COMMUNITY FORESTRY

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NOTE:	This paper is intended for discussion purposes only. The opinions expressed in this paper are those of the authors and do not reflect government policy.

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BACKGROUND

Community forestry is not a new concept in British Columbia. As early as 1946, the Sloan Royal Commission, recommendations for community forests were made, but not implemented: "... land situated in or near settled communities could also be managed on a sustained-yield basis as working-circles by municipal authorities".[1] The second Sloan Commission recommended expanding the concept to involve municipalities, which gave rise to the Mission Municipal Forest. The primary objective at the time was to increase the area of forest land under sustained yield management, while providing socio-economic benefits to the community.

In 1976, the Pearse Royal Commission discussed larger benefits of local management:

> The sensitive balance between timber production, recreation, and other non-commercial forest land uses that are particularly valuable close to centres of population can in these cases be struck locally, making resource management highly responsive to local demands".[2]

The 1991 Peel Forest Resources Commission made strong recommendations for local control, including allocating a larger proportion of the AAC "to smaller tenure holders who will manage the forests with emphasis on such values as community watersheds, range, wildlife, recreation and community forests".[3] The Peel Commission also recommended that the AAC of industrial tenure holders be reduced by 50 per cent.

In 1997, the Union of British Columbia Municipalities established a community forestry committee to formally investigate community forests and advocate for their establishment.[4]

Later the same year, the provincial government introduced the Community Forest Pilot Project (CFPP), one of the more innovative initiatives developed out of the *Jobs and Timber Accord*, and amended the *Forest Act* in 1998 to include a Community Forest Agreement (CFA). When the CFPP was announced, 88 communities submitted letters of interest, and 27 communities prepared and submitted full proposals. To date, seven communities have been awarded Community Forest Pilot Agreements (CFPA) and await the granting of CFAs.

> The current system of corporate-based tenures, developed in the post-war period to promote economic growth, corporate investment and stability in BC's communities, fostered social and economic benefits for forest-dependent communities for many years. Communities in BC are increasingly frustrated with the instability associated with large tenure-holders and dependence on a single commodity.

Today, a growing number of communities in BC see local control as an opportunity to practice both economically and ecologically sustainable forestry. Indeed, the majority of communities selected for pilots call for a more ecologically-oriented approach to management and practice.[5]

The above examples illustrate the growing demand for community forestry in BC, as well as the advantages of local control--an opportunity for the interests and values of local citizens to be reflected in forest use. The increasing demand for community forestry represents a significant area of consideration for policy reform.

ISSUES

Land/ Availability of AAC:

Almost all of BC's commercial timber harvest is allocated to large industrial tenure-holders.[6] In rare circumstances, communities have been awarded tree farm licences or forest licences, or have established community forestry operations on private or municipal land.[7] Other opportunities include woodlot licences or joint ventures and co-management agreements in the case of Aboriginal communities.

June, 1998, the *Forest Act* was amended to include a new community forest agreement (CFA); however, the extent to which CFAs may be awarded remain limited by availability of both land and AAC. Because almost all of the province's timber harvest is allocated to large tenure-holders, only those communities with available AAC in their district/region were eligible to receive CFPA pilots. This limitation may also constrain the scale of the CFPP. The demand for community forests currently exceeds the availability of land and AAC, and may point to the need for tenure redistribution if the province chooses to diversify its tenure base.

Similarly, unallocated AAC, much of it available through the 5% 'take-back', must also supply timber to the Woodlot Licence Program, the SBFEP and other untenured initiatives. Competition for this rare AAC is high and there simply is not enough to satisfy demand. Again, tenure redistribution may be necessary to increase opportunities for community- and locally-based initiatives to expand.

The CFPP and the CFA legislation represents a significant change to tenure policy in that the new community tenure provides local holders with the opportunity to establish their own AAC, practice alternatives to industrial forestry and manage for non-timber values. However, in terms of tenure reform at a provincial level, CFPAs are 'tacked onto' the current system of tenure rights which remain unchanged.

Community Forestry: Tenure and Management

Community forestry spans a range of tenure arrangements. As discussed above, community forest arrangements include forest licences, TFLs, woodlots, and now CFPAs.

