report

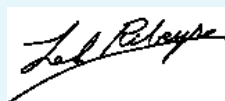
To The Directors of Ecotrust Canada

I have audited the balance sheet of Ecotrust Canada as at June 30, 1999 and the statements of activities and surplus and of cash flows for the year then ended. These financial statements are the responsibility of Ecotrust Canada's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Ecotrust Canada as at June 30, 1999 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Port Coquitlam, B.C.
August 25, 1999



Chartered Accountant

Statement of Financial Position

For the year ended June 30, 1999	1999			1998
	Unrestricted	Temporarily Restricted	Total	
ASSETS				
Current				
Cash	\$ -	\$ 75,343	\$ 75,343	\$ 65,159
Short term investments	117,814	289,674	407,488	155,102
Receivables and prepaid expenses	67,283	-	67,283	88,473
	185,097	365,017	550,114	308,734
Property and equipment (note 3)	7,111	28,392	35,503	49,717
	\$ 192,208	\$ 393,409	\$ 585,617	\$ 358,451
LIABILITIES AND SURPLUS				
Current				
Accounts payable	\$ 65,521	\$ -	\$ 65,521	\$ 34,730
Deferred revenue (note 4)	104,880	181,403	286,283	206,611
	170,401	181,403	351,804	241,341
Commitments (note 5)				
Surplus				
General fund (note 6)	21,807	212,006	233,813	117,110
	\$ 192,208	\$ 393,409	\$ 585,617	\$ 358,451

See accompanying notes

Statement of Activities and Surplus

For the year ended June 30, 1999	1999			1998
	Unrestricted	Temporarily Restricted	Total	
Revenues, gains, and other support				
Organization grants	\$ 6,652	\$ 40,170	\$ 46,822	\$ 78,749
Individual contributions	34,076	173	34,249	22,286
Foundation contributions	270,089	703,332	973,421	669,527
Other contributions	478	67,350	67,828	24,025
Training services and other	116,999	-	116,999	47,243
	428,294	811,025	1,239,319	841,830
Satisfaction of program restrictions (note 6)				
	685,469	(685,469)	-	-
	1,113,763	125,556	1,239,319	841,830
Expenditures				
Program				
Mid-Coast	92,416	-	92,416	-
North Coast	161,906	-	161,906	213,776
Kitlope Ecosystem	133,160	-	133,160	67,973
Clayoquot Sound	77,973	-	77,973	12,221
Georgia Basin	8,203	-	8,203	-
Mapping and Information Services	172,446	-	172,446	186,658
Economic Development	132,744	-	132,744	88,742
Policy	84,534	-	84,534	50,835
General Programs	135,740	-	135,740	93,333
Administration	75,025	-	75,025	128,141
Fundraising	48,469	-	48,469	30,494
	1,122,616	-	1,122,616	872,173
Surplus (deficiency) of revenues over expenditures				
	(8,853)	125,556	116,703	(30,343)
Surplus, beginning of year	30,660	86,450	117,110	47,453
Transfer from operating reserve	-	-	-	100,000
Surplus, end of year	\$ 21,807	\$ 212,006	\$ 233,813	\$ 117,110

See accompanying notes

Statement of Cash Flows

For the year ended June 30, 1999	1999	1998
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ 116,703	\$ (30,343)
Non-cash item		
Amortization	31,611	28,501
Changes in non-cash current assets and liabilities		
Receivables and prepaid expenses	21,190	(53,915)
Accounts payable	30,791	(5,540)
Deferred revenue	79,672	(93,195)
	279,967	(154,492)
Cash flows from investing activities		
(Purchase) sale of short term investments - net	(252,386)	136,121
Additions to property and equipment	(17,397)	(21,453)
	(269,783)	114,668
Increase (decrease) in cash	10,184	(39,824)
Cash, beginning of year	65,159	104,983
Cash, end of year	\$ 75,343	\$ 65,159

See accompanying notes

Notes to Financial Statements

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Organization. Ecotrust Canada was federally incorporated as a non-profit organization with Canadian tax exempt status, effective February 2, 1995. Its Revenue Canada registered charity number is 89474 9969-RR001. Ecotrust Canada, in partnership with affiliated organizations in the U.S., promotes the emergence of a conservation economy in the coastal temperate rain forests of British Columbia and, more broadly, North America. Ecotrust Canada supports the work of conservation entrepreneurs and community organizations, and is engaged in various provincial policy initiatives.

