

Wenland Case Study:

Hypothetical Budget

Prior to Initial Dialogue, FrostLock asks TNC for a ballpark estimate for the FPIC process and TNC responds with the following points:

- The scope and budget for the FPIC process will be deeply interwoven with the facts of the situation. Early on, TNC can only provide a high-level estimate with the caveat that different circumstances may lead to dramatically different requirements and costs.
- Nonetheless TNC recognizes that proper budgeting is important to provide focus and structure and set expectations for the process. TNC agrees to work with the Wen Councils to prepare a more detailed budget later.
- TNC recognizes that FPIC should be grounded in fairness and efficiency and urges all parties to be economical with time and resources. At the same time, the decisions reached in the FPIC process may impact fundamental self-determination rights of the Wen and involve complex issues that need to be fully understood by all parties—so the process needs to be thorough and will require effort.
- The guiding principle is that the extent of the duty to consult is **proportionate** to the nature and extent of: a) the potential **impacts** on the IPLC; and b) the potential **benefits** to be shared with the IPLC. This proportionality principle was discussed in the foundational consultation cases of *Delgamuukw v. British Columbia* in Canada and *Sarayaku v. Ecuador* at the Inter-American Court of Human Rights, among many other sources.

After consulting with in-house and external practitioners, TNC provides the following analysis and estimate:

- As described in Hypo 1b, FrostLock's proposal consists of two components: a) the installation of a network of hydrofracking stabilization test sites; and b) a Conservation Management Area. Because the potential impacts and benefits of these two components are significantly different, they should be analyzed separately.
- Regarding the technology test sites:
 - These sites present an extreme level of impact, involving heavy construction and equipment, the injection of proprietary chemicals into the permafrost, increased national and global attention, social and economic impacts, and much more. The benefits analysis for the Wen is complicated, but for FrostLock a successful test (which is not guaranteed) could lead to billions of dollars in technology contracts.
 - The impact/benefit analysis would be similar to high-impact, large-scale extraction projects in the oil, gas or mining industries. FPIC costs should be benchmarked against best practice in those areas. The actual costs may be **higher** given the novel and unfamiliar nature of the technology.
 - TNC reports that the cost of FPIC for high-impact, large-scale extraction projects ranges widely from \$250,000 to \$5,000,000. After considering the local economy, TNC advises FrostLock that a best-case scenario would be \$800,000 for one year, but it should be prepared to fund up to \$1,500,000 should difficult or unexpected issues emerge in the process. Regarding the CMA:
 - The proposed CMA is massive in geographic scope, but the extent of potential impact is dramatically lower than the technology sites. The potential impacts on the Wen's rights and interests that need to be considered include: the impacts of fortress models of conservation; indigenous resource use; the cultural significance of the Wendbok; hunting restrictions; and responsibility for monitoring and herd management.

- TNC reports that the cost for FPIC for large, low-impact conservation projects ranges from \$50,000 to \$500,000. TNC advises FrostLock to budget around \$200,000 for one year and advises that the cost could escalate by \$80,000 if difficult issues emerge that require expert analysis.

After initial dialogue with the Wen Councils on the scope and design of the FPIC process, TNC helps the Councils submit the following draft FPIC budgets for the technology test sites and the CMA. TNC advises that the numbers are subject to change as new information or issues emerge.

Draft FPIC Budget for Technology Test Sites:

Category / Item	Cost	Notes
Salary		
Existing TNC staff	-	Paid by TNC
Additional Project Manager	-	Paid by TNC
Community Outreach Coordinator	-	Paid by TNC
Travel		
Travel - FrostLock	-	Trips x Individuals = 16 Cost internal to FrostLock
Travel - TNC (domestic)	\$14,400	Trips x Individuals = 24
Travel - TNC (international)	\$9,000	Trips x Individuals = 6
Travel - Wen leadership & liaisons	\$7,000	Trips x Individuals = 28
Travel - Wen community	\$10,000	General fund
Contracts/Consultants		
Community Liaison Coordinator	\$40,000	1 Indiv x \$5,000/mo x 8 months
Community Liaisons	\$54,000	3 Indivs x \$3,000/mo x 6 months
Materials & Logistics Coordinator	\$65,000	1 Indiv (logistics)
Preparation of a Draft Environmental and Social Impact Assessment (ESIA) for community review and adaptation	\$350,000	Includes collecting and compiling baseline data, identifying and analyzing discrete and cumulative impacts, identifying mitigation and monitoring options
External review/second opinion: Cumulative impacts analysis (relying on ESIA data)	\$35,000	Often justified given greater degree of extrapolation and/or subjectivity in cumulative analysis
Expert Report: Comprehensive literature review on hydrofracking	\$45,000	-
Consultant Report: Dispute resolution and remedy mechanism models	\$28,000	-

Draft FPIC Budget for Technology Test Sites (continued):

Category / Item	Cost	Notes
Contracts/Consultants		
Local NGO-led Complementary Project: Traditional Knowledge survey and database	\$30,000	-
Translation of key documents into Albian and Wen	\$50,000	-
Diversity, Equity & Inclusion Coach	\$25,000	-
Materials, Supplies & Other Direct Costs		
Initial Dialogue budget	\$4,000	-
Issue scoping - working session and follow-up	\$8,000	2 days, group size 30+
Main FPIC working sessions (3)	\$36,000	3 days, group size 150+ Space, technology, materials, food
Focus Session: Gender Equity	\$9,000	1 day, group size 40+
Community outreach meetings (6)	\$66,000	6 days, groups 30-100 Space, materials, food
Final negotiating sessions	\$15,000	3 days, group size 25+ Retreat-style space
Agreement and Honoring Ceremony	\$30,000	-
Communications		
Media/public education budget - Albian	\$50,000	-
Media/public education budget - Wenland	\$125,000	-
Targeted outreach to Wen communities	\$25,000	-
Short video series	\$12,000	-
Albian government & public relations services	\$16,000	-
Digital document preservation and public access system and services	\$35,000	-
Indirect Costs (@30%)	\$342,480	
TOTAL	\$1,484,080	

Draft FPIC Budget for the CMA:

Category / Item	Cost	Notes
Salary		
Existing TNC staff	-	Paid by TNC
Additional Project Manager	-	Paid by TNC
Community Outreach Coordinator	-	Paid by TNC
Travel		
Travel - FrostLock	-	Trips x Individuals = 8 Cost internal to FrostLock
Travel - TNC (domestic)	\$1,800	Trips x Individuals = 6
Travel - TNC (international)	\$1,500	Trips x Individuals = 1
Travel - Wen leadership & liaisons	\$3,200	Trips x Individuals = 12
Travel - Wen community	\$2,000	General fund
Contracts/Consultants		
Community-Based Impact Assessment Consultant	\$75,000	1 Indiv full-time at 8 months. Provides logistics and drafting CMA-ESIA text
Community Liaisons	\$6,000	3 Indivs x \$1,000 one-time fee
Expert Report: Natural resources services analysis	\$15,000	-
Expert report: Wendbok population trends, distribution, and conservation status	\$15,000	-
Translation of key documents into Albian and Wen	\$20,000	-
Materials, Supplies & Other Direct Costs		
Environmental and land-use data collection, compilation, and preservation costs	\$22,000	-
Listening Sessions	\$4,000	4 days, group size 30+
Main FPIC Working Session	\$6,000	1 day, group size 75+ Space, technology, materials, food
Community Outreach Sessions	\$4,000	4 days, group size 30+
Communications		
Publicity for sessions	\$500	-
Indirect Costs (@30%)	\$46,500	
TOTAL	\$201,500	