

Valuation Tool Guide Overview

First Nations often need to seek compensation and recognition for losses in value, and for infringements on rights and title, resulting from Crown actions and decisions. The Valuation Tool Guide consolidates practical guidance on compensation valuation to support informed, confident, Nation-led decision-making on valuation approaches.

The Guide includes context on the policy and legal landscape, background on value and valuation, a methodology guide, and hypothetical scenarios. This Guide overview highlights the steps a Nation would take to start and carry out valuation work.

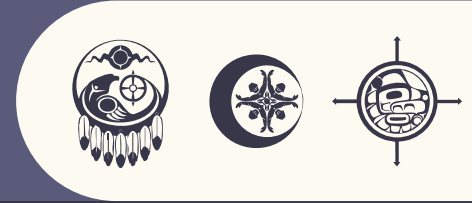
To read the full Valuation Tool Guide or for more information on BC RIGC, visit <https://www.bcfnrigc.ca>



Legal, Political, and Policy Landscape

Compensation for B.C. First Nations has historically been fragmented, arbitrary, and slow-moving. Legal and policy frameworks offer only partial guidance: while courts have developed some principles, they have yet to be applied comprehensively or coherently, and arguably remain rooted in colonial perspectives.

The Guide provides an overview of aspects of the legal and policy dimensions of compensation for infringements or impacts to **section 35(1) Title and Rights**, and of compensation breaches of fiduciary obligations with respect to **Indian Act reserve lands**. This overview reveals gaps in legal principles, policy, and practice that shape current approaches to valuation and compensation, and therefore the inherent limitations in developing and using this Guide.



Background on Value and Valuation

Value is a general concept representing what people care about and believe something is worth, regardless of whether it is or can be bought and sold, and **valuation** is how to measure that worth. For First Nations, value is inherent to a range of unique things that have historically and continue to be important to them, and which commonly fall in the following categories:

Culture	<i>Impacts, losses, or benefits to language, culture, teaching, and continuity of cultural expression, including impacts to spiritual traditions and practices.</i>
Governance	<i>Impacts, losses, or benefits to capacity to govern, make decisions, and determine the trajectory of a Nation's territory and peoples.</i>
Health and wellbeing	<i>Impacts, losses, or benefits to the health and wellbeing of the people, lands, and waters.</i>
Land and waters	<i>Impacts, losses, or benefits to a Nation's ability to live on, access, use, and steward their territory and waters, including for uses by them and others.</i>
Resources	<i>Impacts, losses, or benefits from the extraction of resources like water, timber, minerals, oil, gas, fish, and others, from a Nation's territory.</i>

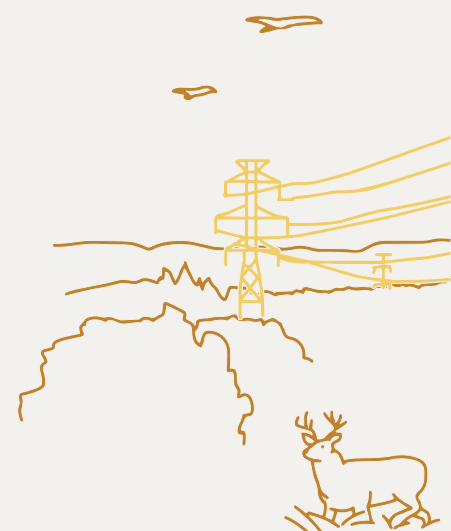
Eurocentric, market-based theories have long dominated, equating price with worth and obscuring much of what First Nations value. The Guide describes the history of many concepts that underpin valuation methods, to help illustrate where these concepts can be helpful or fall short in illuminating value for First Nations.

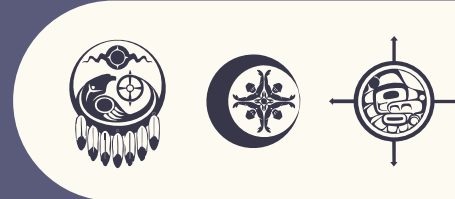
Your Nation's specific valuation context

The reasons, conditions, and resources for valuation and compensation negotiations are specific to each First Nation. A few examples:

- Negotiation for accommodation for new Crown land and resource decisions
- Comprehensive Title and Rights negotiations whether treaty or non-treaty
- Pursuing settlement of multiple claims related to reserve lands or violations of historic treaties through the Specific Claims Process
- Court seeking compensation on any range of matters

The Guide provides a phased method for Nations to consider in advancing their valuation efforts.





Phase 1: Get clear on the impacts that matter

This involves identifying all the impacts the Nation has or will experience to what they value. One way to get at this is to answer the question: **“what are all the ways our Nation, past, present, and/or future, would be different in the absence of this specific situation?”**

Defining this clearly and precisely helps to determine the appropriate valuation approach, as well as how to apply different methods.