In addition, a growing number of communities in BC are developing models for community-based *management*, which is distinct from 'tenure' or a body of rights to cut timber. Often termed *ecosystem-based plans*, these proposals go beyond operating a small tenure. They are predicated on community management over the entire community watershed, landscape, island, traditional territory, etc.[8]

These plans begin from the basis that the AAC in their district or region is too high and recommend an overall reduction in AAC for their landscape area, while developing a diversified and value-added local economy and labour-intensive industries to compensate for a lower rate of cut.[9]

These plans involve large areas of land which conflict with existing corporate tenure holders, and therefore cannot be implemented. Harrop-Proctor, which developed such an ecosystem-based plan over their watershed unit, is the exception. Recently awarded a CFA, Harrop-Proctor's ecosystem-based plan does not conflict with major licensees. As an increasing number of First Nations and non-native communities conduct ecosystem-based plans, policy reform confronts new challenges which cannot be tackled within the existing tenure framework.

In summary, the main issues regarding community forestry and land/AAC are:
· Allocation of AAC

· Marginalization of community forestry and other non-industrial tenures

· How to reconcile community forestry demand with AAC availability

· How to reconcile growing demand for community-based management with existing tenure arrangements

Regulation*:*

Prior to the establishment of the CFA, one of the only ways for a community to access Crown forest land was through existing tenure arrangements, such as Forest Licences and Tree Farm Licences, which necessitates compliance with the terms and conditions of these tenures as set out in the *Forest Act.* These large tenures are designed for volume-based industrial timber production, not for local value-based management, and communities holding TFLs or FLs continue to face constraints which include the following:

· Regulation of cut levels, through the setting of the AAC, is controlled by the Provincial government; thus, community-holders of major licences are limited in their ability to make decisions about the products they manage for, the forest practices they apply, or the rate of cut.

· Tenure holders are required to cut a minimum AAC, which limits ability to practice lower volume cutting or manage for non-timber values which may result in a reduction in cut.

· These tenures only grant rights to cut timber, not rights to manage for other forest values.

· They must comply with the Forest Practices Code which is designed to constrain industrial forestry, not promote value-based or ecosystem-based forestry.

· Community-held Forest Licences are volume-based and granted to community-holders for a term of fifteen years, conditions that cannot facilitate long-term community-based management.[10]

Tenure holders can surrender some of its AAC and be required to cut less each year. However, this AAC would be picked up within another licence arrangement to maintain the established provincial AAC. This point refers back to the issue of community-based management and

planning at the landscape level, with the result a *net* reduction over the entire watershed or landscape unit. A recent example of how the province has achieved this is the new tenure arrangement in Clayoquot Sound allocated to Iisaak Forest Resources. As Linda Coady of MacMillan Bloedel states:

"It's a shift from the normal model [of forest tenures] in British Columbia...This is not a volume-based show. We are not setting the volume and that's what makes it a different kind of tree farm licence. Volume will fall out of planning, not be imposed on it".[11]

One of the objectives of the Community Forest Pilot Project is to design a tenure and regulatory structure more suited to community objectives. The CFPP committee made recommendations to the government for a long-term, area-based tenure which were adopted and incorporated into the legislation, along with the opportunity for the community to manage its agreement area for resources other than timber.[12]

These criteria represent successful benchmarks which move community forestry forward in a positive direction, away from the short-term, volume-based constraints of the forest licence, or the large-scale industrial regulatory framework of the TFL.

In summary, some issues regarding community forestry and regulation are:

· Communities that hold major licences must are constrained by a regulatory framework that is industrial timber production

· Centrally-determined AAC and cut control which limits opportunities for alternative approaches to management and planning for both timber and non-timber resources

· Centrally-administered stumpage system based on volume-based timber production, which limits opportunities for communities to develop diversified and value-based timber and non-timber economies

Processing and Marketing*:*

The majority of community forestry proposals describe opportunities not only for forest management, but for the development of local processing and marketing. These commonly include a variety of value-added initiatives, as well as the processing and/or management of non-timber resources. Marketing strategies also range from competitive log yards, to eco-certification of sustainably-managed products.

The potential for increasing local employment, revenue and economic stability by diversifying both products and markets is huge,[13] and many community forest business plans indicate a desire to move away from single commodity production and towards diversity in processing and marketing.

The recent collapse of Gold River, the closing of Canfor's Eburne mill, and the potential closure of Prince Rupert's Skeena mill all illustrate community vulnerability to corporate, rationalization, mergers and dependence on a single industry. While the government responded promptly with

economic recovery programs or subsidies to keep the mills operating, the effort and money might have been better spent on economic transition.

