

ecology | economy | equity



*continuously improving our ecological integrity,
economic opportunity,
and social equity*

the conservation economy

ecotrust 
c a n a d a

Front cover tree rings: Catherine Jordan photo
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ecotrust canada

Ecotrust Canada is a private, nonprofit organization promoting the emergence of a conservation economy in the coastal temperate rain forests of British Columbia.

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

annual report
2001

mission

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 that restore rather than deplete natural capital. We envision a region in which the economy results in social and ecological improvement rather than degradation.

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 conservation 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.

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. Credit card donations may be made on-line at www.canadahelps.org.

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strategy

contents

2 executive message

4 program overview

8 2001 highlights

13 financials

16 organization info

3 ecology | economy | equity

3 ecology | economy | equity executive message

In this, the conservation century, we look for new measures of prosperity. In the 20th century, economic indicators – consumer spending, unemployment statistics, inventories, stock indices, bond yields, and countless other barometers of economic performance – never revealed what was really happening in our economy. “You can’t eat GNP,” as one book wisely contends.

At Ecotrust Canada, we seek to build a conservation economy, and we know we will be judged by the numbers. But before we, too, fall prey to an obsession with the bottom line, might we propose a different indicator altogether? Why don’t we start to measure *optimism*?

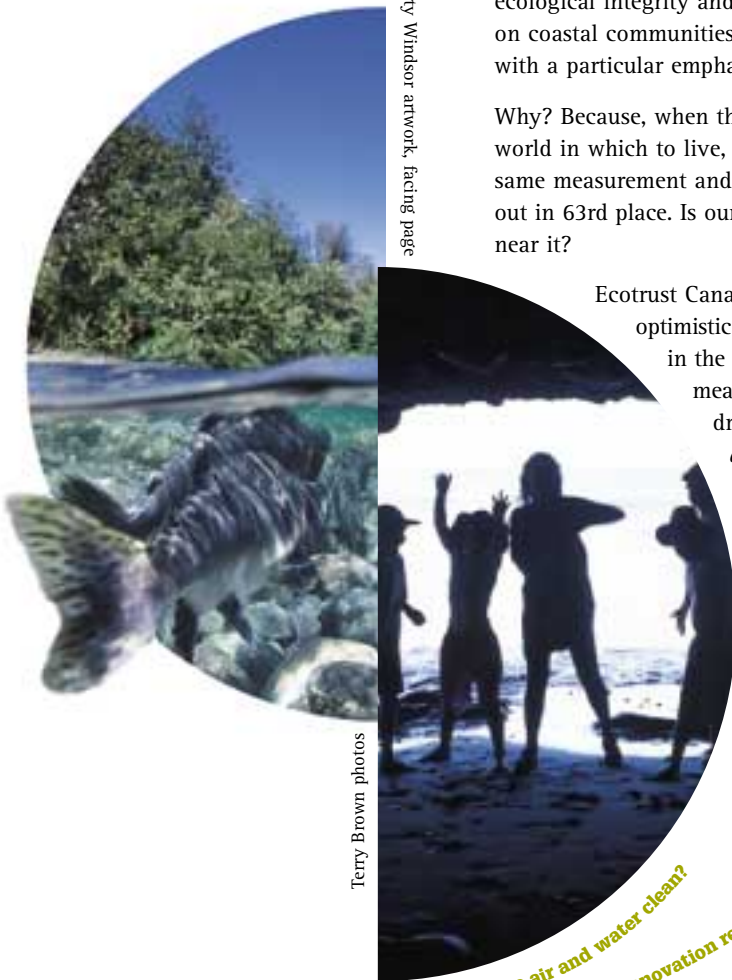
When all is said and done (and measured), do people feel more or less optimistic about their prospects? Is the air and water clean, or dirty? Are the salmon wild, or all farmed? Is innovation rewarded, or discouraged? Is value added, or discounted? Are assets accumulated, or dissipated? Are rights respected, or removed? Do kids look out the window at a bright future, or a bleak one?

Measuring optimism, we believe, might better account for the social, ecological and economic experiences of people – social entrepreneurs, business owners, political leaders, students, elders, workers – who are building the conservation economy.

In the conservation economy, we seek *continuous improvement* in social equity, ecological integrity and economic opportunities. At Ecotrust Canada, we focus on coastal communities. We work with a diversity of people and institutions, with a particular emphasis on First Nations.

Why? Because, when the United Nations measures the best countries in the world in which to live, Canada consistently ranks at or near the top. Take the same measurement and apply it only to Canada’s First Nations, and they come out in 63rd place. Is ours one of the best countries in which to live, or nowhere near it?

Ecotrust Canada was launched more than seven years ago in the optimistic belief that, with new tools, communities could participate in the building of a conservation economy – which by definition means the gap between 1st and 63rd place needs to be drastically narrowed. We have championed *information democracy* by building capacity of First Nations and other communities to gather and analyse data, and convert information to power at decision-making tables. And in the belief that business can be a powerful force for positive change, we launched the Natural Capital Fund to seed the work of *conservation entrepreneurs*: we have raised almost \$4 million in capital and loaned \$2 million in 20 transactions aimed at diversifying local economies, and improving economic resilience in economically challenged communities.



