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Bringing carbon down to earth

Indigenous leadership in
nature-based climate solutions

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About the artist

Jared Tait is a member of the Sachigo Lake First Nation in Treaty 9. He was raised in Thunder Bay, Ontario, in an art-filled home.

Jared captures the deep relations between the land and its creatures by understanding the history of the woodland style and the generational teachings of storytelling. Utilizing bold line work, symbolism, compositions of bright and natural-toned colours and connecting to his own spirit while painting, Jared creates imagery inspired by his personal and spiritual experiences. He works to preserve these sacred stories and symbolisms by passing his teachings on to future generations.

Executive summary

Indigenous Peoples have a long history of sustainable coexistence with their territories. Their knowledge systems have protected biodiversity for millennia. Yet, they are disproportionately affected by the impacts of climate change. The remote location of many of their communities and their reliance on the land make them more vulnerable to disruptions to food security, safe housing, traditional gatherings, access to sacred plants and traditional medicines, cultural livelihoods, and the transfer of Indigenous knowledge systems and practices.

The transition to a low-carbon future must be equitable for all, and climate equity is inextricably linked to recognizing and respecting Indigenous Peoples' inherent rights, knowledge systems, and spiritual and cultural connection to the land. Indigenous leadership in land management and decision-making must therefore play a key role in working toward Canada's climate goals.

Nature-based solutions (NBS) represent an important tool for advancing Indigenous leadership in land management and climate action. These strategies mitigate climate change through actions that protect, restore, and sustainably manage natural ecosystems while benefiting people and wildlife. Prioritizing and supporting Indigenous leadership in NBS is a means to reduce vulnerability and climate-related risk, increase resilience, and avoid maladaptation.

Bold action is required to enable this. Canada has made its own commitments to collaborate with Indigenous Peoples on NBS through national initiatives such as Indigenous Guardians programs, the Nature Smart Climate Solutions Fund, and setting a target to support new and existing Indigenous Protected and Conserved Areas (IPCAs). These aim to support Indigenous land aspirations, direct climate finance toward Indigenous communities, create opportunities for local economic benefits, and incorporate local Indigenous knowledge systems. They are also a path to reconciliation.

There is no net-zero without nature. And there is no nature without reconciliation.

To explore ways to advance Indigenous-led climate action through carbon projects, Deloitte launched the Indigenous Leadership in Nature-based Climate Solutions initiative in January 2023. We engaged with Indigenous leaders and representatives across Canada to hear about the challenges and the opportunities that offer the greatest potential. Participants also identified meaningful actions that corporate Canada, governments, and non-government organizations can take to make good on their public commitments to authentic climate action and reconciliation with Indigenous Peoples.

These calls to action are grouped by areas of opportunity for change:

Area of opportunity	Goal
Policy and jurisdiction	Recognize the carbon rights and land ownership of First Nations and other Indigenous governments. Support their decision-making, land stewardship, and cultural values.
Protocols and carbon markets	Enable the creation of more innovative and reputable carbon markets for First Nations and other Indigenous governments that integrate traditional practices with the latest science-based protocols.
Economic empowerment and sovereignty	Develop effective working relationships with Indigenous partners and support the aspirations of First Nations and other Indigenous governments for economic sovereignty by diversifying and scaling conservation finance opportunities .



A full list of the bold actions Indigenous participants identified during the course of this project are sprinkled throughout this report, and consolidated into the table on page 23.

Advancing Indigenous leadership in nature-based carbon projects requires a “seven generations” perspective of project planning, where decisions are made based on relationships, reciprocity, and the effects they will have on communities’ future generations. As the impacts of the climate crisis continue to increase, governments, NGOs, and Indigenous Peoples need to collaborate more than ever to secure climate-safe and nature-positive relationships for generations to come.

"Through the "Engage Ecosystems" pillar of WorldClimate, Deloitte is committed to collaborating with our broader ecosystem to create innovative climate solutions at a systems and operations level. We want to remove roadblocks that get in the way of enacting change as we transition to a more sustainable economy. With that canvas, we are proud to announce Indigenous Leadership in Nature-Based Climate Solutions as our second WorldClimate ecosystem project in Canada."

Sheri Penner



Sheri Penner
Managing Partner
Purpose & Sustainability
Deloitte Canada



Alexandra Biron
Senior Manager
Deloitte Indigenous
Deloitte Canada

"Deloitte's Purpose is to make an impact that matters, which we strive to embody in all that we do—including reconciliation with Indigenous Peoples, climate, and sustainability. Our Reconciliation Action Plan was the first of its kind in corporate Canada and *Promises, promises: Living up to Canada's commitments to climate and Indigenous reconciliation* demonstrated our support for Nations in re-establishing jurisdiction over their traditional territory in managing natural resources the way they have for generations. Taking an integrated approach that focuses on an Indigenous perspective to climate solutions, our latest report—*Bringing carbon down to earth*—shows how corporate Canada, governments, and Indigenous communities can advance together."

Alexandra Biron

Introduction

As the climate crisis deepens, its impacts are being felt more acutely across Canada.

UNDRIP provides a framework for reconciliation, healing, and peace, as well as harmonious and cooperative relations based on the principles of justice, democracy, respect for human rights, non-discrimination, and good faith.

