

Brief – House of Commons Standing Committee on Finance

2011/12 Pre-Budget Consultations

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EXECUTIVE SUMMARY:

Canadian Boreal Initiative (CBI)

We would like to start with a brief summary of who we are and the significance of Canada's Boreal region. The Canadian Boreal Initiative (CBI) is guided by the Boreal Framework—a vision supported by leading resource companies, First Nations and conservation groups. Our goals are to support protecting at least 50% of Canada's Boreal region and advance world-class sustainable practices on the remaining land base, all in a manner that respects and advances Aboriginal rights.

We get behind real solutions. Our forestry company partners have over 50 million acres under Forest Stewardship Council (FSC) certification – an area about four times the size of Nova Scotia. Canada is poised to lead the world in sustainable forestry. Many of our First Nations partners are bringing forward land use plans that balance protection with opportunities for sustainable resource development. We also work with environmental groups to raise awareness and support for conservation and sustainable development opportunities. We are a trusted advisor and collaborator with provincial, territorial and First Nations governments on a wide range of initiatives.

Canada's Boreal Region

Three countries on Earth today are home to the world's remaining large tracts of intact forest – Brazil, Russia and Canada. Of those, Canada stands out as clearly in the best position to carve out a model of sustainability to showcase for the world. This is one of the greatest opportunities of our time.

At 1.4 billion acres and spanning 58% of our landmass, our boreal region stretches from Newfoundland and Labrador to the Yukon.¹ Its future is of great importance to Canada as a whole and to the over 500 Aboriginal communities who make their home there.²

Our boreal region is an economic engine for our economy and northern communities. Many of these communities also want to balance development with protecting the land. Planning for the sustainability of the Boreal region is key to Canada's overall economic prosperity, cultural vitality and ecological integrity.

Boreal ecosystems provide a wide variety of valuable ecosystem services. A study by CBI and the

Pembina Institute estimated the total non-market value of boreal ecosystem services at \$93.2 billion a year.³ Highest values include water filtering, flood regulation, carbon sequestration and storage, and pest control. These are preliminary numbers, however, we estimated Canada's boreal forests and peatlands at 67 billion tonnes of carbon, worth an estimated \$3.7 trillion.⁴

There is broad support within Parliament for creating new large-scale protected areas, including the several new national parks announced by this Government to maintain wildlife and other ecological values across this landscape. There are some areas in the boreal where the need for protection is especially critical. For example, Woodland caribou are very sensitive to disturbance, and as a consequence, the boreal woodland caribou population is in decline across the country, and in particular in rapidly industrializing regions such as Alberta. Key areas must be set aside to conserve critical wildlife habitat and traditional livelihoods, while working with industry, communities, governments and others on protection measures that can be taken in areas where development is underway.

RECOMMENDATIONS:

(1) Support the Greening of Canada's Forestry Sector:

Changing economic realities and heightened public and marketplace concern over environmental issues have created both problems and opportunities for Canada's forest industry and environmental organizations. From these challenges has emerged a unique agreement between 21 major Canadian forest products companies and nine leading environmental organizations. Launched in May 2010 as the Canadian Boreal Forest Agreement, it applies to over 76 million hectares of forest from British Columbia to Newfoundland and spans a total area larger than the Province of Alberta.

The CBFA embodies two rather simple ideas: first, that we need to conserve both the boreal forest and the jobs that depend on it, rather than being forced by circumstance to choose between them; and second, that conservationists and business should be working together to provide options and advice to provincial, federal, First Nations and other governments on how these goals can be achieved.

The Agreement also explicitly recognizes that Aboriginal peoples have constitutionally protected Aboriginal and treaty rights and titles as well as legitimate interest and aspirations. The Agreement is intended to be without prejudice to, and in accordance with, those rights and titles. The participating companies and environmental organizations believe both successful forest conservation and business competitiveness require fair, inclusive involvement of Aboriginal peoples and their governments.

Our shared challenge is to address sometimes conflicting social, economic, and environmental imperatives in ways that will realize the new economic opportunities that are emerging for forest products that meet the highest environmental standards. The Canadian Boreal Forest Agreement commits environmentalists and industry to working together in the marketplace and on the ground to support governments and communities to realize a stronger, more competitive forestry industry, and a better protected, more sustainably managed boreal forest.