Marty Windsor artwork, facing page

Terry Brown photos

2
Is the air and water clean?
Are the salmon wild or farmed? Is innovation rewarded,
are rights respected? Do kids look out the window
at a bleak future, or a bright one?

What these numbers and our enclosed audited accounts don't reveal is our social and ecological leverage reach:

| With a loan, along with extensive technical assistance, we helped the Tsleil-Waututh First Nation in its efforts to buy more than 320 hectares (800 acres) of forest land in the Indian River Valley near Vancouver. The Tsleil-Waututh plan to put their Inlailawatash lands into sustainable forest production. Ecotrust Canada also assisted in the launch of an ecotourism venture, and the securing of a crab fishing license for the Tsleil-Waututh. (p.7)

| With a grant, and with the assistance of Ecotrust in the U.S., we completed the purchase of the strategically positioned Koeye River Lodge on the Central Coast of BC. Plans are afoot to protect the entire Koeye River watershed, and to return the property to First Nations ownership. (p.12)

| With the guidance of elders and other leaders in Heiltsuk territory, we identified a serious overcut of cedar by industrial forest companies, and helped the community produce a strategy for reducing high-grading of cedar from the Central Coast.

| With a combination of loans and other assistance in Clayoquot Sound, we supported the expansion of the shellfish sector in a region whose traditional fisheries have drastically declined. We continue to work with a number of First Nations to assist their participation in this emergent sector. (p.10)

It is our belief that these developments, and myriad others we have undertaken in partnership with communities all along the coast of BC, are cause for tremendous optimism, so much so that we are launching a long-term initiative—*Just Transactions, Just Transitions*—which we believe is a powerful new strategy for social, ecological and economic renewal in the coastal temperate rain forest communities of North America.

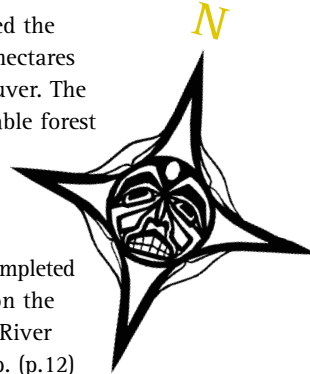
By *Just Transactions*, we mean helping First Nations gain greater access, ownership and control over lands and natural resources, as a poverty alleviation, conservation and environmental restoration strategy.

By *Just Transitions*, we mean a deliberate and strategic approach to the process of building better communities through local governance and sovereignty, enterprise development, the building of individual and community assets and capacities, and repatriation of alienated lands.

Our partners in this initiative spanning the entire coastal rain forest region of North America are Ecotrust, and the Corporation for Enterprise Development (www.ecotrustcan.org/about/affiliates.shtml). And, of course, the communities where we work. *And*, of course, anyone else who believes that a conservation economy not only is possible, but is a fundamental requirement for building a just society. Every transaction in the conservation economy is further proof of people's optimism that we can narrow the gap between the best off, and the worst off. And that's something you can measure.


JACQUELINE KOERNER, Chair


IAN GILL, President





By combining local knowledge and western science,
we help communities create land use plans
grounded in a cultural context of place.

Ecotrust Canada's work over the past seven years has been based on the provocative idea that people, communities and jobs are essential to lasting environmental conservation. Indeed, we believe that conservation and economic sustainability are mutually dependent, and that environmental protection is the product of healthy, diverse local economies. This conviction was demonstrated in communities along British Columbia's coast in 2001, as Ecotrust Canada's ongoing work to support the emergence of a conservation economy built on the gains achieved in previous years. We are starting to see evidence that the work we are doing with our partners is having a positive impact on the sustainability of ecosystems and communities from the Central Coast to the Georgia Basin to Clayoquot Sound.

| information services |

The legacy left to coastal communities in BC by the liquidation economy of the last century is one of environmental, economic and social collapse. The lands and waters that sustained First Nations for thousands of years are now dangerously depleted of their natural abundance. Everywhere along the coast, communities are struggling to survive.

After generations of disenfranchisement and despair, coastal communities – in particular First Nations – are taking steps to reclaim jurisdiction over their traditional territories and the precious resources that give the lands and waters their value.

Since 1994, Ecotrust Canada has been working with First Nations and other communities through our Information Services Program, providing the tools people need to gather and analyse data and convert information into effective decisions. We work within a framework that integrates accepted science and community knowledge, providing quality research and specialized training in information technologies, enabling communities to build capacity and realize local visions.

We work with communities all along the continuum from identifying local needs to managing information to planning for the future.

providing the tools for effective decisions

Often when we are invited to work with a community, our first step is to build customized *on-site training and technical support* programs to provide local people with practical, specialized knowledge and skills in areas such as Geographic Information Systems, Traditional Use Studies and Global Positioning Systems. The next step is often to describe the state of the local environment through *mapping and information products* such as bioregional atlases and research guides that bring clarity to conservation and economic development issues.

Armed with skills and having articulated their visions for the future, communities move to the stage of developing *land use plans* for their traditional lands and local environments. Ecotrust Canada helps First Nations and other communities with these plans including forest profiling, fish and fish habitat monitoring and support in Crown-land referrals. By bringing together local knowledge and western science, we help to create land use plans that are grounded in a cultural context of place.