In fiscal year 1999 Ecotrust Canada's program expenses included:

Place-Based Programs

Northwest Coast. On the mid-coast, Ecotrust Canada began a cultural landscape assessment of Heiltsuk territory with the Heiltsuk Treaty Office and supported heritage ecotourism and cultural rediscovery initiatives in the community of Bella Bella. Ecotrust Canada's Prince Rupert staff supported several conservation-based development initiatives on the north coast in 1999, including Skeena Wild, a quality seafood cooperative, and other seafood development initiatives; as well as Aadmsteti, the Northcoast Net Project; and construction of an ecotourism trail. In the Kitlope ecosystem, Ecotrust Canada continued to collaborate with the Na na kila Institute, an organization based in Kitmaat Village and dedicated to the conservation and appropriate development of the Kitlope and other parts of Haisla Nation territory. With the Na na kila Institute, Ecotrust Canada completed a research and education facility in the Kawesas Valley.

Clayoquot Sound. Ecotrust Canada opened an office in Ucluelet in the spring of 1999 and began to provide credit and business development services to area entrepreneurs as well as community mapping and information assistance to local organizations on a full-time basis. In 1999 Ecotrust Canada provided mapping training to several First Nations in the region, and loans and business planning assistance to over half a dozen local businesses.

Georgia Basin. In 1999 Ecotrust Canada signed a collaborative working agreement with the Tsleil-Waututh Nation. This partnership further developed the skills and capability of the Tsleil-Waututh GIS team and collected baseline information for a bioregional atlas of Tsleil-Waututh territory.

Programs

Mapping and Information Services. The mission of Ecotrust Canada's mapping program is to provide access to information and analysis, to build community capacity for mapping, and to produce maps and information products for conservation-based development. In 1999, the mapping program continued to provide training and technical assistance to First Nations and community organizations, hosted the first annual general meeting of the Aboriginal Mapping Network, and produced maps of the fishing and forestry industries on the northwest coast and of forest tenure for *Falldown: Forest Policy in British Columbia*.

Economic Development. This past year, Ecotrust Canada and its U.S. affiliate, Shorebank Enterprise Pacific established joint, full-time operations in British Columbia to provide small business loans, and financial and marketing assistance to entrepreneurs, beginning in the Clayoquot Sound region with plans to expand to the north coast and Haida Gwaii.

Policy. In 1999, Ecotrust Canada and the David Suzuki Foundation published *Falldown: Forest Policy in British Columbia*, an analysis of British Columbia's forest policy system, and recommendations for reform. In the fall of 1998, Ecotrust Canada and Canadian Parks and Wilderness Society's B.C. Chapter hosted a conference on First Nations Co-Management of Protected Areas to follow-up on Ecotrust Canada's report *More Than the Sum of Our Parks*.

General Programs. To support all of its activities, Ecotrust Canada also has programs for communications, leadership development, strategic planning and flight support. In 1999, Ecotrust Canada became a featured link on Citizens Bank's website, published op-eds on forest policy, and provided flight support to other Ecotrust Canada programs as well as affiliated organizations.

This is the fourth year of operations for Ecotrust Canada. Activities during 1997-98 were reported in audited statements appearing in our 1998 annual report.

2. SIGNIFICANT ACCOUNTING POLICIES

Fund accounting. Ecotrust Canada reports revenues and expenditures related to all activities restricted by donor obligations in the temporarily restricted fund.