An early component accomplishment of the Agreement CBFA is the voluntary suspension of logging on nearly 29 million hectares of intact woodland caribou habitat within company FPAC member tenures to allow for intensive planning, while maintaining essential fibre supply for uninterrupted mill operations. Another significant accomplishment is the suspension, by participating environmental

organizations, of divestment and “do not buy” campaigns targeting the products of companies participating in the CBFA.

The Agreement is a three-year roadmap with mechanisms to allow for its extension. All parties in support of this Agreement have committed resources to fully participate in this groundbreaking initiative, and are working together to attain long-term solutions that they will promote at home and abroad.

It is now a full year since the CBFA came into force. With the initial honeymoon over, the steps that will be required to build a successful marriage are taking shape. First Nations and governments are being engaged for guidance and support. The conservation and market measures set out at the beginning are holding. Ideas and plans for win-win solutions for jobs and the environment are being generated.

To support this work, the CBFA signatories have established a secretariat to coordinate to national and regional working groups, convened an independent science advisory team, and intensified outreach with First Nations, provincial and municipal governments, and interested stakeholders. Major international customers of Boreal Forest products representing more than \$140 billion in revenue are supporting the agreement through the recent set up of the Boreal Business Forum, and completed the agreement’s first independent assessment of progress by auditing firm KPMG. Regional Working groups are actively looking at conservation planning in a number of jurisdictions.

However, it is also clear that additional resources are required if we are to achieve our goals:

We recommend the Committee support investments in a world-class sustainable forestry sector in Canada through federal support for:

- (a) Aboriginal institutions and capacity-building to enable First Nations leadership and participation in this sector at the national and regional results;**
- (b) support for advancing the goals of the CBFA through investments in the CBFA Secretariat.**

Potential sources could include through Natural Resources Canada, Environment Canada or Aboriginal Affairs and Northern Development Canada.

(2) Restore Federal Support for Land Use Planning:

As we have seen in many areas across Canada, when areas of the North are opened up to industry without advance planning with Aboriginal and local communities to achieve a balance between conservation and development, conflicts will arise.

CBI and our partners advocate regional land use planning as an important tool for addressing land use and development conflicts. In our experience, situations where Aboriginal peoples take the lead in partnership with other governments and local stakeholders to develop land use plans results in the best outcomes in terms of protection of ecological and cultural values, as well as increased certainty for investments in sustainable resource development..

Nearly 60% of the Boreal region is undergoing existing or proposed land use planning.⁵ However, many of these processes are stalling, as effective, comprehensive land use planning requires significant financial resources to acheive. Ontario, Quebec, Manitoba and other jurisdictions have made major

commitments to planning, but are challenged to find the resources to deliver effectively on those commitments. We hear from both First Nations and the provinces that the federal government used to provide more support in the past than it does today for community-led planning, and that such planning is presently underfunded. We believe that there is significant support for the federal government to re-establish its role as a real partner in this important area.

We recommend the Committee support significantly increasing federal funding for regional land use planning, in collaboration with the provinces, territories and Aboriginal peoples.

Currently, much of the available federal funding for land use planning to Aboriginal people is limited to planning on-reserve only. Options to create opportunities for supporting planning initiatives that extend into traditional lands beyond reserves should be reviewed. Such options could include broadening the terms of reference for the Comprehensive Community Planning (CCP) envelope at Aboriginal Affairs and Northern Development Canada for this purpose.

CLOSING REMARKS:

The time is right for new approaches that protect Boreal ecosystems and cultures, and can also reinforce Canada's position internationally as a northern nation. We can realize sustainable economies, while creating a global competitive edge for Canadian companies and communities.

Canada's Boreal region gives us the chance to think differently, partner differently and do business differently. The Canadian Boreal Initiative is committed to working in this way.

¹ Lee, Peter, Dmitry Aksenov, Lars Laestadius, Ruth Nogueron, and Wynet Smith, *Canada's Large Intact Forest Landscapes*, (Edmonton: Global Forest Watch Canada, 2003), pp. 40-41.

² Canadian Boreal Initiative. *The Boreal in Balance: Securing the Future of Canada's Boreal Region*, (Ottawa: Canadian Boreal Initiative, 2005), pp.1.

³ Anielski, M., and S. Wilson. 2005. *Counting Canada's Natural Capital: Assessing the Real Value of Canada's Boreal Ecosystems*,

⁴ Ibid, preliminary figure based on insurance risk costs.

⁵ Canadian Boreal Initiative. *The Boreal in Balance: Securing the Future of Canada's Boreal Region*, (Ottawa: Canadian Boreal Initiative, 2005), pp.2.