National Aboriginal Forestry Association
www.nafaforestry.org



Union of British Columbia Indian Chiefs
www.ubcic.bc.ca

First Nations and other communities along the coast of BC and beyond are walking on parallel paths – each working step by step to improve the social, ecological and economic futures of their people. Having worked alongside many of these communities for seven years, Ecotrust Canada is in the unique position of being able to bring these groups together to share best practices and highlight what is working in environmental planning and conservation-based development. Through our *networking, workshops and conferences*, we are helping to break rural isolation, network solutions in the indigenous community and build momentum towards a conservation economy for all British Columbians.

In addition to working intensively in communities, Ecotrust Canada works in partnership with like-minded organizations on projects that are larger in scope, building synergies in reaching new audiences with new expertise. In 2001 we enjoyed partnerships with two First Nation institutions – the Union of BC Indian Chiefs (UBCIC) and the National Aboriginal Forestry Association (NAFA) – through which we continue to collaborate on joint research and publication products.

With UBCIC, we are working on the second book in our publication series illustrating best practices in land use and occupancy research and mapping. The first book in the series, *Chief Kerry's Moose*, has won widespread acclaim internationally as a must-read for First Nations cultural researchers and decision makers. With NAFA, we are working to bring clarity to forest certification issues nation-wide through the creation of a *First Nations Forest Certification Primer*. Combined, these relationships bring new ideas to our work, help us reach new audiences, and help us create stronger products through a diversity of experience.



Eugénie French's photo



Satellite images, such as this one of North Vancouver Island, add visual context to maps and allow analyses such as habitat modelling and forest classification. Here, small white patches denote clearcuts.

| economic development services |

Our work in communities does not end with a plan that sits on a shelf in the local band council office or community hall. For Ecotrust Canada and our community partners, the creation of a conservation-based development plan is not the end of our work together – it is often the beginning. We are committed to putting into action the schemes and enterprises that are bringing the conservation economy to life – and we do this by working with the local entrepreneurs and leaders who are starting and running their own businesses, diversifying the local economy, and creating jobs.

We believe that the future of this province lies in conservation-based development. For us, that means that businesses seeking social, ecological and economic returns will thrive, resulting in an economy where economic activity flourishes, yet natural capital is no longer exploited at a rate beyond that which can be sustained.

In order to stimulate and support conservation entrepreneurs, our **Natural Capital Fund** offers higher-risk capital to entrepreneurs who look beyond the economic bottom-line. Business loans of up to \$300,000 are available for research and development, new production and service capacity, working capital, equipment or other fixed assets, and bridge financing for confirmed contracts. At the end of 2001, we had raised almost \$4 million in capital and loaned \$2 million in 20 transactions in sectors from sustainable forestry to value-added fisheries, from ecotourism to organic agriculture. Over 100 jobs have been created or retained in coastal communities of BC as a result of our conservation financing program to date – measurable results of our efforts to diversify local economies and improve economic, social and ecological prospects in economically challenged communities.

The challenges faced by First Nations and conservation entrepreneurs in marginalized communities go beyond access to capital. As evidenced by the ongoing demand for our Information Services Programs, information is a valuable and often elusive commodity in communities most affected by the liquidation economy. Ecotrust Canada fills this gap with our economic and business development consulting services. We offer services including: market research

and analysis; business planning; feasibility studies; management, training, and product development services; and strategic planning for economic development and resource management. Our culturally informed expertise and services have helped First Nations and other coastal communities take charge

of and create economic development

opportunities within their communities while ensuring the activities replenish rather than deplete their natural capital.

bringing the conservation economy to life

A thank you to our partner, Shorebank Enterprise Pacific

Ecotrust Canada's economic development program was launched and guided in collaboration with Shorebank Enterprise Pacific (SEP). They not only provided us with administrative backbone but provided much needed insight and expertise. Thanks to their constant involvement over the past three years, Ecotrust Canada has built a loan portfolio and a web of relationships that support conservation entrepreneurs in Clayoquot Sound and beyond. Ecotrust Canada's economic development capacity has grown considerably and we have begun to realize our long-term objective of managing this aspect of our work in-house. We extend a heart-felt thanks to SEP for its vital contribution to the work of Ecotrust Canada.



SHOREBANK
ENTERPRISE PACIFIC

people of the inlet

The Tsleil-Waututh First Nation occupies a rich and diverse territory of 190,000 hectares ranging from spectacular forest areas on the southernmost fiord in North America, to glacier capped mountain peaks, to productive salmon streams, to the dense urban settlement of metropolitan Vancouver.