Thawing permafrost, biodiversity loss, wildfires, droughts, and floods threaten food security, economies, human health, and community well-being. Many Indigenous Peoples are disproportionately affected by climate impacts due to the remote location of many of their communities and their reliance on the land, which makes them more vulnerable to disruptions to food security, safe housing, traditional gatherings, species of traditional medicines, cultural livelihoods, and the transfer of Indigenous knowledge systems and practices.

Canada has committed to addressing these issues: climate change, the rapid decline in biodiversity, and Indigenous rights. The federal government pledged to reduce greenhouse gas (GHG) emissions by 40% to 45% by 2030 under the Paris Agreement.¹ In 2021, it passed legislation related to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) that advances the implementation of the declaration as a key step to renewing its relationship with Indigenous Peoples.² Along with the provincial government of British Columbia, the Government of Canada is drafting

regulatory frameworks with Indigenous leaders to enforce the need for both the public and the private sectors to not only consult with Indigenous Peoples, but also to obtain their free, prior, and informed consent (social licence) to operate within their traditional territories. More recently, in December 2022, Canada helped drive global action to create the Kunming-Montreal Global Biodiversity Framework, which pledges to protect and conserve 30% of land mass and water by 2030 (known as 30 by 30).³ As part of its commitments, the federal government announced \$800 million in funding for Indigenous-led conservation efforts.

A quarter of Canada's 2030 emissions reduction pledge will be achieved through improved stewardship of forests and wetlands, most of which are Indigenous territories. Indigenous Peoples have a long history of sustainable coexistence with their territories—and their knowledge systems have protected biodiversity for millennia.⁴ Indigenous leadership in land management and decision-making will therefore play a key role in achieving Canada's climate goals.

Nature-based solutions

An important tool for supporting and advancing Indigenous leadership in climate action is through nature-based solutions (NBS). These strategies mitigate climate change through actions that protect, sustainably manage, and restore ecosystems while benefiting communities and people.⁵ NBS are effective for rapid decarbonization and biodiversity preservation.⁶ Prioritizing and supporting Indigenous leadership in NBS is recognized by the Intergovernmental Panel on Climate Change as a means to reduce vulnerability and climate-related risk, increase resilience,

and avoid maladaptation.⁷ Canada has made its own commitments to collaborate with Indigenous Peoples on NBS through national initiatives such as Indigenous Guardians programs, the Nature Smart Climate Solutions Fund, and setting a target to support new and existing IPCAs in the new National Adaptation Strategy.⁸ These aim to support Indigenous land aspirations, direct climate finance toward Indigenous communities, create opportunities for local economic benefits, and incorporate local Indigenous knowledge systems. They are also a path to reconciliation.

Opportunities and accelerants: What we heard

Throughout the forum, participants explored a range of pathways to expand and enable Indigenous leadership in carbon projects. At the forefront was the need to recognize Indigenous land and title rights, which directly impact a First Nation's ability to develop projects and claim ownership of carbon rights within its own territories. Another significant challenge is that corporate, government, and non-governmental organization (NGO) partners lack understanding of Indigenous worldviews and the importance of Indigenous laws.

"Indigenous laws are inherited from Indigenous Peoples by the Creator and are a part of the ceremony and sacred obligation to protect Mother Earth," said Jason Rasevych from Ginoogaming First Nation and President, Anishnawbe Business Professional Association.

The following subsections present the challenges forum participants said they are facing as well as the potential solutions they have identified.

Our methodology

Deloitte launched the *Indigenous Leadership in Nature-based Climate Solutions* initiative in January 2023, starting with a literature review and interviews with NBS leaders across Canada. In May, we hosted a forum of Indigenous leaders and representatives in Vancouver to explore ways to advance Indigenous leadership in nature-based climate solutions, focusing on carbon projects. The participants discussed challenges and explored the opportunities that offer the greatest potential for accelerating Indigenous-led project development. The findings were then validated in a virtual meeting with a broader group of leaders from provincial and federal governments, corporate Canada, and NGOs.

Although much of the discussion focused on work being done in British Columbia, participants collaborated on designing potential solutions that could be applicable across Canada, sharing knowledge, lessons, and cultural perspectives. They also identified opportunities for businesses, governments, and NGOs to better support Indigenous leadership in NBS, in particular for First Nations that are developing NBS projects within carbon markets. The views expressed in this report reflect what we heard from participants.

Policy and jurisdiction



Policy and jurisdiction

Carbon rights and land ownership are among the most pressing challenges for First Nations and other Indigenous governments as they work to advance NBS via carbon markets.

Addressing these issues require action from corporate Canada, from provincial, territorial, and federal governments, and from NGOs to support and accelerate the Indigenous leadership that is already growing in the space. Forum participants highlighted that jurisdiction is essential for enabling First Nations and other Indigenous governments to make decisions about their territories, establish carbon rights and land ownership, and advance carbon projects.

