

**British Columbia Community Forest Association
Annual General Meeting May 25 2012**

President’s Report

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Submitted on behalf of the Board of Directors by President, Robin Hood

The British Columbia Community Forest Association’s (BCCFA) activities are guided by a set of strategic priorities. These are carried forward from year to year, revised over time by the results of membership surveys and conference discussions, and refined by the board of directors. In September 2012 the BCCFA board and staff participated in a face-to-face meeting in Kamloops, where priorities were identified for the year. The following report describes the Association’s achievements on these priorities this past year. We are a grassroots, member driven organization. We thank each and every member community, as well as our associate members, for their support and contributions to our work.

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Governance & Organizational Development

1. Governance Review

At the beginning of the 2011-2012 year, the BCCFA board of directors agreed that one of our top priorities would be a review of our organization’s governance structures and processes. The goal was to find ways to work more effectively and efficiently, and to enhance our ability to meet the many challenges we face.

Through a competitive process, we hired consultant Vince Battistelli of The Governance Group. During November and December of 2011, Vince examined the workings of our board & staff, reviewed existing governing documents, and interviewed members and partners of the Association. Key elements reviewed included:

- Society Constitution and Bylaws
- Organizational structure
- Role/Responsibilities of Staff and Directors

Among the top recommendations was an update of our governing documents. Following this recommendation, the board of directors has proposed a set of updates to the Society’s Bylaws. These will be voted on through a Special Resolution at the AGM in Kaslo on May 25th.

In addition to the revised bylaws, we assembled a number of updated and new governing documents into a “Board Manual”. This is a work in progress, and includes:

1. Board and Directors Terms of Reference
2. Organization Core Values
3. Board Governing Principles
4. Board Rules
5. Key Responsibilities of Board of Director Executive Positions
6. Code of Conduct
7. Confidentiality Agreement
8. Conflict of Interest Policy and Disclosure Statement

The Governance Review is an ongoing project and a number of Vince's recommendations are yet to be implemented. Following this year's AGM, the next major task will be the development a new Strategic Plan for the organization. We will be asking for your input through a comprehensive survey.

2. Organizational Development

Early in the year we organized our work into new categories, or committees. Each of these has a lead director. They are as follows:

1. Forest Policy: Marc von der Gonna
2. Member Services and Communication: Ramona Faust
3. First Nations Dialogue: Don Brown
4. Value Added & Marketing: Kevin Davie
5. Administration: Don Brown

In the 2011/2012 year, 12 board meetings were held, three of which were multi-day, face-to-face. In addition, numerous committee meetings were held via conference call.

Forest Policy

3. Community Forest Program Expansion

The main thrust of our advocacy efforts in the past year has been the expansion of the Community Forest Program. Through the Expansion Committee, we have been working with government to identify and facilitate access to additional volume & area for existing and new CFAs. The outcome we are seeking is Community Forests that are of sufficient size to be viable, diverse and meet local economic, environmental and social objectives.

This past year we updated our information on expansion requests through a member survey. We identified a current demand of 1,070,000m³ for existing and new CFA expansion. We also recognize that from the original program applications there are approximately 50 communities that have not been offered CFAs. We estimate that to create sustainable CFAs for these communities would require 2,000,000m³ of renewable AAC. The resulting total Community Forest Tenure target volume for expansion is 3,070,000m³, bringing the total volume in the Community Forest Program up to 4,576,000 m³.

In collaboration with the Ministry of Forests, Lands and Natural Resource Operations (FLNR) Tenures Branch, we have identified 7 potential mechanisms for expansion of the program:

1. Unused CFA AAC Apportionment
2. Unused other AAC Apportionment

3. Partnerships with First Nations
4. BCTS Cat 2 volume
5. Partnering of volume and area with BCTS to support MPS
6. Expansion or creation of CFA's through purchasing existing renewable AAC
7. CFA lead analysis of management units with AAC increases going toward CFA expansion

BCCFA directors and staff participated in a full-day meeting in Kamloops in March 2012 with FLNR staff from Tenures Branch, all Forest Regions, and BC Timber Sales. We were also joined by Tom Jensen, ADM BCTS, Pricing & Aboriginal Affairs; Dave Peterson, ADM Forest & Land tenure, Competitiveness & Innovation.

4. Administrative Streamlining

The BCCFA Executive & staff meet monthly as members of the Community Forest Program Joint Working Group via conference call. The members of the Working Group include representatives of the FLNR Tenures Branch in Victoria, the Ministry's CFA coordinators in all three Forest Regions, and the BCCFA Executive & staff. The Joint Working Group continues to be the primary mechanism through which the BCCFA works to improve the Community Forest Program, and the conditions under which CFAs operate.