Property and equipment. Property and equipment is recorded at cost or fair market value, in the case of contributed property. Amortization is provided on a straight line basis over the estimated useful lives of the assets, generally three to seven years.

Revenue recognition. Restricted contributions are recognized as revenue of the temporarily restricted fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated as collectible and is not related to expenditures of a future year. Contributions related to expenditures of future years are not recognized as revenue in the year but are recorded as deferred revenue.

3. PROPERTY AND EQUIPMENT

	1999		1998	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture	\$ 15,719	\$ 4,944	\$ 14,069	\$ 2,775
Computers	101,413	77,515	85,666	48,891
Leasehold improvements	2,455	1,625	2,455	807
	119,587	84,084	102,190	52,473
Net book value	\$ 35,503		\$ 49,717	

4. DEFERRED REVENUE

As described in note 2, donations related to expenditures of a future year are not recognized when received. Deferred revenue represents the amount of donations received relating to future years expenditures.

5. COMMITMENTS

Ecotrust Canada leases office space under a lease agreement scheduled to expire May 14, 2000 at #102 - 1801 Bay Street, Ucluelet, British Columbia; office space under a lease agreement scheduled to expire July 31, 2002 at #202 - 1226 Hamilton Street, Vancouver, British Columbia; office space under a lease agreement scheduled to expire July 31, 1999 at #420 - 1122 Mainland Street, Vancouver, British Columbia; and office space under a lease

agreement scheduled to expire July 12, 1999 at 1216 Broad Street, Victoria, British Columbia. Rental payments for the years ending June 30 are as follows:

	2000	2001
Uchuelet	7,000	-
Vancouver - Hamilton	28,347	32,499
Vancouver - Mainland	1,068	-
Victoria	2,245	-

6. TEMPORARILY RESTRICTED SURPLUS

Temporarily restricted surpluses are available for the following purposes:

Kitlope		\$ 8,648
Northwest Coast		
Northcoast Net Project		15,202
Landscape Assessment		25,702
Economic Development		155,571
General Programs		
Rediscovery		6,883
		\$ 212,006

All other obligations related to temporarily restricted net assets were discharged in the year.

Net assets released from donor restrictions ("satisfactions of program restrictions")

Kitlope Ecosystem		\$ 133,160
Northwest Coast		
General	202,186	
Northcoast Net Project	39,218	
Landscape Assessment	10,449	251,853
Mapping and Information Services		79,473
Economic Development		179,202
Policy		40,170
General Programs		
Rediscovery		1,611
		\$ 685,469

7. RELATED PARTY TRANSACTIONS

Ecotrust Canada received management fees in the amount of \$72,880 from an affiliated non-profit charitable organization, Ecotrust (U.S.) for the year ended June 30, 1999 (1998, \$15,883). Accounts payable also includes an additional amount from Ecotrust (U.S.) for \$5,428 that arose on expenditures incurred on behalf of the organization.

8. COMPARATIVE AMOUNTS

Certain of the prior year amounts have been restated to conform with this year's presentation.

Schedule of Natural Expenses by Functional Category

	Place-Based Programs				
	NORTHWEST COAST				
	Mid-Coast	North Coast	Kitlope Ecosystem	Clayoquot Sound	Georgia Basin
For the year ended June 30, 1999					
Amortization	\$ 1,417	\$ 2,761	\$ 332	\$ 1,883	\$ 139
Board expenses	-	-	-	-	-
Books and periodicals	-	-	-	139	-
Consultants and contracts	7,010	9,448	-	670	250
Data acquisition	-	31	-	-	-
Fellowship and internship	6,000	-	-	-	-
Furniture and equipment rentals	-	-	-	-	-
Insurance	-	186	-	34	-
Meetings and special events	2,141	1,870	52	1,529	137
Occupancy	1,541	8,105	583	2,916	234
Organizational development	-	-	104,089	-	-
Other	-	857	-	144	-
Postage and delivery service	520	1,566	163	534	66
Printing and photography	-	526	-	-	-
Professional fees	506	1,786	717	812	129
Recruiting and training	-	-	-	2,931	-
Repairs and maintenance	-	-	4,756	217	-
Salaries and benefits	52,961	111,722	15,718	51,196	6,422
Supplies	734	8,642	76	1,806	45
Telephone	1,198	6,488	453	2,593	181
Travel	18,388	7,918	6,221	10,569	600
Total	\$ 92,416	\$ 161,906	\$ 133,160	\$ 77,973	\$ 8,203