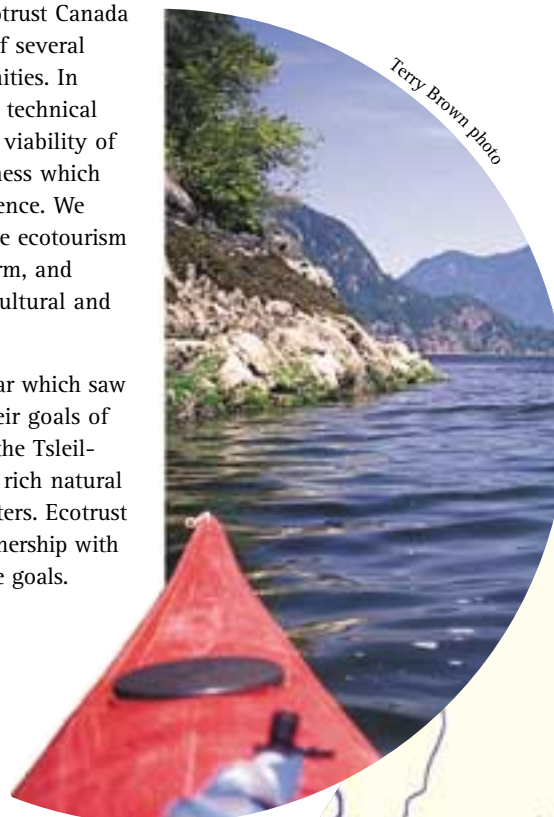
Nowhere has the convergence of Ecotrust Canada's suite of services had as great an impact in 2001 as on the north shore of the Burrard Inlet in the Georgia Basin, home to the Tsleil-Waututh First Nation. This year saw Ecotrust Canada assist the Tsleil-Waututh in a variety of exciting and challenging land acquisition, resource management and business development activities.

Ecotrust Canada provided technical support and training to the Tsleil-Waututh for the production of a bioregional atlas that will support management planning for Say Nuth Khaw Yum/Indian Arm Provincial Heritage Park, a 6,800 hectare protected area which is co-managed by the Tsleil-Waututh and the BC Provincial Government. We also played a pivotal role in the Nation's purchase of 800 acres (320 hectares) of fee-simple land in the Indian River Valley when Ecotrust Canada and VanCity stepped forward to finance the acquisition. This property, known as the Inlailawatash lands, abuts Say Nuth Khaw Yum Provincial Park and includes old growth forest, sensitive wildlife habitat, and a number of important traditional use sites.

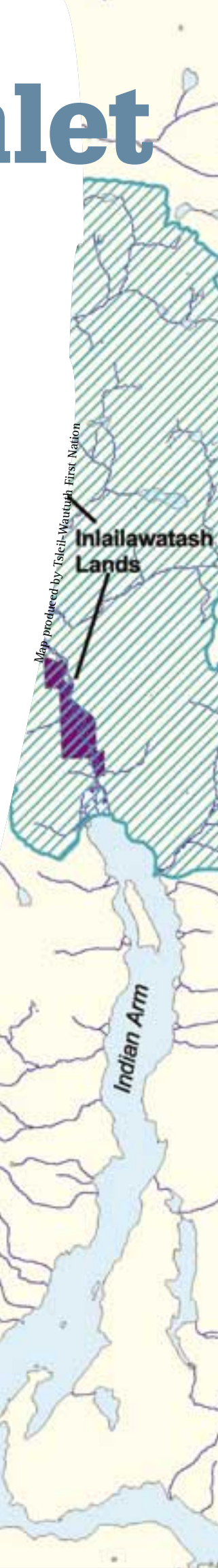
Looking to future opportunities for conservation-based development, we have been working with the Tsleil-Waututh to develop a comprehensive stewardship and development plan for the Inlailawatash Lands. To date, forest and ecosystem inventories have been completed and loaded into a Geographic Information System (GIS), and a range of maps prepared for planning purposes. We also organized a certification course in field survey techniques using Geographic Positioning Systems (GPS) to support ongoing forest management and riparian habitat restoration work in the lower portion of the Indian River Valley.

In addition to our support of the Tsleil-Waututh in the field of digital information management, Ecotrust Canada has assisted in investigating the feasibility of several community economic development opportunities. In 2001 we worked closely with Tsleil-Waututh technical staff to conduct a feasibility analysis on the viability of initiating a Dungeness crab harvesting business which resulted in the securing of a crab fishing licence. We also explored opportunities for further marine ecotourism developments in Burrard Inlet and Indian Arm, and initiated discussions regarding cooperative cultural and eco-tourism facilities in urban Vancouver.

For the Tsleil-Waututh Nation 2001 was a year which saw the community make significant gains in their goals of creating an economy that will both sustain the Tsleil-Waututh people, and restore and protect the rich natural abundance of their traditional lands and waters. Ecotrust Canada is proud to continue to work in partnership with the Tsleil-Waututh as they strive toward these goals.



Cultural ecotourism is one of several ventures the Tsleil-Waututh First Nation is developing in their traditional territory.



2001 highlights



Cindy Hazenboom photo

The Eco-Lumber Co-op aggregates supplies of sustainably harvested wood products, building a conservation economy by linking suppliers to markets.

| We initiated the *Working Sound Project* to support the growth of a conservation-based shellfish industry in Clayoquot Sound. (*In Communities 2*)

| We continue to deepen our relationships with First Nations in the Clayoquot-Alberni area. In 2001 we provided mapping training and technical support to the Tseshah, Hupacasah, Uchucklesah and Ucluelet. One project was assisting the Ucluelet First Nation to produce their cultural resource atlas, which involved mapping information collected from their traditional use studies, incorporating the Ucluelet language.

