BC Community Forest Association
Submission to the Interior Forest Sector Renewal Engagement
October 10, 2019

Introduction

Forest policy was initially developed in British Columbia with the goal to support rural community development and job creation throughout the province. But changes that began in the 1980s have resulted in the sector contracting or disappearing in many rural communities. As the number of forest companies declined and the remaining companies grew larger, the forest resource became concentrated in the hands of a few large licences. Policy changes in the 2000s reduced the access to wood for the added-value sector and further focused the industry on commodity production. Continuation on this path will ensure that forestry will no longer be a major employer or economic driver in many communities in the BC Interior.

Interior BC communities want to reverse this trend and many also understand that forest management has taken on a new importance. Climate change and the risk of wildfire are growing threats for interior communities. Many of the existing community forests are leaders in wildfire management and climate change adaptation. However, the overall lack of effective and pro-active approaches to climate-based forest management in BC is based on structural weaknesses in our forestry regime, most notably our tenure system.

As stated in the Ministry of Forests, Lands and Natural Resource Operations and Rural Development's discussion paper on Interior Forest Sector Renewal, "Concentration of forest tenures in the hands of a few large operators can be detrimental to supporting community resiliency and diversity in the Interior forest sector." Commodity based forest licence systems have caused interior communities and major licensees to diverge.

Correcting this problem and transitioning the Interior forest sector to a path of helping communities adapt to climate change while being a valued economic component in all interior communities means taking bold steps with the long-term in mind. Two strategic principles are central to this transformation:

A. Forest tenure reform that significantly increases the number of participants on forest land base and increased access to fibre for all wood processors; and,
B. Ensuring that the industry refocuses on added-value activities, so the fibre harvested is fully processed with the right fibre going to the right facility.

It is imperative to take a fresh look at where our forest tenures are situated on the landbase and how our tenure system can be re-designed to facilitate effective climate mitigation and adaptation. This new paradigm requires forest management policies that restore ecosystem health and resilience, and support ecosystem services critical to First Nations and local communities.

Overall, there is a compelling argument for a sustained all-inclusive approach to create a viable path forward that leads to achieving well defined goals and objectives. Amending forest policy or undertaking pilot projects to see what happens is not the solution. Only by having fibre available at the local level to

innovate and diversify, will communities be able to participle in the attraction of new investment to renew the forest sector. If the old paradigm continues, communities will become further removed from the forest economy and overall the wealth contraction in the forest industry will continue as the commodity-based system becomes more and more concentrated.

Forest Tenure and Fibre Supply

BC's Interior communities, both Indigenous and non-Indigenous, are demanding more control over their futures so they can diversify and become more resilient – both economically and in the face of a changing climate. This means being able to link forest management and community development objectives at the local level. If the provincial government is serious about rural development, we need to consider a change in the balance of the tenure system.

In May 2018 the BCCFA proposed ***Prioritizing Community-Based Tenures for Wildfire Mitigation & Rural Development*** to promote Community Forest Program expansion. The report outlines a vision that would see more community-based tenures (community forest agreements and First Nations woodlands licences) established in the 10 km zone around Indigenous and rural communities.[1] This is a critical zone for community wildfire protection as confirmed by many communities and forest professionals. The 10 km zone also includes areas where critical social values , ecosystem services and economic opportunities intersect.

The boundaries of such a zone should be variable based on the risk, community size, fire behaviour and location in the province. Further, each new or expanded community forest must be economically viable and developed according to the established principles of the provincial community forest program, with priority given to communities where Indigenous partnerships and/or support exist, and or the threat of wildfire is high or extreme.

C**ommunity forest partnerships between Indigenous and non-Indigenous communities can be a successful tool to promote reconciliation and to increase the amount of tenure held by First Nations.** Half of the operating CFAs are held by First Nations or are partnerships between Indigenous and non-Indigenous communities. In addition to community forests where First Nations are owners or partners, many community forest organizations include First Nations representation on their boards. In many cases, First Nations are engaged in cooperative planning, share profits, have MOUs and employment contracts, and work with community forest organizations in capacity building activities like training and education.