See accompanying notes

Programs							
Mapping and Information Services	Economic Development	Policy	General Programs	Administration	Fundraising	Total	1998
\$ 19,928	\$ 1,793	\$ 627	\$ 1,080	\$ 736	\$ 915	\$ 31,611	\$ 28,501
-	-	-	-	4,481	-	4,481	3,347
-	-	-	-	-	-	139	2,252
4,440	22,749	18,969	11,020	876	-	75,432	91,003
-	10	-	-	-	-	41	4,102
-	-	-	-	-	-	6,000	23,156
2,116	-	35	-	4,999	-	7,150	6,201
487	-	-	3,558	1,552	-	5,817	863
4,375	1,553	4,540	1,803	240	275	18,515	12,832
18,850	3,155	1,060	2,473	1,564	1,713	42,194	47,010
-	-	-	-	-	-	104,089	35,613
308	693	45	497	2,592	-	5,136	5,362
1,304	973	1,117	1,716	184	498	8,641	9,469
19	48	24,508	7,947	67	46	33,161	19,375
2,525	3,196	176	1,895	29,544	1,200	42,486	21,836
-	-	-	-	-	-	2,931	5,966
275	-	-	14,616	1,651	-	21,515	2,927
96,158	81,217	29,730	68,365	26,074	37,148	576,711	428,910
4,472	762	784	5,925	79	344	23,669	21,848
9,480	2,509	832	2,350	271	1,375	27,730	30,428
7,709	14,086	2,111	12,495	115	4,955	85,167	71,172
\$ 172,446	\$ 132,744	\$ 84,534	\$ 135,740	\$ 75,025	\$ 48,469	\$ 1,122,616	\$ 872,173

BOARD MEMBERS

Jacqueline Koerner (Chair), *Vancouver, BC*
Spencer B. Beebe, (Vice-Chair) *Portland, OR*
Richard Atleo, *Nanaimo, BC*
Louise Barbetti, *Kitimaat Village, BC*
Robert Bateman, *Salt Spring Island, BC*
Wade Davis, *Washington, DC*
Ian Gill, *Vancouver, BC*
Patricia Marchak (until April 1999), *Vancouver, BC*
David Martin, *Vancouver, BC*
Scott McIntyre, *Vancouver, BC*
Stephen Owen, Q.C., *Victoria, BC*
Dennis Perry, *Toronto, ON*

STAFF

Vancouver Office
Ian Gill, *President*
David Carruthers, *Director, Information Services*
Rita Fromholt, *Program Coordinator (until June 1999)*
Laura Fong, *Program Assistant, Economic Development*
Kira Gerwing, *Mapping Analyst*
Yvette Harrison, *Finance Officer*
Erin Kellogg, *Vice President*
Wendy Manchur, *Program Assistant, Fundraising, Communications, and Policy*
Leah McMillin, *Information Support Coordinator*
Marie-Claire Seebohm, *Program Assistant*
Virginia Weiler, *Director, Economic Development*

Clayoquot-Alberni Office
Bill Girard, *Conservation Credit Officer*
Caron Olive, *Director, Community Mapping and Information*

Former Prince Rupert Office
Christine Malaka, *Community Programs Facilitator (until July 1999)*

FELLOWS

Elroy White

VOLUNTEERS

Richard Bridge
Isabel Budke
Mark Downing
Colin Duffield
Teresa Fortin
Pieter van Gils
Noah Grzywinski
David Ramslie
Shane Yakelashek