In 2011 the Joint Working Group created a new business plan. The aim of this work is to create administrative efficiencies for CFAs. Members have told us that when it comes to tenure administration, the greatest obstacle is the amount of time it takes for cutting authority approval. This hinders their ability to respond to markets and to take advantage of opportunities to promote the economic vitality of their communities.

Given this, top priority this year was given to a Single Cutting Permit Pilot Project. By enabling CFAs to apply for a single Cutting Permit over their entire area, numerous efficiencies could be achieved. Not the least of which would be a one-time First Nations referral for the entire community forest area. First Nations consultation that is done once and done well would eliminate duplication.

The pilot project was initiated in the summer of 2011, with 5 communities participating: North: Valemount and Dunster; South: Wells Gray and Esketem'c; Coast: Powell River. Ron Greschner (FLNRO Senior Timber Tenures Forester) organized a working group that consisted FLRNO staff from the Regions and Districts involved. Marc von der Gonna represented the BCCF in this group.

The pilot project is near completion, and we expect the opportunity to be available to all CFAs in the very near future.

5. Program updates

Through the JWG, we continued to stay up to date with CFA invitations, applications and roll over to long term CFAs.

6. Additional Policy Work

Our aim is to respond to emerging policy and regulatory changes that impact community forests. In the past year, the BCCFA board & staff also worked on the following key policy issues:

Open Burning Smoke Control Regulation - Director Grant Thompson has been involved in the stakeholder review of the proposed changes and continues to monitor the development of this regulation on behalf of the BCCFA. In the fall of 2011, at the request of BCCFA and other parties, The Ministry of Environment hired a consultant to assess the potential impact of implementing the recommended regulatory changes. As part of their information gathering the consultant interviewed Director Thompson for the BCCFA's perspective on the proposed changes. We had anticipated that the report would be released in the spring of 2012 but there has been no indication of when the report will be made public. BCCFA is continuing to monitor this file.

Natural Resource Roads Act – Directors Ross Hamilton and Grant Thompson are monitoring the development of this new Act on behalf of the BCCFA. Fourteen working groups were formed in the fall of 2011. Their tasks were to identify current issues with roads and identify potential solutions that a regulatory change might resolve. Those working groups met again in the spring of 2012 to share their results. In the spring of 2012 WorksafeBC published its position on resource roads as work sites. In many aspects the WorksafeBC position may be at odds with the assumptions and recommendations of the NRRRA working groups. It is the BCCFA's understanding that discussions are being held at the deputy ministerial level to resolve these apparent conflicts. BCCFA is staying in touch with the NRRRA project manager. The board will advise the membership of any clarifications or decisions should they be forthcoming.

Provincial FRPA Implementation Team (PFIT) - Director Marc von der Gonna continues to monitor activities and provide input into legislative and policy changes around biomass tenures.

Non Timber Forest Resources - The CFA tenure is the only license in BC that grants the rights to develop and manage Non Timber Forest Resources (NTFRs). Section 43.3 of the Community Forest Legislation through the Forest Act gives rights to harvest and collect fees for NTFRs. However, there is no regulation to guide how this is done, and any current activity is informal. BCCFA and the member communities recognize that aboriginal peoples rights and with respect to access and use must first be considered in the process of any NTFR product development.

This topic was raised through the Joint Working Group, as FLRN staff were interested in knowing whether or not the development of a regulation was a priority for this fiscal year. The board indicated that it was not, but that it would be included as a topic in our upcoming strategic planning to determine the level of interest within our membership.

Affiliation of Community Based Forestry Businesses- We are a founding member. This group agrees to work together on forest policy issues of common interest. The members are as follows: BCCFA; Federation of BC Woodlot Associations; Central Interior Loggers Association; Truck Loggers Association; Western Silviculture Contractors Association; Interior Loggers Association; Independent Lumber Remanufacturers Association; Northwest Loggers Association.

Safety - BCCFA director Jack McLeman represents the BCCFA on Forest Safety Council Board.

Adding Value

7. Branding and Marketing

This year the board and staff have worked to clarify what branding and marketing mean to the Association. With our new logo, banners and brochures, we now have a BCCFA brand. When it comes to marketing, we've identified 3 components:

1. Internal marketing: Promoting the benefits of the Association to our members.
2. External marketing: Promoting the Association and the benefits of community forestry to decision-makers, partners, and the public.
3. CF Products marketing: Promoting forest products originating from community forests.

This past year we were engaged in two projects to promote products from individual CFAs: The "Bridges" Value Added Project (described below), and a pilot project with Ecotrust to create a traceability program for community forest wood, called "*thisforest*".

8. Value Added Project

A key aspect of our efforts to help add value to community forest products is the project "Bridges: Linking Resources for Community Forests".

The "Bridges" Value Added Project was an initiative supported by a consortium of partners working to create an interactive website that connects buyers and sellers of forest products. With the completion of the project, our new website, WoodsourceBC.com is up and running. This website provides up to date information on current and future availability of wood fibre from community forests and woodlot licences.