Forestry-dependent communities often lack the funds needed to launch economic diversification strategies, and must rely on existing markets, large primary mills and, as mentioned previously, adherence to the current administrative stumpage system. Options to diversify markets, optimize revenue, and convert revenue generation from 'volume' to 'value requires greater community control, along with an expansion of the size (number of community forests) and scale (scope and size of community forests) to make this economically viable.

Expansion of size and scale of the CFPP also might make the production and marketing of niche and value-added products more viable. In most communities, for example, there is little alternative other than the 'closest mill' to sell logs to, and special markets may not exist or be too far away. Community marketing cooperatives as well as networks which link community forestry operations with local small-scale or value-added manufacturers again are possible strategies which require a greater number of participants.

POLICY OPTIONS

1. Award CFAs and expand the CFPP in size, scale and diversity

 Size: There is a growing demand for community forestry in BC which will continue to increase. Enabling more CFAs is one option; however, meeting the demand of all community proposals submitted would entail some form of *tenure redistribution* to go beyond the current AAC availability.

 Scale: A growing number of communities are developing proposals, not simply for a small local tenure, but for the management of their forest landscape, watershed, island, or traditional territory. One option is to expand the scale of the CFPP to grants CFAs for landscape-level ecosystem-based community management. However, unlike Harrop-Proctor, which does not interfere with major licensees, other proposals for ecosystem-based community management do. Again, policy reform must address tenure *redistribution* or *reallocation* similar to that which recently took place in Clayoquot Sound if it chooses to enable community-based management.

 Diversity: Ultimately, the CFPP and related policy and legislation should recognize, and accommodate diverse forms of 'community forestry', for example communities wanting a tenure to practice conventional logging and milling, communities wanting a small tenure to experiment with alternative approaches, and communities wishing to practice ecosystem-based community management and develop economic transition strategies for their entire watershed.

2. Facilitate community economic diversification: In circumstances where present mills are not economically viable, funds could be invested in community economic development and transition. In addition, funds such as FRBC could be directed towards community forestry proposals with economic diversification strategies.

4. <u>Tenure Redistribution</u>: The above options necessitate some form of tenure redistribution to accommodate the demand for community forestry. While redistributing tenure rights from large licensees to community holders is a difficult and contentious task, some options exist:

        a) In the case of mill closures, allow communities the community forestry option.

        b) Allow affected communities the community forestry option before replacing major tenures, particularly volume-based tenures. A similar policy might apply to tenure transfers.

        c) Develop tenure options to encourage large tenure owners to give up land for other benefits, i.e. lower costs and greater security. If the province aims to meet the demand for community tenures as well as community management, the tenure system must be redesigned to meet these requirements.

5. <u>Establish a legislative framework for community-based *management:*</u> Community management at the landscape level is not feasible within current tenure and legislation. One option is to establish a legislative framework similar to the proposed *Community Forest Trust Act.*[14] This model proposes a trust arrangement between certain communities and the provincial government, whereby the community assumes decision-making and management authority over a trust area, but must comply to minimum provincial standards. A community would enter into a trust only with a demonstrated capacity and the support of the majority of its citizens--forest workers, environmentalists, Aboriginal bands, local businesses and manufacturers--who would be responsible for defining the interests of the community and applying them to the management of the trust area. The community establishes a results-based management and planning vision for the trust area, then sets criteria, regulation and practice accordingly.

In this model, the problems associated with compensation are reduced. Existing tenure holders, rather than being repealed, would be required to update operations to comply with the objectives and criteria determined by the community.

While such a trust arrangement certainly would not be suitable for all communities, it responds to the needs of some--such as those faced with corporate abandonment, for example, or those having developed comprehensive ecosystem-based community management plans, similar to that of Harrop-Proctor. An increasing number of communities in BC are looking to ecosystem-based community management as a long term sustainable solution to resolve resource issues and conflicts.[15] Policy reform may facilitate this direction.

CONCLUSION: Main Issue for Policy Review

There is a growing demand for community forestry in BC, which includes a diversity of tenure and management arrangements, from access to small areas or volumes of timber to management over watershed or landscape units. Policy review needs to consider how to accommodate demand and diversity within the current system of tenure which has allocated almost all of the province's commercial forest.

QUESTIONS FOR CONSIDERATION

1) Is the existing tenure system adequately serving community needs in the short and long terms?

2) What legal and policy changes should occur, if at all, to address the growing demand for community forestry and community-based management in BC?

3) What would be the pros and cons of the policy options suggested above?