Many treaties signed between the Crown and First Nations across Canada were agreements to share the decision-making and benefits of the lands for as long as “the sun shines, grass grows, and rivers flow.”⁹ Unfortunately, this commitment has not always been upheld, as demonstrated by a lawsuit launched by Treaty 9 leaders earlier this year alleging the Ontario and federal governments have made unilateral decisions.¹⁰

Jurisdiction

Supporting First Nations and Indigenous governments in establishing jurisdiction and control of their traditional territory is, therefore, critical for meaningful reconciliation. As noted in our *Promises, promises* report: “Too often, the link between the climate crisis and the removal of Indigenous Peoples from their lands is overlooked.”¹¹

The 94 calls to action from the Truth and Reconciliation Commission of Canada (known as TRC) present a road map toward reconciliation for Canadians to follow. Call to Action #45 asks the government to: “Reconcile Aboriginal and Crown constitutional and legal orders to ensure that Aboriginal peoples are full partners in Confederation, including the recognition and integration of Indigenous laws and legal traditions in negotiation and implementation processes involving Treaties, land claims, and other constructive agreements.”¹²

Globally, there is growing recognition of the need to decolonize governance structures and systems that have perpetuated the marginalization of Indigenous Peoples.

In Canada too, colonial systems are being tested in court. In *Tsilhqot’in Nation v. British Columbia* (2014), the Supreme Court of Canada acknowledged the Aboriginal title of the Tsilhqot’in Nation to their land. This case has set a precedent for recognizing Indigenous land rights and challenging settler colonial land title decisions.

Advancing NBS is one route to securing jurisdiction over Indigenous land, but provincial, territorial, and federal governments are slow to support Indigenous leadership on these opportunities. One forum participant, Gwen Bridge, said: “First Nations want efficiency and effectiveness—they want land back, sovereignty, and jurisdiction.”

Embedding Indigenous law into land-based decision-making processes and co-management structures can build more sustainable and healthy societies, and advance social justice for Indigenous peoples. Furthermore, First Nations cultural protocols that inform Indigenous laws are non-hierarchical, grassroots, and often prioritize the protection and stewardship of

culture and nature, aligning with the urgent need to address the interconnected crises of climate change and biodiversity loss.

Participants noted the opportunity for provincial, territorial, and federal governments to work with First Nations and other Indigenous governments to address jurisdictional challenges and fragmented approaches to carbon and land rights, and to enhance the governance authority of First Nations.



Federal, territorial, and provincial governments

Develop processes to enable First Nations and other Indigenous governments’ jurisdiction and control over land and carbon rights.



Carbon rights

Presently, provincial governments position themselves to have the sole authority to grant carbon rights to First Nations for NBS that occur on Crown land.¹³ As a result, First Nations and other Indigenous governments have to negotiate to secure their rights to carbon. For example, in British Columbia, this assumption puts the onus on First Nations and other Indigenous governments to seek clarification on their carbon rights through time-consuming, costly, and uncertain negotiations of atmospheric benefits to reach an Indigenous Atmospheric Benefit Agreement (IABA; previously called an Atmospheric Benefit Sharing Agreement or ABSA).¹⁴

Jody Holmes, a forum participant, said that in British Columbia, “this approach makes it difficult to do anything innovative. An allocation formula is built into these agreements to address ‘overlap’ among First Nations, creating a perverse incentive to log rather than conserve forests wherever there is significant overlap.”

Many participants agreed that these existing agreements make provincial governments less willing to support or collaborate on innovative or even new activities, making it difficult for First Nations with smaller carbon projects to secure carbon rights and for new feedback to be reflected in historic agreements. Other provinces do not yet have an established process to clarify carbon rights with First Nations and other Indigenous governments, making NBS project development on Crown land untenable.

There is an opportunity for the BC government to reduce the time and uncertainty associated with its agreements and for other provincial and territorial governments to implement new processes. Embedding carbon rights into other reconciliation agreements and processes, as well as introducing programs to support legal and capacity needs, would enable First Nations and other Indigenous governments to establish carbon rights and make progress on their projects.



Federal, territorial, and provincial governments

Introduce measures to recognize carbon rights of First Nations and other Indigenous governments.

Federal, territorial, and provincial governments

Reduce time and uncertainty in establishing carbon rights.

Corporate Canada; federal, territorial, and provincial governments; and NGOs

Create funding opportunities to support First Nations and other Indigenous governments as they negotiate and secure carbon and land rights.

Land

Confirming land management or ownership is critical for advancing NBS projects. Most of the opportunities for improved forest management (IFM) projects require First Nations or other Indigenous governments to secure Crown forest tenure. In practice, that means they're seeking tenure on land that is within their own traditional territories to begin with.¹⁵ Participants identified the need for corporate Canada and provincial and territorial governments to enhance opportunities for forest tenure deferrals or land withdrawals to First Nations. Darcy Riddell noted that in British Columbia, "our current tenure system prevents different management approaches. There is a need to move from extractive tenure to advance IPCAs with the support of revenue from carbon markets."

Indigenous Protected and Conserved Areas offer an alternative pathway to securing land rights, advancing carbon rights, and funding ongoing stewardship of the land through carbon market revenue. Participants spoke of this opportunity to help meet Canada's 30 by 30 commitments, advance Indigenous jurisdiction and reconciliation, and support First Nations and other Indigenous governments. In Canada, where IPCAs have not been combined with carbon market finance, provincial, territorial, and federal governments could build out protocols and policies that enable IPCAs to be established through carbon credit finance. Nature-based solutions ultimately help First Nations and other Indigenous governments finance multiple values, priorities, and projects.



Federal, territorial, and provincial governments

Enhance opportunities for forest tenure deferrals or land withdrawals for First Nations, while ensuring they are not bearing the cost.

Federal, territorial, and provincial governments

Link the establishment of carbon rights to existing initiatives such as Indigenous Protected and Conserved Areas.