| In 2001 we intensified our partnership with the Tsleil-Waututh First Nation of the Georgia Basin (*In Communities 1*)

| Our economic and business development program experienced measured growth in 2001. We added a full-time community economic development researcher, and after three years under the tutelage of Shorebank Enterprise Pacific, we brought our lending program in-house. Building on the success of our conservation-based economic development work in the Clayoquot-Alberni region, we expanded our geographic reach to North Vancouver Island with the opening of a new office in the Comox Valley. Our new location is providing us with opportunities to participate at different points along the product supply chain allowing us to work more strategically within sectors that operate along the British Columbia coast. We anticipate that over the next year we will have engagements, including lending agreements, with entrepreneurs active in eco-forestry, value-added wood production, organic agriculture, shellfish, and watershed restoration. We look forward to sharing our conservation-based economic development expertise with a variety of partners in this fertile community.

| Adding to the lending services available through our Natural Capital Fund, Ecotrust Canada formed a partnership with VanCity Credit Union in 2001 to launch our Conservation Finance Program. Conservation financing is a BC-wide program to create jobs and promote the growth of organizations with significant positive environmental impacts. Financing, including higher risk capital, is available to enterprises delivering products or services with measurable conservation or environmental benefits and those undertaking activities to significantly improve environmental performance. Conservation financing can be used for: product or market development; increasing production and service capacity; working capital, equipment or other fixed assets; or bridge financing for confirmed contracts.

deepen relationships and build on success



The Conservation Finance Program is made possible by the support of Western Economic Diversification whose contribution to our Natural Capital Fund is specifically structured to help us to finance companies that would not otherwise have access to new capital. (*In Communities 3*)

| In response to increasing demand, we expanded our fee-for-service activity in 2001. As a result, we have been able to reach more people with our feasibility studies, business planning, development planning and training services than in previous years. We anticipate continued growth in fee-for-service contracts over the coming years.

resources

Three years intensive work on the Central Coast with the Heiltsuk First Nation culminated in the completion of primary research for the Heiltsuk Cultural Landscape Assessment in 2001. Working directly under the leadership of a multi-disciplinary Heiltsuk advisory group, we pieced together information to support community values and visions of conservation, development and restoration priorities for the territory. The results of this research will be presented as the Heiltsuk Conservation-based Development Plan – an action plan for protecting the natural and cultural resources in the territory, with a strategy for building a healthy economy.

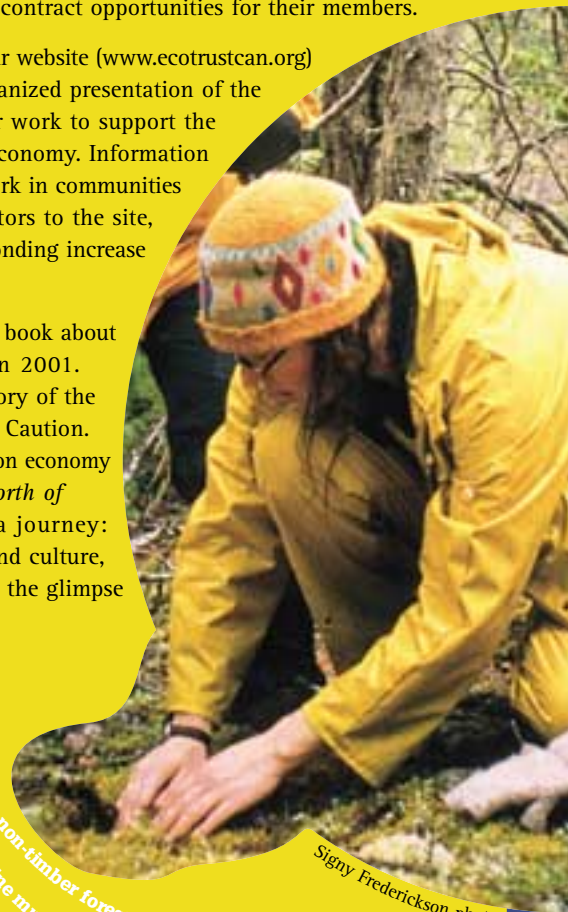
Our work with the Heiltsuk identified land use priorities that place conservation and Heiltsuk traditional use and sustenance above Heiltsuk and third party economic development opportunities. The Conservation-Based Development Plan will serve as a single document that informs all other land-use planning processes that are currently underway in Heiltsuk traditional territory on the Central Coast of British Columbia.

(In Communities 4)

Recognising the difficulty that small forestry operations are having getting their FSC (Forest Stewardship Council) certified product into markets, Ecotrust Canada hosted a meeting of FSC certified operators in May 2001. This meeting spawned the Eco-Lumber Co-op, which allows its members to aggregate their supply and engage in joint product and market development. Ecotrust Canada and VanCity (through the *Conservation Finance* partnership) have provided crucial technical assistance support to allow the Eco-Lumber Co-op to cultivate market connections, build their internal capacity, and provide tangible contract opportunities for their members.

An overhaul and redesign of our website (www.ecotrustcan.org) in 2001 resulted in a more organized presentation of the Ecotrust Canada story and our work to support the emergence of a conservation economy. Information on what we do and how we work in communities is now more accessible to visitors to the site, and we have noticed a corresponding increase in inquiries.

We published our long-awaited book about the northwest coast of BC in 2001. *North of Caution* traces the story of the land and people north of Cape Caution. Written to inspire the conservation economy wherever it might take root, *North of Caution* is first and foremost a journey: through history, landscape and culture, the stories that bind them, and the glimpse of the future they hold.



