

Big expectations for small forest tenures in British Columbia

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Abstract

Small tenures diversify British Columbia's forest tenure system and create new opportunities for local involvement in forest management. Held by local people and organizations, small tenures generate expectations that forest management will reflect a broad range of community values for forest use. Woodlot Licences and Community Forest Agreements (CFAs) are small, area-based, long-term licences that grant exclusive rights to manage and harvest timber on public land. Community Forest Agreements also include limited rights to botanical non-timber forest products. All tenures, whether large or small, carry rules established by the provincial forestry legislative and regulatory framework. Award and renewal of CFAs is conditional upon demonstrating community support and receiving a satisfactory performance evaluation by the British Columbia Ministry of Forests and Range. Small tenures are growing in popularity, but account for only a tiny fraction of the provincial forest land base and allowable annual cut. Despite their size, there are big expectations that woodlots and community forests will introduce new ways of managing forests in British Columbia.

KEYWORDS: *British Columbia, community forestry, small tenure, woodlot.*

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Introduction

In response to calls for more public involvement in forest management, the government of British Columbia expanded the opportunities for “small” forest tenures, in the form of Woodlot Licences and Community Forest Agreements (CFAs). In general, small tenures are expected to reflect local goals and priorities, manage for multiple forest values, generate benefits, spur economic diversification, test innovative forest practices, as well as support local milling, manufacturing, and value-added processing (Dunster 1994; Burda *et al.* 1997; Beckley 1998; Haley 2003). In sum, small tenures generate big expectations.

Forest tenure is the primary institutional mechanism by which the government pursues its forest policy objectives (e.g., economic development and sustainable forest management). More broadly, tenure is a set of socially recognized and enforceable rights to land and natural resources that can be bundled in various ways (Schlager and Ostrom 1992). For instance, tenure may refer to outright ownership, which confers the broadest set of rights to use and manage forest resources, as well as the authority to transfer resource rights. Tenure can also mean a form of proprietorship that can include any or all of rights to access, use, and manage resources through short- or long-term agreements. In such cases, the landowner (individual, government, or community) may grant limited rights for one set of resources to one entity, while other entities may hold rights to other resources.

In the case of British Columbia’s forests, tenure represents a legal contract through which rights to use the forest resource are assured for a stated term in exchange for fulfilling management obligations specified in licences and approved plans (Haley and Luckert 1998). The B.C. Ministry of Forests and Range defines the province’s tenure system as “the collection of legislation, regulations, contractual agreements, permits, and government policies that define and constrain the use of public forest resources, primarily timber” (2006:2).

Compared to other countries with an established industrial forest sector, Canada has a very high proportion of land in public ownership—fully 94% of the country’s forest land base (Gregersen *et al.* 2004). Under the articles of Canada’s first independent constitution, this land was held in trust by provincial governments on behalf of the British Crown and is still often referred to as “Crown land.” The notion of Crown land derives from feudal

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European legal traditions and was transplanted to colonial Canada. In British Columbia, in particular, it contradicted what were the unextinguished rights and customary title held by First Nations within their traditional territories. In this discussion, we use the term public land, but we acknowledge that ownership of much of the land area of the province is unresolved.

This is the first in a series of five extension notes that deals with different aspects of small tenures in British Columbia. This note focusses on the structure of small tenures and has four objectives:

1. to provide some context by presenting an abridged history of British Columbia’s tenure system;
2. to describe the unique attributes of Woodlot Licences and CFAs and their current status;
3. to review the structure of small tenures: their legislative, regulatory, administrative, and planning requirements; and
4. to summarize some important issues that emerge from the tension between the structure of small tenures and the expectations placed on them.

Historical Context

For many decades, the primary focus of forest policy in British Columbia was the harvesting of old-growth forests to fuel economic development. The first timber leases were established in 1865 to meet this goal. However, forest policy has been modified incrementally over the years in response to changing social values and political-economic conditions (Haley and Luckert 1998; Howlett 2001).

In 1910, a review of forest policy by the Fulton Royal Commission explored how best to manage the province’s forests. Fulton recommended retaining Crown ownership over the land and proposed short-term,

area-based Timber Sale Licences to increase the supply of wood (Clogg 1999).