A strategic shift in government policy and re-apportionment of AAC is key to achieving this pragmatic and important vision of increased community-based forest management.

Recommendations:

1. Introduce legislation to enable a reapportionment of volume to community-based tenures that meet the objectives of the provincial government, Indigenous and non-Indigenous communities. This includes a budget for the critical upfront investment for a take-back that will be necessary to support this legislation.

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[1] Aligns with COFI's " SMART FUTURE: A path forward for B.C.'s forest products industry" Recommendation #30: Increase community forest agreements and First Nations woodlands licences in areas directly adjacent to communities, to allow for greater local management, protect communities from wildfires, and provide fibre to local manufacturers.

2. Actively support the development of more community forests that are partnerships between Indigenous and non-Indigenous communities. This includes identifying First Nations who may wish to discuss managing their volumes with existing CFA holders or communities currently seeking a CFA.[2]
3. Where independent licences are preferred, support collaboration between community forest agreement holders and First Nations tenure holders.

Climate Change and Forest Carbon

Mitigating climate impacts and adapting to climate change must become a primary focus of the forest sector. We are not doing enough. The climate challenge demands that we fundamentally re-think how we manage our forests, and to what end.

Many of us live in fire-adapted ecosystems that have heavy and continuous fuel loads as a result of decades of fire suppression. We cannot expect these ecosystems to continue to sequester and store carbon indefinitely. We must recognize that there are some trade-offs and difficult decisions to make regarding when and where storing or sequestering carbon should be a top priority, and when and where wildfire risk reduction needs to be the top priority. We should thus be **explicitly zoning our landbase into priority areas for carbon, and priority areas for climate adaptation and fuel mitigation**.

Climate change adaptation principles are still poorly integrated into operational forest management decision-making. This is partly because more guidance and tools need to be developed at a local and sub-regional level. Moreover, the lack of effective and pro-active approaches to climate-based forest management is based on structural weaknesses in our forestry regime, most notably our tenure system.

A tenure system built around large volume-based tenures works at cross-purposes to climate action. It is quite simply not the natural mandate of large volume-based licensees to manage forest fuels and carbon or to make our communities more resilient. **We need to take a fresh look at where our forest tenures are situated on the landbase** and how our tenure system can be re-designed to facilitate effective climate mitigation and adaptation. Expansion of long-term area-based tenures is a pre-condition to improved mitigation and adaptation action. The community forest tenure incents investment in the landbase and mid-term timber supply, planning for the entire forest rotation with social, economic, cultural and environmental values accounted for through the entire cycle. Last year alone, community forests invested over $2.4 million of their own funds in intensive silviculture.[3]

Government can regulate requirements for climate mitigation and adaptation, but regulation will never be as effective or as efficient as harnessing the innovation of motivated and empowered communities. **Community forests are uniquely positioned to deliver locally appropriate climate change mitigation** and adaptation solutions and need to be provided with the necessary scope and tools. We are already doing the work. Through collaboration with local governments on wildfire planning and preparedness, community forests have invested $12.2 million dollars to date in wildfire mitigation, with over $2 million of that coming from their own revenues. Seventy-seven percent have collaborated with their local governments on wildfire planning preparedness.

The fact is community forests already have a mandate to adapt and make communities more resilient. Rural communities are on the front lines when local forests are threatened by droughts, by fires, or by

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[2] Aligns with the First Nations Forest Strategy (May 2019), Goal #4 regarding tenure reform. First Nations are seeking more involvement as managers and decision-makers regarding the use of forest lands and resources in their territories.
[3] Community Forest Indicators 2019. http://bccfa.ca/bccfa-2019-community-forest-indicators-report/

floods. Rural communities need support in adapting to climate change, including through enhanced local control over forest management decision making.

Recommendations:

4. Establish explicit zoning of the landbase into priority areas for carbon, and priority areas for climate adaptation and fuel mitigation.
5. Enhance local control over forest management decision making by increasing community forests in areas directly adjacent to communities.
6. Increase the financial support for community forests to invest in wildfire hazard reduction through mechanisms such as the Forest Enhancement Society of BC, while ensuring the funding programs are nominal in bureaucracy.