While not every impact will fall within the scope of a negotiation or valuation study, starting with a comprehensive picture ensures that the Nation’s priorities and experiences guide the process.



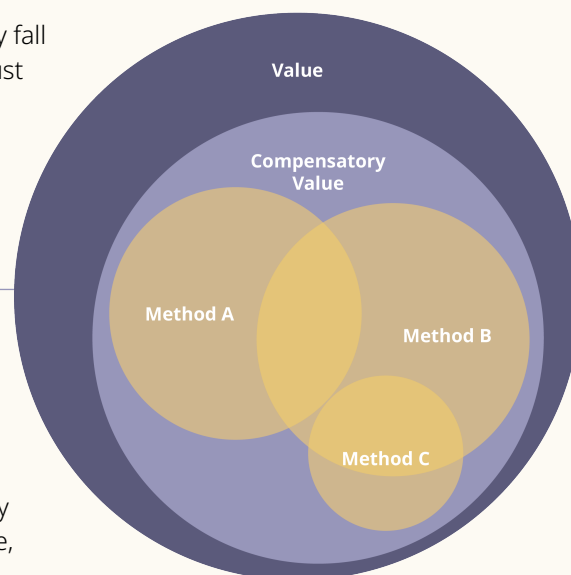
Phase 2: Assess feasibility and importance

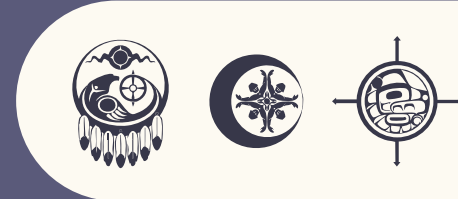
This phase focuses on strategy. Because a full valuation of every identified impact is typically infeasible, and some may fall outside of compensation policy and mandates, Nations must make deliberate choices about how best to advance their objectives, including what to pursue through valuation or other negotiation tools, and what not to pursue at this time and/or through this particular negotiation process.

Relationships between Value and Valuation Methods

The purple in the figure illustrates that the full value is typically larger than the compensatory value recognized in negotiations.

A Nation may pursue a broader scope to better reflect the range of impacts, or a narrower scope to gain efficiency and move negotiations forward more quickly. In either case, the team may use one or multiple valuation methods, balancing added effort against limited returns in capturing compensatory value.

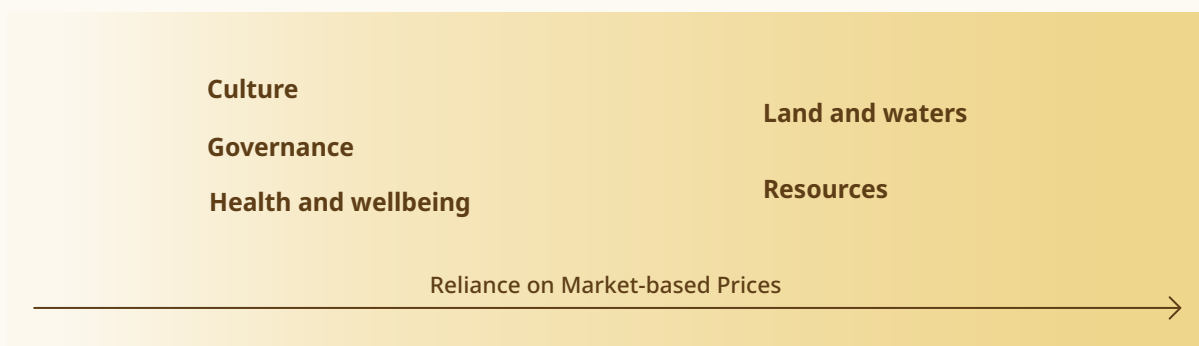




Phase 3: Choose valuation methods

With a strategy in place, select the valuation methods best suited to capture the value of the Nation's prioritized impacts and recruit the appropriate expertise to carry out the work. **Market-based approaches** such as land or resource prices, are more mainstream and therefore easier to source, defend, and negotiate but they may fail to reflect the full value at stake. **Non-market approaches**, such as testimony, community-driven studies, or novel adaptations of economic tools, are required to measure cultural, governance, or wellbeing impacts that markets cannot capture.

Categories of Compensation



Valuation Methods

Valuation methods are grouped based on based on least to most reliant on market-based prices / least to most commonly used. Each method is explained in detail in the complete Guide.

Multi-Attribute Utility Theory	p.59	Travel Cost Method	p.64	Indirect Market Approach	p.71
Discrete Choice Modelling	p.61	Production Function	p.66	Avoided Damage Costs	p.72
Contingent Valuation	p.62	Valuation of Economic Rents	p.68	Cost Approach (Replacement & Reproduction)	p.73
Benefit Transfer Method	p.63	Hedonic Value	p.69	Income Approach	p.75
				Price Comparison Approach	p.77