This project was coordinated by Community Futures of the Central Cariboo Chilcotin for the BC Rural Economic Development Initiative (REDI-BC), in partnership with the BCCFA; The Federation of BC Woodlot Associations; Cariboo-Chilcotin Beetle Action Coalition; Southern Interior Beetle Action Coalition; Omineca Beetle Action Coalition; Pine Beetle Epidemic Response Branch, Ministry of Jobs, Tourism and Innovation; Western Economic Diversification, Government of Canada; Northern Development Initiative Trust (NDIT).

The Southern Interior Beetle Action Coalition is developing the second phase, called “Bridges II”. It will focus on the creation of regional business clusters. Three areas have been selected, Williams Lake, Kootenays and the North Thompson corridor. The intent of Bridges II is to create actual small value added clusters or individual initiatives that are business sustainable and require support from small tenures (CFs, WLs, FNs and others). The result is hoped to be an increase in local wood manufacturing across the province providing increased employment in rural communities.

Additionally, this past year we have been in discussion with the province to integrate the Fiber Connections Program into WoodSourceBC, further linking timber to manufacturers, not only in BC but also abroad.

Membership Services and Communication

9. Membership

Membership in the BCCFA has seen a change since last year. Of 55 members, 3 have declined membership. Of the remaining 52, 5 are not in good standing.

Of the 57 communities involved in the CFA program, there are 10 that are not members of the Association. Nine are operating CFAs, one is in the application stage and one has an “intention to invite”. This means that 82% of the communities involved in some stage of community forestry are members of the BCCFA, down one percent from last year.

10. Extension Services

Our website, listserv, and electronic updates are fundamental components of our communications and extension program.

Member support is ongoing. Staff regularly responds to requests on a range of topics including CFA application requirements, organizational policies, processes and contacts.

Every year, the BCCFA is being approached by groups both within and outside of BC to tell the story of community forestry. This past year our staff attended an international conference in Montreal on the social economy. A joint presentation was developed and delivered with the Federation of Community Forest Users of Nepal that highlighted the role of community forestry in the social economy from the viewpoint of the two organizations. Though there are some obvious differences, general conditions which enable the success of community forest initiatives were remarkably similar.

Extension is also provided to resource managers through FORREX webinars. This year our Manager of Communication and Extension Susan Mulkey delivered a webinar on community forestry as part of FORREX's webinars in Human Dimensions series.

Staff also regularly responds to requests from students interested in research on community forests.

Our annual conference continues to be our most important event for networking, education, and strategic planning.

11. Extension Project

We have now completed the second year of our three year Extension Project.

The project is made possible through the support of Agriculture and Agri Food Canada's Community Development Program with support from the UBC Alex Fraser Research Forest. The Extension Project is focused on community forest governance and forest management and provides information, planning tools and policy guides required for achieving efficiencies and long term sustainability for Community Forests at all stages of development and operation. Through the project we are also establishing a long term extension program with UBC.

Extension visits to communities focus on the current priorities of each community. Conversations are two-way as communities have access to both governance and forest management expertise and resources, and Extension Project staff members learn about the priorities and issues of the member communities they visit.

This year, research on best practices for governance resources has been conducted and new board and organizational policy resources are under development for completion before the end of 2012.

Three new forest management planning extension notes have been developed and have been uploaded to the BCCFA website.

- Extension Note #3 - Get It Down on Paper: Planning for Management of Your Community Forest
- Extension Note #4 - Knowing the Nature of Your Forest: Area-based Planning for Ecological Goods and Services
- Extension Note #5 - What and Where: Dividing Up Your Community Forest to Manage for Values.

Over the last year, Extension Note #1 was downloaded 481 times and Extension Note #2 451 times, demonstrating their value.

A presentation on the scope and complexity of community forestry management was given to the UBC Forestry 424 class. Two student groups visited Wells Gray and Cheakamus Community Forests respectively, and prepared case studies and recommendations for those CFAs. The reports from the case studies have been posted to the BCCFA website. Professor Rob Kozak's WOOD 465 class' work is planned for the fall.

Staff provided support and access to member contacts for UBC master's student Ella Furness' research on community forest adaptability to climate change, which in turn assist staff to better understand member's resource needs and priorities.

Member communities can continue to request community visits by Extension staff into early winter.

This 3 year project is now into the final year. We can say that we now understand how to roll out an effective extension program that will really help CFAs and link them with UBC resources. Staff is at the brainstorming stage in the search for funding to keep the program going beyond Dec. 2012.