Manufacturing Capacity and Fibre Utilization

Large primary forest companies are focused on harvesting the species and log types that best meet their mill or market requirements. Community forests focus on marketing the full spectrum of species and logs available on their land base to a range of customers. By delinking the fibre procurement from the major commodity manufacturers, fibre would have an opportunity to find its best market and end use. Already CFA holders consider all forest values and are always looking for ways to diversify their operations, working to capture more value for the wood harvested.

Beyond the benefits that can be generated by increasing the landbase under community-based management, we offer additional recommendations regarding manufacturing, fibre utilization and wood products innovation, drawing on recommendations previously made by the Province of BC (2009), the Southern Interior Beetle Action Coalition (SIBAC) (2013), and the Omineca Beetle Action Coalition (2014).

How can rural and Indigenous communities continue to secure economic benefits from our forests in the face of declining timber harvesting opportunities (i.e. AACs) and changing market demand?

It is not necessarily a requirement for business success that large wood manufacturers hold most or all of their raw material supply under replaceable forest tenure. We have instances in BC of very successful, large lumber producers that hold little replaceable forest tenure. Only by having fibre available at the local level to innovate and diversify, will communities be able to participle in the attraction of new investment to renew the forest sector.

Recommendations: [4]

7. Establish a method and timeline for rebalancing the timber apportionment to diversify access.
8. Encourage continued expansion of open and competitive log markets, while providing access to fibre to a range of users.

What role can policy and programs play to support manufacturing diversity?

Policy and programming will be critical to support manufacturing diversity. However, moving forward, success will only come when there are connections between direct programming, tenure reform, resourcing and external supports. This means a complete suite of tools working in coordination with policy changes around tenure reform and with an added-value focus. The best programs not connected

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[4] Omineca Beetle Action Coalition. 2014. Making Forest Policy More Effective.

to policy or resourcing will not lead to the desired outcomes and represents more of what has been applied in the past.

Wood Products Innovation

The entire mindset of how the province approaches the forest products we produce needs to change. Wood products innovation will only be realized if we set the strategy at the highest level and link together the programs, policies and tools that foster added-value to the full range of fibre accessed in the BC Interior forest.

Recommendations:

9. Adopt a **Value Chain Approach** for the Province's approach to the forest sector as outlined in previous work by SIBAC.[5]

In addition, there are a range of steps that could specifically support an added-value manufacturing strategy in conjunction with support of the range of forest values and opportunities including:

10. Reengage and foster new activities in the value-added sector, ensuring that value innovation occurs from Lab to Market, supported by:
    - Stimulating growth of local manufacturing capacity and build technical expertise through active support for pilot production and next generation products;
    - Improving information flow between research institutions, investors, manufactures and communities;
    - Continuing to improve hosting.[6]

Again, sustained long-term implementation and commitment to a results-based approach that is fully funded and supported with strong policies is key to success.

Conclusion

In conclusion, it is crucial that the Province focus on rebalancing the tenure system. The goals of communities and First Nations no longer align with how the forest sector is being conducted in the BC Interior. Moving forward, the rebalancing of the tenure system and re-invigorating the added-value activities needs to be mindful of the necessity to:

- Increase community resiliency and economic development
- Improve wildfire mitigation and climate change adaptation
- Rebalance fibre basket to ensure local access throughout British Columbia
- Increase First Nations participation in the forest sector
- Ensure jobs are maintained and new jobs are created in rural communities, and
- Support diversified wood manufacturing through more open markets for fibre.

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[5] Southern Interior Beetle Action Coalition. 2013. Growing the BC Interior Value Added Wood Sector. Available at: http://www.sibacs.com/wp-content/uploads/2013/08/SIBAC-Value-Added-Report-Summary-Report-Final-June-27-2013.pdf. Accessed September 17, 2019.

[6] Province of BC. 2009. Generating More Value from Our Forests: A Vision and Action Plan for Further Manufacturing. Available at: https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/generating-more-value/generating_more_value_from_our_forests.pdf. Accessed September 17, 2019.