Case study

A new mechanism for leveraging land tenures

Kwiah First Nation, located on the south coast of British Columbia in the Great Bear Rainforest, plans to create a new mechanism to finance forest protection on its territory. This pragmatic approach involves purchasing a tree farm licence (TFL) and working with the BC government to create an interim measure that prevents tree harvesting until a new designation is developed. For the time being, Kwiah receives carbon revenue by verifying non-harvest in the TFL under the already validated Great Bear Forest Carbon Project. Its longer-term goal is to come to an agreement with the provincial government to create a new non-extractive designation, such as a regenerative forestry or ecosystem services tenure.

A Kwiah-led business venture called Kwaxala will use this forest tenure as a legally binding permanence mechanism and its ongoing revenue stream to create a new investment asset class

called Protected Forest Assets (PFAs) that can then be sold to impact- and ESG- focused investors. Sales will cover the TFL purchase cost, and the ongoing revenue can then be used to fund community stewardship and regeneration along with PFA holder and First Nation returns. The value of the PFAs will increase as realizable biodiversity, nature, and carbon values do, making them more attractive to a wider investor audience. Kwaxala is looking to make the new non-extractive model available to other First Nations to replicate the process and build an Indigenous protected forest network. This innovative approach paves the way for global investment in British Columbia's forests—and through that, safeguarding old-growth forests, reviving degraded regions, and reconciling First Nation land titles in TFL areas held by third parties. It alleviates the government's financial burden for conservation and acknowledges the indispensable ecological stewardship provided by First Nations.





Protocols and carbon markets

Protocols and carbon markets

Canadian compliance carbon markets for nature-based carbon projects have been slow to develop—or do not enable—opportunities on Indigenous territories.



Federal, territorial, and provincial governments

Improve the timeliness and relevance of protocols for First Nations and other Indigenous governments, including embedding UNDRIP into compliance protocol development.

Federal, territorial, and provincial governments

Expand access to voluntary markets, where co-benefits have a high value.

Significant delays in compliance protocol development have led to a lack of up-to-date systems that are usable by Indigenous projects on non-private land. Where governments are taking action, timelines have not kept up with changing market conditions and buyer needs—such as increased demand for carbon removals.

In short, the demand for NBS projects that can help meet Canada’s global climate commitments is not being met by current enabling policies.

In many cases, First Nations are ready and willing to advance nature-based carbon projects, particularly through IFM on Crown land. Delays in releasing the BC Forest Carbon Offset Protocol (FCOP)—which had not yet been released at the time of writing—and the lack of applicability of the federal IFM offset protocol to Crown land have prevented First Nations and other Indigenous governments from undertaking such projects on traditional territories. Additionality, which is an indicator used to ensure that carbon projects go beyond business as usual and create net-carbon benefits, is crucial to allow the implementation of nature-based carbon projects. One participant, Steven Nitah, explained that “protocols and markets require additionality and jurisdiction over lands, which are not always readily recognized for Indigenous nations. Northern Canada has jurisdiction, but no additionality; southern Canada has additionality, but no jurisdiction.”

British Columbia is the only provincial government working on a protocol to enable First Nations to advance projects on Crown land. The IFM protocol of the federal government offset system and Quebec’s afforestation and reforestation protocols only allow for projects on private land.

There is a significant opportunity for provincial, territorial, and federal governments to improve upon the timeliness and relevance of protocols for Indigenous leadership on projects. Participants noted that UNDRIP should be thoroughly embedded into compliance protocol development and implementation to enable meaningful co-development and applicability to Indigenous NBS projects.

When led by Indigenous Peoples, nature-based carbon projects have more valuable co-benefits, making them much more desirable to voluntary buyers. Several IABAs in British Columbia prescribe the use of the province’s Greenhouse Gas Industrial Reporting and Control Act (GGIRCA) protocols to allow the sale of carbon credits. But when carbon rights are tied to the use of such a government compliance protocol, First Nations are unable to use a voluntary market protocol for projects on Crown land. Carbon rights hinge on continued compliance with the agreement with the provincial government, restricting NBS project development.

Expanding access to voluntary markets is an accelerant for Indigenous leadership, as it provides greater access to broader markets around the world. Participants in the Indigenous forum communicated a strong desire for First Nations to engage in voluntary markets, especially where international markets can ensure greater diversification of demand and opportunities for growth.¹⁶ Provincial, territorial, and federal governments can better support Indigenous leadership on nature-based carbon projects by specifying that IABAs allow project development under both compliance and voluntary markets to provide certainty, diversity, and flexibility.

Interest in Indigenous registries and leadership

During the Indigenous forum, participants communicated an interest from First Nations and other Indigenous governments in developing an Indigenous protocol and registry. Canada's 30 by 30 commitments could be met by creating enabling frameworks for carbon projects. This would allow First Nations and other Indigenous governments—who are ready, willing, and have the most significant opportunities and interest in IFM—to develop carbon projects that protect and conserve nature. In a pre-forum interview, Joseph Pallant of Ecotrust Canada said that “ensuring that offsets generated by prospective Indigenous protocols were eligible for use in federal and respective provincial compliance offset markets would be important for optimal

demand, and diversification of markets for these Indigenous environmental assets.”