2011-2012 Community Visits

- | | |
|-------------------------|--------------------------------|
| 1. Tumbler Ridge | 7. West Boundary (Midway) |
| 2. Chetwynd | 8. Cascade Lower Canyon (Hope) |
| 3. Wells Gray | 9. Alberni Valley |
| 4. Lower North Thompson | 10. Barkley (Ucluelet) |
| 5. Lumby | 11. Valemount |
| 6. Clinton | 12. Xaxli'p |

Administration

12. Annual Finances

The board of directors oversees the Associations finances and approves budgets and expenditures.

In 2008, the board made the decision to set aside a reserve each year to create a nest egg for core operations. The goal is to create one year's operating budget. This year the board approved spending from our reserve to conduct the Governance Review, and also contributed funds the "Bridges" Value Added project. These expenditures were offset by a surplus from last year's conference, savings in our core expenses and administration of LBI.

Each year we enlist the services of the accounting firm Gadicke Minichiello Carr to conduct a Year End Review of our finances. This was completed May 18th 2012.

13. Association Financial Sustainability

At last year's AGM, two issues were identified with respect to financing the work of the Association. First was that the scope of our activities has grown and continues to grow, and we operate on a very limited budget that doesn't cover off all our needs. Second, there are several CFAs in the province that are not members of the Association, however they benefit from our work.

The following resolution was passed last at our AGM: "The membership of the BCCFA directs the Board of Directors to investigate a combination of options of annual rent and the tabular stumpage rates to replace the current method of annual membership dues collection."

Our research found the following:

1. To collect a levy, a separate organization must be established (Industry Development Council)
2. A plebiscite must be run, with 2/3 of all CFA holders in favour of the levy
3. We will be required to have a refund mechanism. This is common practice. If we wanted a 100% mandatory levy with no refund, we would need 100% support in the plebiscite.

The committee concluded that at this time the establishment of a levy was unlikely to meet our objectives because of the refund mechanism. In addition, the need to establish separate organization is a deterrent, as is the fact that funds collected through a levy cannot be used to lobby government. Given the latter, membership dues would continue to be required as a means to fund the work of the Association.

The committee recommended that we need to explore other options, including our current membership recruitment and membership fee structure.

Ongoing Priorities

14. Land Based Investment Program

The Province's Land Based Investment (LBI) Program was redesigned in 2010 with the creation of a new Land Based Investment Strategy. This program replaces the Forest Investment Account (FIA). For 2011/12, eligible activities for community forests funding fell under the Mid Term Timber Supply Investment Category of the Strategy, and focused on planting, spacing, and brushing. The funding criteria for this program are set by the Ministry of Forests Lands and Natural Resource Operations, and projects are approved by the Program Administrator, PricewaterhouseCoopers.

The BCCFA administers the funding to eligible community forests. This past year, 14 community forests carried out projects, totalling \$768,849, a significant increase over the 11 community forests that invested \$497,812 the year before.

The new program is a change from the approach the past (Forest Investment Account), to the implementation of the government's strategy to improve the midterm timber supply. We work hard to facilitate the development of project proposals that meet the restrictive criteria, and we recognize that despite this, many community forests are excluded from the program as it is currently constructed. We continue to advocate for a broader scope of eligible activities.

15. First Nations Dialogue

Overall, we aim to build BCCFA capacity to effectively provide outreach and support services to First Nations communities engaged in community forestry, and to promote cooperation and build connections to meaningfully include First Nations voices and needs in the work of the BCCFA.

At last year's conference, the First Nations Dialogue session concluded that our aim to build cooperation and connections is best addressed at the local level by individual community forests.

While it is clear that the First Nations Woodland Licence has many commonalities with the Community Forest Agreement, until an opportunity presents itself for the Association to work with an entity that represents these tenures, we will continue to encourage our members to foster partnerships and meaningful dialogue. Engaging First Nations dialogue is challenging and we encourage individual CFs to work toward involving First Nations and to build business relationships.

16. Research

Through our Extension Project, the BCCFA is working to establish a long term relationship with the UBC Faculty of Forestry to foster research on community forestry, as well as extension tools and services. Ken Day of the UBC Alex Fraser Research Forest leads the networking efforts for UBC.

FORREX: BCCFA Executive Director continues to represent the BCCFA in the FORREX Socio-Economic Working Group. The working group brings together researchers, policy makers and resource managers from all over BC to discuss the role of social science in resource management, and to provide strategic direction to FORREX. FORREX is involved in a number of projects of significant relevance to community forests, including: public participation in forest management; carbon management; bioenergy; climate change adaptation and forest dependent communities and First Nations in forest management.

The Simon Fraser University School of Resource and Environmental Management research project continues to develop. Research is assessing the contributions that community forests make to forest management ecologically, economically, culturally, and institutionally. Several of our members are participating in this research.

17. Carbon Management

This is topic of ongoing interest however it was identified as lower priority. No action was taken on this file during the past year.

18. Certification

This is topic of ongoing interest however it was identified as lower priority. No action was taken on this file during the past year.