In 1945, and again in 1957, Royal Commissions led by Chief Justice Gordon Sloan recommended that provincial forest management should follow the concept of “sustained yield,” defined as “a perpetual yield of wood of commercially usable quality from regional areas in yearly or periodic quantities of equal or increasing volume” (Sloan 1945:127). Sloan determined that sustained yield management could be established through vigilant government policies and administration, and recommended a tenure system based on “working circles” of private and public lands. Implementing sustained yield management led to the conversion of first-growth forests in an attempt to achieve regular rotations of “timber crops” in perpetuity (Clogg 1999). After Sloan’s reports, two versions of “small” tenures were introduced in and around settled communities, including 37 Farm Woodlot Licences (established about 1950), and a Tree Farm Licence controlled by the Municipality of Mission.¹

In 1976, another forest policy review (the Pearse Royal Commission) highlighted several issues related to forest licences: industry concentration, renewal provisions, and forestry obligations. The review led to a series of amendments to the *Forest Act* in 1979, including the establishment of the new Woodlot Licence Program (Pearse 1992).

Throughout the 1970s, 80s, and 90s, the public, led by environmentalists, small businesses, and unions, lobbied the government for tenure reform (Wilson 1998). Some immediate concerns were the loss of jobs due to increased industry mechanization, concentration of corporate licensees, and environmental degradation. Small-scale forestry was seen as a departure from the status quo, and the “middle way” to reconcile conflicting objectives of environmental protection and economic development (M’Gonigle 1989; Clogg 1997; Mitchell-Banks 1999). Diversifying the tenure system and increasing opportunities for local control were proposed as part of a package of solutions to address problems facing the forest sector and to defuse British Columbia’s “war in the woods” (see, for example, M’Gonigle and Parfitt 1994). The environmental movement, together with First Nations, labour, and academics, mobilized a broad base of support for small-scale forestry (Pinkerton 1993). The 1991 Forest Resource Commission

considered these proposals and recommended reforms that would allocate up to one-third of provincial tenure to woodlots and community forests (Peel 1991).

Although few of the commission’s recommendations pertaining to tenure reform were implemented at the time, some communities such as the City of Revelstoke were able to establish municipally managed forests by purchasing part of a Tree Farm Licence (TFL). In the mid-1990s, the government also awarded volume-based Forest Licences to a number of communities, including Creston and Kaslo. Despite their relatively small size, geographic proximity to the municipalities, and the fact that they are held by locally based organizations, these tenures are governed by the same regulatory terms as other industrial licences. This has led policy analysts to argue that industrial tenures were not appropriate for small-scale forestry, and that a different approach was needed (Burda *et al.* 1997; Haley and Mitchell-Banks 1997). The examples of Mission, Revelstoke, and Kaslo are interesting anomalies in the tenure system, but are not representative of the rapidly growing small forest tenures in British Columbia.

In 1998, the government launched a Community Forest Pilot Project and created a new form of tenure—the Community Forest Agreement (CFA). This was a significant shift in the provincial tenure system, and at first, was implemented on an experimental basis (B.C. Ministry of Forests 1998a). Central to the pilot project was the Community Forest Advisory Committee (CFAC), a multi-stakeholder group that made recommendations on the tenure structure and pilot selection process (Community Forest Advisory Committee 1998a). The early experiences in the pilot phase led to the formalization of the CFA in 2004, and attempts to standardize and streamline the application and review procedures for community forests (Haley 2002, 2003).

Currently, 11 types of tenure exist in British Columbia, including:

- Tree Farm Licences,
- Forest Licences,
- Timber Sales Licences,
- Forestry Licences to Cut, and
- “small” tenures (Woodlot Licences and CFAs).

Pearse explains that: “Today, the tenure pattern is a collage of rights of varying vintage which, because they were designed under different circumstances to serve

¹ A further anomaly at the time was the North Cowichan Community Forest managed on land owned outright by the municipality.

different objectives, vary substantially in the rights they convey and obligations they exact” (1992:2).

Today, the province’s forest sector is in transition. With dwindling supplies of valuable old-growth timber, and with industry cutting second-rotation forests, British Columbia may be losing its competitive edge to countries with faster-growing plantations (B.C. Competition Council 2006). At the same time, the public expects that forests will be sustainably managed—balancing social, cultural, and ecological values while still remaining profitable (Hamersley-Chambers and Beckley 2003). The addition of woodlots and community forests to the tenure system is a product of this transition, intended to satisfy a diverse set of expectations at the local and provincial levels.