There is an opportunity for the Government of Canada to fund Indigenous organizations to develop an Indigenous-led protocol and registry that would better align with the values of Indigenous governments, advance reconciliation, and make Canada a global leader by achieving its 2030 biodiversity goals. Such a protocol and registry could also bring international interest and investment to projects, design improvements, and embed Indigenous worldviews and values—all while truly acting on UNDRIP.



Federal, territorial, and provincial governments; and NGOs

Fund Indigenous organizations to develop an Indigenous-led protocol or registry.

Removals versus avoidance

Due to demand from corporate buyers, investment and innovation are shifting from carbon avoidance credits to carbon removals. While companies with net-zero commitments through the Science Based Targets initiative (SBTi) are seeking ways to signal their demand and purchase carbon removals, more investment and innovation are being driven toward engineered and hybrid carbon removal solutions than to NBS. IFM projects quantify the carbon benefits from avoided carbon emissions as well as through ongoing carbon removal by sequestration and storage of carbon in forests and soils, but the removal value is not recognized in current protocols. New machine learning research indicates that forest carbon models undervalue the carbon stored in soils because of soil organic carbon depth assumptions.¹⁷ This presents an opportunity for protocols to deliver higher

carbon value for sequestration and storage than current-state IFM protocols. Canada could collaborate with Indigenous leaders by investing in soil carbon science across all ecoregions, integrating Indigenous traditional knowledge, and developing compliance protocols based on the latest science that can differentiate carbon removal from carbon avoidance credits. In the forum, participants expressed a desire for this type of protocol innovation to connect projects to a broader market that is willing to pay more than a ten-fold premium for Indigenous-led carbon removals compared to avoidance credits. Building opportunities to advance nature-based carbon removals would also enable early corporate investment and long-term offtake agreements to support project finance considerations and project success in the spirit of Indigenous reconciliation.



Federal, territorial, and provincial governments

Invest in soil carbon science and embed findings into protocols, while integrating Indigenous traditional knowledge.

Develop innovative protocols that differentiate carbon removal from carbon avoidance in improved forest management and conservation.

Create net-new carbon removal protocols for innovative NBS (e.g., blue carbon).

Monitoring, measurement, and verification

Ensuring the validity of carbon credits requires long-term monitoring, measurement, and verification (MMV), particularly to secure corporate investment. Implementing nature-based carbon projects must integrate credible MMV programs to build trust and attract investment.¹⁸ Long-term MMV programs are a key opportunity for First Nations to provide jobs and support existing on-the-land stewardship programs. Participants in the forum agreed that programs to enable First Nations and other Indigenous governments to monitor

projects using both traditional practices and technology would support the advancement of Indigenous leadership on carbon projects—but only if it is advanced through an Indigenous worldview with the support of new technology and science. MMV programs enable choice, understanding, and skills—particularly for youth—while supporting Indigenous ways of knowing and nation-healing.



Federal, territorial, and provincial governments

Introduce MMV programs to enable communities to monitor projects using both traditional practices and technology.

Case study

Great Bear Forest Carbon Project

An IFM project comprising 6.4 million hectares on the north and central coast of British Columbia and all of Haida Gwaii, the Great Bear Forest Carbon Project highlights the models First Nations leadership, including the leadership of the Coastal First Nations (CFN) and the Nanwakolas Council Society when they negotiated with the provincial government to develop this project using BC protocols. The Great Bear Carbon Credit LP, owned by the CFN and the Nanwakolas Offset

LP, is responsible for the verification and sale of carbon credits. Revenue is provided directly back to the owner First Nations to primarily fund the stewardship of the forests and to financially support further research and innovation into blue carbon through a related funding model. Great Bear is interested in opportunities to disaggregate carbon removals from carbon offset credits as a pathway to selling to major corporate buyers.





Economic empowerment
and sovereignty

Economic empowerment and sovereignty

Many First Nations and other Indigenous governments believe that carbon projects will support their goals in land management, economic independence, sovereignty, and environmental justice.

This approach is connected to a community's aspirations for improved livelihoods, health, food security, education, and infrastructure—while protecting the community's land, culture, spiritual values, and biodiversity.

"We have a [land] management plan for the next seven generations. But it's not just a carbon plan. It involves water, land—it's about everything," said forum participant

David Flood. "It's looking at the bigger picture because these things are not siloed. They are integrated as a multi-value issue."

Maximizing benefits for communities

Supporting community aspirations for economic independence includes ensuring First Nations and other Indigenous governments can maximize the benefits from carbon projects. Benefits are derived from project revenues, of course, but also from recognizing and delivering other long-term socioeconomic and cultural values that contribute to communities' collective well-being, allowing them to flourish. Participants called for a holistic approach to project development that include opportunities for training, education, skills development, and support for youth to develop careers around traditional practices for ecosystem regeneration.

For this approach to be successful, it is crucial that companies wanting to work with a community on a NBS project recognize and respect the community's cultural and spiritual values. Several participants noted that UNDRIP provides a guiding basis for joint decision-making that ensures both partners' interests are considered. As one participant said, "true joint decision-making says there is no going forward until both are in agreement." Adhering to UNDRIP, treaty commitments and the TRC's calls to action are tools that support and enhance nation-to-nation relationships. Investors also need to be better informed about what it means to be a good project partner. "I have seen good and not-so-good offers. I want my investor to know our values—that we do not agree with selling to the extractive industry—and that if they want to work with us, it needs to be Indigenous-led and with us as majority shareholder," said Dani Warren of Great Bear LLP. "How we make decisions and [establish] relationships comes before the money. There isn't a lot of education available for investors [on how to be a good partner]."