Harvesting non-timber forest products such as pine mushrooms offers diverse economic opportunities from forest land.

Signy Frederickson photo

Fishing boats in Bella Bella, heart of the Heiltsuk First Nation on the Central Coast of BC.



the working 2 sound

The west coast of Vancouver Island is a beautiful region of beaches, forests, islands and bays. Clayoquot Sound drew international attention in the 1990s as efforts by environmental groups to end the logging of old-growth forests reached a feverish peak. But ensuring the protection of the forest left a challenge: since then, there has been much effort by the communities around the Sound to develop a new economy, more diversified and sustainable.

Part of the answer may lie in oysters (and shellfish in general). Amazing creatures, oysters are the 'canaries in the coal mine' of our oceans, requiring pristine water to support an edible product. They consume algae and other water-borne nutrients by filtering water at a rate of up to five litres per hour, serving as a natural water cleansing system. In their need for clean growing water, shellfish growers have often become strong advocates for protecting marine water quality – a natural marriage of ecological and economic goals.

| in communities |

The current form of oyster farming in Clayoquot Sound dates to the 1980s. The majority of oysters are grown on long-lines hanging in the deep, cool waters of the Sound. In recent years there have been a variety of efforts to develop the industry, including a provincial government study that identified the potential for the shellfish industry to grow to more than eight times its existing level. Building on these efforts, in 2001 Ecotrust Canada joined forces with the Clayoquot Sound Oyster Growers Association, the Tla-o-qui-aht First Nation, and the provincial and federal governments to form the Working Sound Shellfish Committee. The committee's mission is to support the growth of a conservation-based shellfish industry in the Clayoquot Sound, by sharing and building knowledge and expertise, and harnessing resources to address key issues facing the local industry. Ecotrust Canada's contribution draws from our economic development and information services expertise and the sectoral knowledge of our partner, Shorebank Enterprise Pacific, which has worked extensively with the industry on the coast of Washington.

Exciting progress has been made through many efforts. The BC Shellfish Growers Association, with provincial and federal support, has spearheaded a critical project to study and monitor water quality, which includes Lemmens Inlet - the area of the highest shellfish activity in Clayoquot Sound. A carrying capacity analysis is underway, to help explore the farming limits of the inlet. Work has started to explore possible avenues to protect the water quality of Lemmens Inlet for shellfish farming. And a market survey is being completed that looks at oysters and other shellfish market opportunities.

Interest from local First Nations in the shellfish industry is growing. Ecotrust Canada has been contracted by the fisheries program of the Nuuchahnulth Tribal Council to write a business plan for shellfish aquaculture in Lemmens Inlet for the Tla-o-qui-aht First Nation, as well as a shellfish marketing study and business plans for several other Nations. And, through our Natural Capital Fund, we have provided term loan financing to shellfish growers, helping to create and retain jobs for the region.

Much work remains to be done to support a conservation-based shellfish industry in the area. Still, the Working Sound project is seeding the vision of what a conservation economy may become, and demonstrating how our efforts – in collaboration with others – can help bring it to life.



Oysters require pristine water to produce a marketable product. Oyster farming is a local industry that demands good stewardship of the water and land.

hooksum outdoor school

Through our Economic and Business Development Services, Ecotrust Canada has the opportunity to work with many individuals who envision a sustainable future, and who are engaged in making it come to life. Some are business entrepreneurs, some are civic and social entrepreneurs. All are helping to find innovative solutions to the challenges created by the industrial economy and its boom and bust impact on communities.

An hour and a half by boat from Tofino, in north western Clayoquot Sound, is Hesquiat Harbour, home of Hooksum Outdoor School. Its owners, Stephen and Karen Charleson, are clients of our business lending program. For adventure tourism that is within a day's reach of major centres like Vancouver and Victoria, there are few locations like Hesquiat Harbour and fewer businesses that can deliver aboriginal cultural, educational and ecotourism experiences like Hooksum Outdoor School. **| in communities |**

Managed by the Charlesons and supported by a team of professionals, Hooksum Outdoor School began operations in 2001, offering outdoor and environmental education through traditional indigenous knowledge, modern skills, respect, and intimate connection to the natural world. Customized programs are available for large and small groups of adults or children. Hooksum's courses include: local indigenous history, remote surfing, technical tree climbing, backpacking and coastal hiking, natural history, sea kayaking, canoeing, guiding, and marine ecology cruises.

Also available is the West Coast Outdoor Leadership Training Program, focusing on leadership, outdoor skills and learning about the natural world and local indigenous values and culture. The training includes certification courses in wilderness first aid, lifesaving, and kayaking, and activities such as overnight coastal hikes and remote surfing.

Ecotrust Canada became involved with the Charlesons when we provided financing through our Natural Capital Fund to enable the school to register with the Private Post-Secondary Commission of BC. The opportunity to provide this loan was made possible under the Small Business Conservation Financing Program jointly sponsored by Ecotrust Canada and Western Economic Diversification. We are delighted to work in Clayoquot Sound with Hooksum, whose programs illustrate and reinforce our vision of a conservation economy.