Some Attributes of Small Tenures

A number of attributes characterize the special nature of Woodlot Licences and CFAs. Primary among these is that small tenures are locally based. Typically, small tenures are held by individuals, First Nations, community groups, or by local governments in the area of the licence. Woodlot Licences are competitively awarded, usually to people who reside in the local area and who own private land that can be managed jointly with an area of public forest land. Community Forest Agreements are only awarded to local community organizations. By making local people and organizations responsible for forest management (rather than large corporations), small tenures are expected to foster the kinds of values and expectations held by local forest users, from water quality to recreation, scenic values to employment and skills development (Figure 1).

Woodlot Licences and CFAs are area-based. Area-based licences are granted for a particular area of land with distinct boundaries.² Woodlot Licences and CFAs are often located in areas immediately surrounding, or within close proximity to, a town or settlement.

Small tenures allocate exclusive rights to harvest timber. The quantity of timber that licensees are authorized to cut is called the Allowable Annual Cut (AAC). Community Forest Agreements also provide a special, more comprehensive set of resource rights, allowing communities to “harvest, manage, and collect fees for botanical non-timber forest products” (NTFPs) (*Forest Act*, Section 43.3 [c]). Presently, CFAs are the only



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FIGURE 1. The community celebrates the first truckload of wood harvested from the Harrop-Procter Community Forest, 2001.

form of tenure in British Columbia that includes rights to NTFPs (Tedder *et al.* 2002).

Small tenures are generally granted for long terms. For example, Woodlot Licences may be awarded for up to 20 years, and after the first 10 years are replaceable with a new 20-year licence, which gives this tenure an “evergreen” quality. Community Forest Agreements are initially awarded as a 5-year probationary licence. After this “proving up” period, the government may replace the probationary agreement with a long-term CFA. Long-term CFAs are awarded for a minimum of 25 years to a maximum of 99 years and are replaceable every 10 years.

Small tenures are held by a variety of legal entities. Individuals or families typically manage the majority of woodlots. Locally based corporations, First Nations, or legally incorporated societies hold a smaller number of woodlots. Community Forest Agreements are managed by various community-based organizations, including municipal governments, non-profit societies, co-operatives, corporations, or First Nations organizations (Tyler *et al.* 2007).

Woodlot Licences are transferable, with the condition that the new tenure holder satisfies eligibility requirements as defined by the *Forest Act*. Community Forest Agreements are not transferable in the same sense but, with the consent of the Minister of Forests and Range, the tenure may be re-allocated to another community-based organization.

² As opposed to volume-based licences, which grant rights to harvest a specified quantity of wood within a larger timber supply area.

Although Woodlot Licences and CFAs are often grouped together in the category of small tenures, they are distinguishable from each another by the resource rights conferred, size, and the variety of legal entities holding the tenure. In the following sections, these differences are further elaborated.

Current Status of Small Tenures

At the time of writing, there were 826 Woodlot Licences and 17 CFAs in British Columbia. Persistent local demand has led to a steady increase in numbers. The 2003 Forest Revitalization Plan committed the government to reallocate 20% of current volume-based tenures. Of this reallocation, 10% will go to B.C. Timber Sales, 8% to First Nations, and 2% to Woodlot Licences and CFAs.³ Despite this increase, small tenures still only account for roughly 1.5 % of the total provincial AAC (see Figure 2).⁴

To date, the Woodlot Licence Program has expanded in two distinct periods. Between 1984 and 1988, the number of Woodlot Licences increased from 40 to 400. In the 1990s, the number of new Woodlot Licences almost doubled. While the exact number fluctuates slightly as licences are transferred or renewed, the current total is 826. The government has yet to award any new Woodlot Licences from the Forest Revitalization Plan tenure reallocation, but an expansion is expected in the future (B. McNaughton, Federation of B.C. Woodlot Associations, pers. comm., December 2006).