Corporate Canada

Prioritize equitable carbon project terms that maximize community benefits.

Forum participants made it clear that provincial, territorial, and federal governments, NGOs, and corporate Canada all need to build their capacity for understanding and respecting Indigenous worldviews and laws to develop more collaborative and productive working relationships with Indigenous partners.

There is also a need, they said, to develop educational resources that build awareness and understanding of carbon project opportunities in First Nations communities, as well as the technical skills necessary for negotiating with developers and implementing projects.



Federal, territorial, and provincial governments

Create funding opportunities for communities to build skills and sustainable businesses around traditional practices that also align with government climate action goals.



Corporate Canada; federal, territorial, and provincial governments; and NGOs

Build capacity for understanding Indigenous worldviews and laws to develop better working relationships with Indigenous partners. Use UNDRIP, treaty agreements, and the TRC calls to action to guide nation-to-nation relationships with Indigenous communities.

Participants were unanimous in their view that these efforts should not be delivered by governments or large NGOs. They need to be co-stewarded with Indigenous-led organizations, with long-term objectives that take a systems view of the land and community well-being. The RAD network is an example of an Indigenous-led organization that organizes collaborative learning networks to explore conservation finance pathways for pursuing climate solutions.

The engagements should always involve an open and inclusive process where corporate Canada, governments, and Indigenous communities take responsibility and exercise due diligence throughout the project life cycle.



Data and knowledge sovereignty

Another important aspect of economic independence is data and knowledge sovereignty. Often, First Nations and other Indigenous governments do not have a reliable system to collect, store, and access data to inform critical decisions around NBS development. Data collection and analysis is costly, and so often requires reliance on external companies. This compromises control and sovereignty of their own information.

The First Nations principles of ownership, control, access, and possession (OCAP) should be a priority in project planning

and development, so that communities can retain control over their Indigenous knowledge. As Jason Rasevych, President, Anishnawbe Business Professional Association, said in the forum, "rightsholders and knowledge keepers are going to be hesitant to provide their knowledge and values in a governance structure that will marginalize or abuse that information." The First Nations Information Governance Centre provides guidance on how OCAP principles can be applied to projects to ensure data is protected.¹⁹



Corporate Canada; federal, provincial, and territorial governments

Ensure Indigenous knowledge and data is protected by following the First Nations principles of OCAP.

Tools for assessing cultural and biodiversity values

Participants in our initiative also identified the need for tools to assess and quantify the cultural and biodiversity benefits of NBS. For example, economic valuations typically only recognize forests for their timber value, externalizing the costs of harvesting to biodiversity, nature, stewardship, and the cultural value of standing forests for Indigenous communities. Enhancing the tools available to measure biodiversity and the cultural benefits of NBS would help inform community decisions about projects and attract corporate buyers aiming to invest in biodiversity to meet their nature-positive commitments. The recognition and added valuation of these benefits could also support a premium price for carbon credits from Indigenous-led projects.

Integrating Indigenous knowledge systems when assessing, monitoring, financing, and developing projects would enhance typical project valuations."It is important to work with people who are from the land and on the land, and to use their knowledge systems," noted Steven Nitah.

"Five percent of the world's population is Indigenous, yet we manage 80% of the world's remaining biodiversity. That's our qualification right there."

One example of this actually happening is the growing movement to apply Indigenous knowledge systems to forest management, and in particular, wildfire management and mitigation. Indigenous practices for protecting forests promote the health of ecosystems and help regenerate biodiversity.²⁰ Applying a financial value to the services Indigenous fire stewards provide is a crucial first step to support and scale traditional burning practices that avoid emissions. Participants discussed the opportunity for developing federal and provincial government funding programs for First Nations to advance such techniques and management practices. They also emphasized the need to ensure these techniques and practices are performed solely by Indigenous Peoples, as they are part of broader Indigenous knowledge systems.



Corporate Canada

Introduce tools for economic valuations that recognize and capture values for culture and biodiversity.

In the bigger picture, participants also called for a greater recognition of the major contribution of First Nations' land management activities to climate targets and biodiversity goals. They noted that Indigenous land stewardship activities and conservation efforts will play a critical role in achieving the federal government's 30 by 30 target.

Finance mechanisms and procurement

A key accelerant for advancing and expanding Indigenous-led carbon projects is low-barrier, long-term financing arrangements. One of the main challenges is the ability to secure upfront investments to fund planning and development in the project's initial stages.

The Coastal First Nations' Coast Funds program was cited at the forum as a successful model for conservation financing that is structured to provide sustainable funding for Indigenous-led land conservation and stewardship. The fund uses a project finance for permanence model, which unites corporate, philanthropic, and government funders to support long-term programs designed to benefit communities and protect ecosystems.²¹

One participant suggested that the business community could establish a similar fund with alternative return-on-investment requirements that are better suited to Indigenous project partners. Other innovative conservation financing mechanisms and tools, such as corporate procurement policies and sustainable financing instruments, need to be scaled to support Indigenous action on nature-based solutions.

What matters most is discovering which funding mechanisms work best. It is critical that corporate Canada start supporting the journey now.