*Kayaking in Clayoquot Sound,
a popular tourist activity. Hooksum builds on this
with its unique cultural and environmental
education programs.*



Adrian Dorst photo

koeye river lodge

| in communities |

Ecotrust Canada believes that there is now an historic opportunity to leverage the growing size and political power of First Nations communities on the west coast towards a conservation economy. We believe that in working with indigenous people, we will find the intersection of economy, equity, and ecology and bring best practices to scale through our *Just Transactions, Just Transitions* strategy.

One key element of this strategy is to work with communities and funding agencies to repatriate alienated lands to indigenous communities. In 2001 we aided the purchase of the privately owned Koeye River Lodge on the Central Coast for return to the Heiltsuk people.

Working in partnership with Ecotrust (our US based affiliate), the Raincoast Conservation Society, and the Land Conservancy of BC, Ecotrust Canada secured funding from American philanthropists Howard and Peter Buffett for the purchase of the lodge and its 74-hectare site. The land at the mouth of the Koeye River is a critical cultural site for the Heiltsuk people, and the valley is identified as having some of the highest conservation values of any watershed on the Central Coast. The transfer of the lodge to Heiltsuk control will ensure a sustainable future for this important river system.

Qviltákv, a Koeye Hereditary Chief (whose English name is Edwin Newman), says, "The Koeye was one of the major village sites of the Heiltsuk people. We're just happy that we've been able to take control of the lodge. Now we can start to fight to save the area from other developers, rebuild the salmon runs, and protect the headwaters from logging."

New plans for the lodge include building and site renovations, establishment of a scientific field station, ecotourism operations, youth rediscovery camps, and in the winter months, use of the facility for a healing centre.

The purchase of the Koeye lodge was a *just transaction*, and its repatriation *just transition* of ownership, from private hands to the original inhabitants of the area. It is one small step towards building a conservation economy on the coast of British Columbia.

Map produced by the Mapping Team of the Heiltsuk Cultural Landscape Assessment

Koeye River



David Caruthes photo; Mary Windsor artwork

Heiltsuk Hereditary Chief Edwin Newman at a ceremony to celebrate the purchase of the Koeye River Lodge in August, 2001.



Auditor's Report

To: The Directors of Ecotrust Canada

The accompanying summarized statement of financial position and statement of operations are derived from the complete consolidated financial statements of Ecotrust Canada as at December 31, 2001 and for the year then ended. In our auditor's report on the consolidated financial statements dated February 5, 2002, we expressed an unqualified opinion as the statements presented fairly, in all material respects, the financial position of Ecotrust Canada as at December 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of the Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly represent, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position and results of operations, reference should be made to the related complete consolidated financial statements.

Port Coquitlam, B.C.
February 5, 2002

Robey & Company
Chartered Accountant

Ecotrust Canada Summarized Consolidated Statement of Financial Position

As at December 31, 2001

See Auditor's Report

| | 2001 | | | 2000 |
|-------------------------------------|--------------|---------------------------|-------------|-------------|
| | Unrestricted | Temporarily restricted | Total | |
| Assets | | | | |
| Current | | | | |
| Cash | \$ - | \$ 152,989 | \$ 152,989 | \$ 402,353 |
| Short term investments | 362,291 | 1,750,310 | 2,112,601 | 1,481,474 |
| Receivables and prepaid expenses | 175,600 | 707,887 | 883,487 | 184,796 |
| Current portion of loans receivable | - | 442,813 | 442,813 | 78,597 |
| Funds under agency | - | 708,660 | 708,660 | 564,428 |
| | 537,891 | 3,762,659 | 4,300,550 | 2,711,648 |
| Loans receivable | - | 390,576 | 390,576 | 471,128 |
| Property and equipment | 19,039 | 972,259 | 991,298 | 48,476 |
| | \$ 556,930 | \$5,125,494 | \$5,682,424 | \$3,231,252 |
| Liabilities and Surplus | | | | |
| Current | | | | |
| Accounts payable | \$ 115,715 | \$ 1,500 | \$ 117,215 | \$ 76,939 |
| Deferred revenue | 262,298 | 537,914 | 800,212 | 597,397 |
| Deferred restricted program revenue | - | 259,858 | 259,858 | - |
| | 378,013 | 799,272 | 1,177,285 | 674,336 |
| Loans payable | - | 1,918,777 | 1,918,777 | 1,000,000 |
| | 378,013 | 2,718,049 | 3,096,062 | 1,674,336 |
| Commitments | | | | |
| Contingent liabilities | | | | |
| Surplus | | | | |
| Natural Capital fund | - | 1,169,799 | 1,169,799 | 1,195,480 |
| Enterprise Fund | - | 960,913 | 960,913 | - |
| General fund | 178,917 | 276,733 | 455,650 | 361,436 |
| | 178,917 | 2,407,445 | 2,586,362 | 1,556,916 |
| | \$ 556,930 | \$5,125,494 | \$5,682,424 | \$3,231,252 |

For a copy of our full financials, please visit www.ecotrustcan.org or give us a call 604-682-4141.