The popularity of community forestry is evident by the growing number of CFAs. In 1998, when the Community Forest Pilot Project was first announced, over 80 communities expressed interest, and 27 submitted proposals for what were initially only three pilot sites (B.C. Ministry of Forests 1998b). By 2003, eight pilot CFAs were awarded (B.C. Ministry of Forests 2004b). In 2004, three new pilots were directly awarded to First Nations. Between 2004 and 2006, 33 more communities were invited to apply as a result of the Forest Revitalization Plan. At the time of writing this article, an additional six probationary CFAs had been awarded, bringing the total of CFAs to 17 (see Table 1). Of these 17 CFAs, some of the original pilots have been awarded 25-year agreements. If each community so far invited to apply for a community forest is awarded one, there will be 46 CFAs.

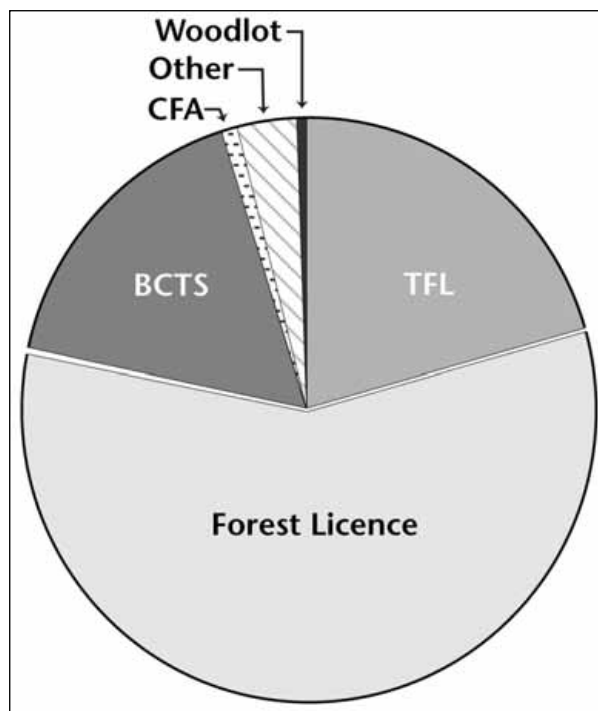


FIGURE 2. Proportion of allowable annual cut (AAC) by tenure type on public land. This figure includes AAC apportioned to communities invited to apply for a Community Forest Agreement, but not yet awarded. Note: “Other” tenures include Timber Sales Licences, Pulpwood Agreements, and Forest Service Reserves (from B.C. Ministry of Forests and Range Apportionment data, December 7, 2006).

Although the absolute number of small tenures has increased, the volume and area managed by them remains insignificant compared to the major licences, such as Forest Licences, TFLs, and B.C. Timber Sales (BCTS)⁵ (see Figure 2).

Individual Woodlot Licences are small, generally less than 400 ha on the Coast and 600 ha in the Interior. Recent legislative changes, however, have doubled the maximum size of future woodlots to 800 ha on the Coast and 1200 ha in the Interior. This policy change was intended to better reflect economies of scale and management opportunities. More than 800 woodlots manage approximately 450 000 ha of public land. The average AAC of an individual woodlot is 1500 m³ (McNaughton 2005).

³ For more information about the Forest Revitalization Plan, see: <http://www.for.gov.bc.ca/mof/plan/>

⁴ Percentage of small tenures is based on B.C. Ministry of Forests and Range Apportionment Data, December 7, 2006.

⁵ For more information about BCTS, see: <http://www.for.gov.bc.ca/bcts/>

TABLE 1. Status of awarded Community Forest Agreements (from B.C. Ministry of Forests and Range, CFA Status table, October 2006, updated January 2007)

	Community Forest Agreements awarded	Year	Area (ha)	AAC (m ³ /year)
1	Burns Lake Community Forest Corporation	2000	42 900	62 631
2	Harrop-Procter Community Co-operative	2000	10 860	2 603
3	Bamfield Huu-ay-aht Community Forest Society	2001	418	1 000
4	District of Fort St James	2001	3 582	8 290
5	Esketem'c First Nation	2001	25 000	17 000
6	McBride Community Forest Corp	2002	60 860	50 000
7	Cheslatta First Nation	2002	39 129	16 613 ^a
8	Likely Xat'sull Community Forest Ltd.	2003	14 000	12 231
9	Ktunaxa Kinbasket Development Corporation	2004	20 234	5 790
10	Cowichan Tribes	2004	1 786	10 000
11	Westbank First Nation	2004	45 693	55 000
12	District of Sechelt	2006	10 790	20 000
13	Wells Gray	2006	13 154	20 000
14	District of Powell River	2006	7 109	25 000
15	Nuxalk First Nation	2006	48 614	20 000
16	City of Prince George	2006	3 800	12 000
17	Bella Coola Resource Society	2007	128 700	30 000
TOTAL			476 629	368 158^b

^a Including beetle uplift the Cheslatta First Nation AAC is 210 000 m³/year.