Corporate Canada; federal, territorial, and provincial governments; and NGOs

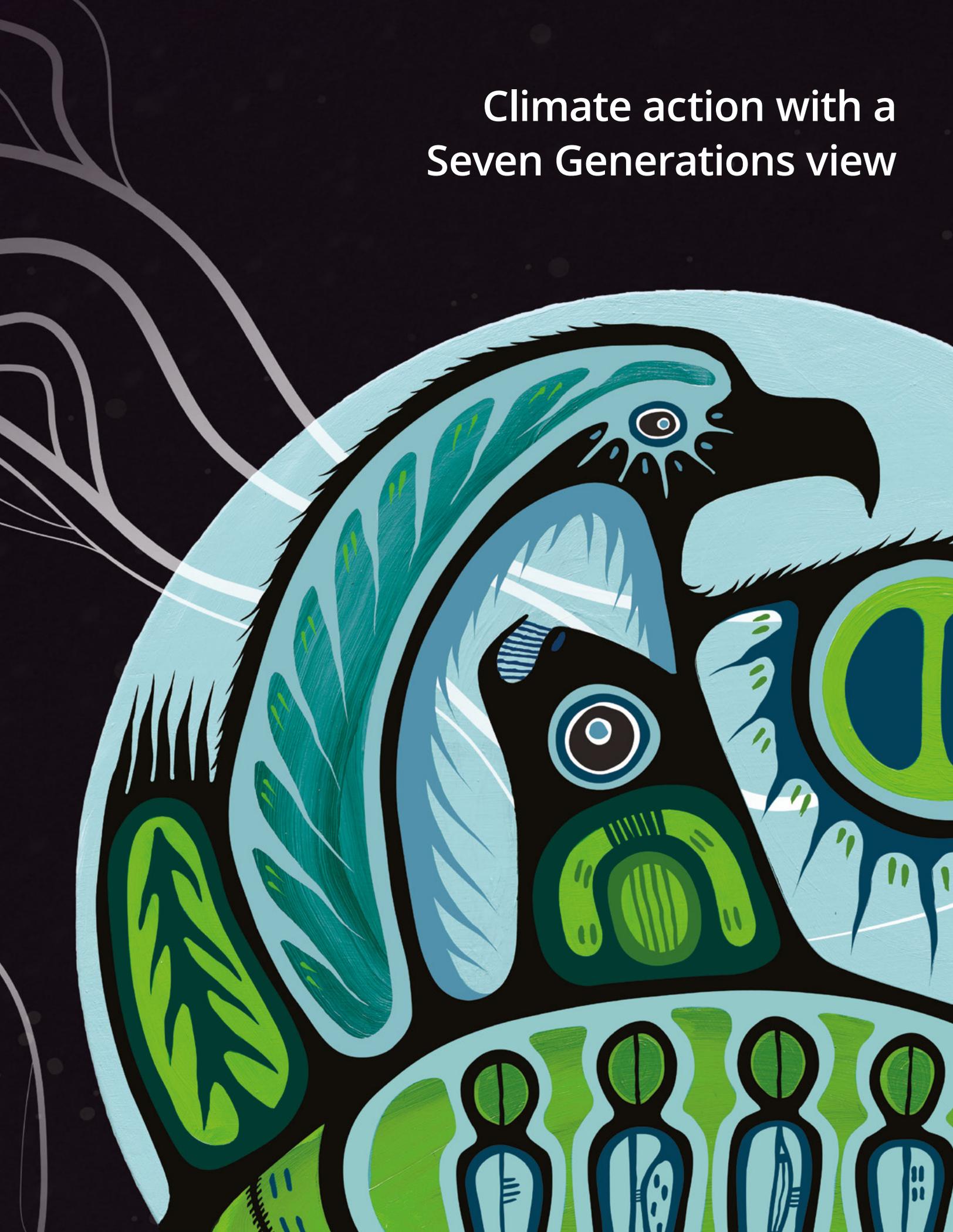
Create pathways to secure upfront investments to fund carbon project planning.

Corporate Canada; federal, territorial, and provincial governments; and NGOs

Create opportunities for innovative conservation finance (e.g., project finance for permanence, corporate procurement, and natural capital finance).



Climate action with a Seven Generations view



Climate action with a Seven Generations view

During the writing of this report, Canada was battling wildfires that had spread from coast to coast to coast. In one of the many profound moments during the Indigenous forum, participants watched out the windows as smoke billowed down into Vancouver.

While urban areas were grappling with poor air quality, many communities closest to the wildfires suffered losses to forest ecosystems, key infrastructure and services, homes, personal items, animals and livestock—and the disruption of evacuation. Indigenous communities were impacted even further by losses of cultural and ceremonial items and the destruction of traditional and sacred places.

Society's response to a changing climate is evolving quickly, and Indigenous Peoples must have a central role in the transition to a low-carbon future. An equitable transition is inextricably linked to recognizing and respecting Indigenous Peoples' inherent rights, knowledge systems, and spiritual and cultural connection to the land. It requires bold action, from all sectors of the economy. "We need big changes, not little changes," noted one forum participant. "We need the courage to imagine a different system, centred by and for Indigenous Peoples."