4) There is a growing demand for community forestry in BC, which includes a diversity of tenure and management arrangements, from access to small areas or volumes of timber, to management over watershed or landscape units. How should policy review address both demand and diversity within the current system of tenure that has allocated almost all of the province's commercial forest?

FOR MORE INFORMATION:

Ministry of Forests CFPP web page: www.for.gov.bc.ca/pab/jobs/community

Directory of community forestry in BC: www.denmanis.bc.ca/directory

International community forestry network and directory: www.forestsandcommunities.org

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[1] Royal Commission on *The Forest Resources of British Columbia*. Gordon Sloan, Commissioner. (Victoria, BC: King's Printer, 1945), 147.

[2] Peter Pearse, Timber Rights and Forest Policy in British Columbia (Victoria: Queen's Printer), 1976,118. Pearse's recommendations were never implemented. However, the government succeeded in 1979 inadopting his recommendations for both the Woodlot and Small Business Programs, "...to increase the opportunities for citizens to be directly involved in small scale forest management opportunities". These programs were supposed to account for a least 25% of the provincial AAC; but today they collectively remain under 15%, with little promise for expansion. David Gillespie, *Program Review: Woodlot Program*, Report to the Ministry of Forests, 1991, 1.

[3] Sandy Peel, Forest Resources Commission, *The Future of our Forests* (Victoria: Queen's Printer), 1991, 19.

[4] Paul Mitchell-Banks, *Tenure Arrangements for Facilitating Community Forestry in British Columbia*, Unpublished PhD Thesis Faculty of Forestry, University of British Columbia, December, 1998.

[5] This includes Burns Lake, Harrop-Proctor, ICSI, NorthIsland Woodlot Corporation, Huu-ay-aht First Nation.

[6] Approximately 85% of the provincial AAC is allocated to TFLs and FLs.

[7] To date, the towns of Revelstoke and Mission hold Tree Farm Licences; Creston, Kaslo, Lake Cowichan operate forest licences and the communities of Gold River Tahsis and Zeballos share one forest licence. Municipal forests include North Cowichan, Forests for the World in the city of Prince George, and the Municipality of Whistler.

[8] Currently 11 BC communities are in various stages of developing ecosystem-based plans. These include: Robson Valley, Yalakom Valley, Slocan Valley, Lillooet Band, Xeni Gwet'in First Nation, Gitxsan First Nation, Harrop- Proctor, Anahim, Haida Gwaii/ICSI; Cortes Island/Klahoose First Nation, Malcolm Island

[9] See the completed ecosystem-based plans by the communities of the Slocan Valley watershed, the Cortes Island Ecoforestry Society, While there is considerable debate regarding whether the AAC is too high or not (see Lois Dellert, "Sustained Yield: Why it has failed to achieve sustainability", *The Wealth of Forests*, Chris Tollefson (Ed), UBC Press: Vancouver, 1998), the Ministry of Forest estimated that the rate of cut in

BC exceeded the LTHL by 20 to 25 per cent. Other estimates indicate a higher disparity. See Pat Marchack, *Falldown*, The David Suzuki Foundation and Ecotrust Canada, 1999, 30. These estimates consider only timber sustainability, not what is ecologically sustainable.

[10] Both Creston and Kaslo, two communities which hold forest licences, are working to convert their volume-based tenures to area-based, and have developed long-term management plans predicated on this goal. FL into CFAs

[11] Quoted by Gordon Hamilton, "MacBlo turns over rights in Clayoquot: Indian bands' Iisaak Forest Resources takes control of timber with new tree farm licence". *Vancouver Sun*, October 5, 1999.

[12]Community Forest Pilot Project, *Final Recommendations on Attributes of a Community Forest Tenure*, Recommendations of the Community Forest Advisory Committee (Victoria: Forest Jobs for BC), May 1998.

[13] Non-timber products and services employ 32,000 British Columbians and generate over $900 million dollars in revenue, according to a 1999 study prepared for Forest Renewal BC. The same study estimates that these non-timber revenues could increase by a factor of 8-10 over the next decade. Russel Wills and Richard Lipsey, *An economic strategy to develop non-timber forest products in BC*, Report for FRBC, March 15, 1999.

[14] Burda et al, *Forests in Trust: Reforming British Columbia's Forest Tenure System for Ecosystem and Community Health*, Eco-Research Chair of Environmental Law and Policy, University of Victoria, 1997.

[15] Currently 10 BC communities are in various stages of developing ecosystem-based plans.