Summarized Consolidated Statement of Activities and Surplus

For the year ended December 31, 2001

See Auditor's Report

| | 2001 Twelve Months | | | 2000 Six Months |
|--|-----------------------|---------------------------|--------------|--------------------|
| | Unrestricted | Temporarily restricted | Total | |
| Revenues, gains, and other support | | | | |
| Organization grants | \$ 1,227 | \$1,019,223 | \$1,020,450 | \$ 20,000 |
| Individual contributions | 32,760 | 25,000 | 57,760 | 28,431 |
| Foundation contributions | 542,397 | 1,344,049 | 1,886,446 | 777,940 |
| Other contributions | - | 92,608 | 92,608 | 53,042 |
| Training, cost recovery & other | 450,617 | - | 450,617 | 164,059 |
| Rental income | - | 1,250 | 1,250 | - |
| Loan fees and interest | 99,563 | 85,544 | 185,107 | 72,258 |
| | 1,126,564 | 2,567,674 | 3,694,238 | 1,115,730 |
| Satisfaction of program restrictions | 1,467,270 | (1,467,270) | - | - |
| | 2,593,834 | 1,100,404 | 3,694,238 | 1,115,730 |
| Expenditures | | | | |
| Program | | | | |
| Mid Coast | 381,833 | - | 381,833 | 124,354 |
| North Coast | 25,956 | - | 25,956 | 12,798 |
| Kitlope Kawesas | 55,367 | - | 55,367 | 144,409 |
| Clayoquot-Alberni | 475,208 | - | 475,208 | 202,633 |
| Georgia Basin | 88,142 | - | 88,142 | 13,912 |
| Mapping and Information Services | 187,588 | - | 187,588 | 90,172 |
| Economic Development | 505,625 | - | 505,625 | 90,524 |
| Policy | 12,140 | - | 12,140 | 9,605 |
| General Programs | 390,805 | - | 390,805 | 156,958 |
| Administration | 130,377 | - | 130,377 | 76,680 |
| Fundraising | 187,466 | - | 187,466 | 71,114 |
| Natural Capital Fund | - | 173,202 | 173,202 | - |
| Enterprise Fund | - | 51,083 | 51,083 | - |
| | 2,440,507 | 224,285 | 2,664,792 | 993,159 |
| Surplus of revenues over expenditures | 153,327 | 876,119 | 1,029,446 | 122,571 |
| Surplus, beginning of year | 25,590 | 1,531,326 | 1,556,916 | 1,434,345 |
| Surplus, end of year | \$ 178,917 | \$ 2,407,445 | \$ 2,586,362 | \$ 1,556,916 |

organization info

| staff & associates 2001 |

Erin Anderson, *Co-op Student*
David Carruthers, *Director, Information Services*
Russell Collier, *Forest Certification Specialist*
George Dockray, *Director, Flight Services*
John Eustace, *Credit Manager*
Kira Gerwing, *Central Coast Coordinator*
Ian Gill, *President*
Bill Girard, *Investment Manager*
Yvette Harrison, *Finance Officer*
Doug Hopwood, *Registered Professional Forester*
Wendy Manchur, *Program Assistant,
Fundraising & Communications*
Kirsti Medig, *GIS Analyst*
Melanie Mena, *Communications &
Administrative Assistant*
Mike More, *Administrative Assistant,
North Vancouver Island Office*
Caron Olive, *Director, Community Mapping
and Information*
Cheryl Onciul, *Development Associate*
Karen Peachey, *Planning & Ecotourism Specialist*
Ian Scott, *Georgia Basin Coordinator*
Marie-Claire Seebohm, *Office Manager*
Louisa Smith, *Coordinator, Totem Pole Project*
Rod Smith, *Development Associate*
Elizabeth Urbaniak, *Administrative Assistant,
Clayoquot-Alberni Office*
Pieter van Gils, *Director, Economic Development*
Niki Westman, *Accounting & Administrative Assistant*
Darren Willis, *Conservation Credit Officer*
Nina Winham, *Vice President*
Donovan Woollard, *Economic Development
Research Assistant*

| volunteers |

Trevor Coghill
Heather Ford
Shauna McKinnon
Lee Nichol

| ecotrust canada offices |

Vancouver Office
Suite 202, 1226 Hamilton Street
Vancouver, BC V6B 2S8
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Facsimile: 604-682-1944

North Vancouver Island Office
491B 4th Street
Courtenay, BC V9N 1G9
Telephone: 250-898-8770
Facsimile: 250-898-8330

Clayoquot-Alberni Office
General Delivery
451 Main Street
Tofino, BC V0R 2Z0
Telephone: 250-725-2536
Facsimile: 250-725-2537

www.ecotrustcan.org
info@ecotrustcan.org

| board of directors |

Louise Barbetti, *Kitimaat Village, BC*
Robert Bateman (*until May 2001*), *Salt Spring Island, BC*
Spencer B. Beebe (*Vice Chair*), *Portland, OR*
Thomas R. Berger, *Vancouver, BC*
Ian Gill, *Vancouver, BC*
Mary Houghton, *Chicago, IL*
James Hume, *Calgary, AB*
Jacqueline Koerner (*Chair*), *Toronto, ON*
David Martin, *Vancouver, BC*
Scott McIntyre, *Vancouver, BC*
Dennis Perry, *West Vancouver, BC*
Terri-Lynn Williams-Davidson, *White Rock, BC*



mission

**promoting the emergence of
a conservation economy
in the coastal temperate rainforest**

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info@ecotrustcan.org