Nature-based carbon projects are just one mechanism for supporting and expanding Indigenous land stewardship, jurisdiction, rights, leadership, and priorities, while simultaneously helping corporate Canada meet its climate commitments. This requires a "seven generations" perspective of project planning, where decisions are made based on relationships, reciprocity, and the impacts they will have seven generations into the future. As the effects of the climate crisis continue to increase, governments, NGOs, and Indigenous Peoples need to collaborate more than ever to secure climate-safe and nature-positive relationships for generations to come.

On the next page is a summary of the bold actions that participants identified during the course of the initiative as being necessary to advance Indigenous leadership in nature-based carbon projects.

Calls to action for corporate Canada, governments, and non-governmental organizations



	Short term	Medium term	Long term
Policy and jurisdiction		Develop reconciliation processes to enable First Nations and other Indigenous governments' jurisdiction and control over land and carbon rights.	
	Reduce the time and uncertainty associated with establishing carbon rights.		
		Create funding opportunities to support First Nations and other Indigenous governments as they negotiate and secure carbon and land rights.	
		Enhance opportunities for forest tenure deferrals or land withdrawals for First Nations, while ensuring they are not burdened by the cost.	
	Link the establishment of carbon rights to existing initiatives such as Indigenous Protected and Conserved Areas.		
Protocols and carbon markets	Improve the timeliness and relevance of protocols for First Nations and other Indigenous governments, including embedding the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) into compliance protocol development.		
	Expand access to voluntary markets, where co-benefits have a high value.		
		Fund Indigenous organizations to develop an Indigenous-led protocol or registry.	
		Develop innovative protocols that differentiate carbon removal from carbon avoidance in improved forest management and conservation.	
		Develop net-new carbon removal protocols for innovative nature-based solutions (e.g., the blue carbon).	
	Invest in soil carbon science and embed findings into protocols, while integrating Indigenous traditional knowledge.		
			Introduce monitoring, measurement, and verification programs that integrate both traditional practices and the latest science/technology to monitor carbon projects.
Economic empowerment and sovereignty		Create funding opportunities for communities to build skills and sustainable businesses around traditional practices that also align with government climate action goals.	
	Prioritize equitable carbon project terms that maximize community benefits.		
	Use United Nations Declaration on the Rights of Indigenous Peoples, treaty agreements and the Truth and Reconciliation Commission's calls to action to guide nation-to-nation relationships with Indigenous communities.		
		Build capacity for understanding Indigenous worldviews and laws to develop better working relationships with Indigenous partners.	
		Ensure Indigenous knowledge and data is protected by following the First Nations principles of ownership, control, access, and permission (OCAP).	
	Introduce tools for economic valuations that recognize and capture values for culture and biodiversity.		
		Create pathways to secure up-front investments to fund carbon project planning and development.	
		Create opportunities for innovative conservation finance (e.g., project finance for permanence, corporate procurement, natural capital finance).	

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At the conclusion of the Indigenous forum in Vancouver, Leona Humchitt read a poem written by her niece, Rhon J. Wilson, that expresses her connection to her culture and land through her Nation's language:

*This is it the feeling I've been searching for my entire life
every time I haítzaqv!a
I breath life back into my soul
the back signs and high tones
and glottalled q's and barred l's
fill every crevice of my body
until I am whole again
and it's like I've never left this place at all
when I learn I absorb every word into my veins
for all the years lost
and sometimes I cry
for all the children who were beaten for speaking their
mothers tongue
but each time I speak the language with my granny,
I am home
finally
for the first time in my life
I am home
because In these moments
the world goes quiet
and the earth stands still
and my roots spread even deeper
into the dark rich soil of my homelands
and I am reconnected again
to my body
to my soul
to my mind
to my great grandmother and all
of those who came before her
and although I was displaced when I came into this world
these words are not foreign to me
they've inhabited my brain like they've always lived there
and they dance off my tongue when I Speak
and the melody of my mothers tongue sets my heart on fire
and I never have to worry about it freezing over again
because this is the feeling I have been waiting for my entire life
Like a warm hug from my grandmother
a sense of belonging
a sense of home*

Kánítkas, Rhon J. Wilson

Acknowledgements

We are grateful to the following organizations for their valuable contributions in the interviews, at the forum, and in the virtual focus group for this project:

Amazon Web Services
Anishnawbe Business Professional Association
Assembly of First Nations
BC Assembly of First Nations
BC Community Forest Association
BC First Nations Forestry Council
BC Ministry of Environment and Climate Change
Strategy - Climate Action Secretariat
BC Ministry of Forests
Cheakamus Community Forest
Coastal First Nations/Great Bear Carbon Credit LLP
Conservation Through Reconciliation Partnership
Ecotrust Canada
Environment and Climate Change Canada
First Nations Climate Initiative
Gwen Bridge Consulting Ltd.
Hailzaqv Nation

Haisla Nation
Kwiahk First Nation
Lhai Ventures LP
Lilwat Nation
Mother Tree Project Network
Nature for Justice
Nitah & Associates
Ntityix Resources LP (owned by Westbank First Nation)
Ostrom Climate Solutions Inc.
RAD (Restore, Assert, Defend) Network
Rainforest Solutions Project
Strategic Natural Resource Consultants, an Ehattesaht First
Nation Company
Tsm'syen
UBC Forest and Conservation Sciences
Wahkohtowin Development GP Inc.
Zagime Anishinabek, Treaty 4 Territory

The team would also like to thank the project's Indigenous Advisory Committee for their input and feedback throughout the project.

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