^b Excludes beetle uplift.

Community forests have a wide range of sizes in terms of area and volume (Table 1). Currently, CFAs constitute less than 1% of the total forested area of the province of 60 million ha, and about the same proportion in terms of AAC.

Woodlot Licences and CFAs are popular—an indicator of the high expectations local people put on these new forms of tenure. Individuals and communities in rural British Columbia generally hope that control of long-term forest tenures will help to deliver sustainable economic benefits and community stability (Gunter 2004).

Structure and Terms of Small Tenures

This section describes the structure and context within which small tenures operate on public forest lands. It outlines the award process for a small tenure, forest practices rules, and financial responsibilities that are part of managing forests on public land. It also describes how CFAs are evaluated before “graduating” from a probationary to a long-term agreement.

Application and Award

Limited availability of land and AAC make it difficult to satisfy the growing demand for woodlots and community forests. The majority of productive forest land in British Columbia is already apportioned to one industrial tenure type or another. In rare instances when land or volume is reallocated (as with the Forest Revitalization Plan), opportunities for new small tenures open up.

Obtaining a small tenure may involve a competitive award or an application process. Under the *Forest Act*, First Nations may also receive tenures by direct award as part of a treaty-related or interim measure (Sections 43.51 and 47.3). The following discussion omits these special cases, and focusses only on the normal award process for Woodlot Licences and CFAs.

Woodlot Licences are obtained through a competitive award process. An advertisement from the Ministry of Forests and Range invites prospective licensees to respond and submit an application. The government defines three categories of weighted criteria to assess these applications:⁶

⁶ The new Woodlot Licence regulations (B.C. Reg. 68/2006) eliminated two categories from the competitive award process: (1) the candidate's experience, community involvement, and qualifications, and (2) their management intent, objectives, and approach. These regulation changes are intended to streamline woodlot administration.

- Financial bid: The dollar amount tendered by the proponent. This category has a weight of 50%.
- Private land contribution: The proposed quantity of private land that would be included in the managed woodlot area. This category has a weighting of 25%.
- Proximity of Principal Residence: The location and distance of the applicant's home base relative to the public land portion of the woodlot. This category helps to ensure that the tenure is locally controlled, and has a weighting of 25%.

Using a point system, the Ministry of Forests and Range assesses the strength of each application. For woodlots, the candidate whose proposal receives the highest score is awarded the licence. When two or more applications are considered equal, competitors are required to offer the government an additional monetary "bonus bid" as a tie-breaker.

Community Forest Agreements may be obtained through a competitive process, or by invitation. Those awarded as part of the Community Forest Pilot Project went through a competitive process open to all interested communities who vied to become one of a few pilot sites. Under the Forest Revitalization Plan, government selected communities and invited them to apply for a CFA.

Identifying the geographic area for the CFA is the first and often the most challenging part of the application and planning process (Gunter 2004). In the competitive process, pilot CFAs identified their area first, and then determined their AAC. The invitation process for CFAs reversed these steps. The government offered invited communities a predetermined AAC, and then they had to find an operating area.

Whether by competition or invitation, once the area is identified, the first step in applying for a CFA involves fulfilling several requirements, including:⁷

- Describing the proposed area for the CFA
- Formulating a detailed business plan
- Formulating a forest management plan
- Describing the governance model
- Providing evidence of community awareness and support

The application includes maps, inventory, site classifications, and a detailed description of the area under application. The requirement to develop a business plan is intended to provide a "reality check." It ensures that prospective licensees have evaluated the business side of the community forest operation, taking into account variables such as timber profile, fixed and variable costs, and markets for forest products. Communities applying for a CFA are also required to prepare a Forest Stewardship Plan, which must be approved by the Forest District Manager before the tenure is awarded.

Describing the governance model and providing evidence of community support entails a demonstration that diverse community members are involved with, and supportive of, the CFA proposal. Letters of support and details of public meetings are submitted as proof.

The application then goes through a multi-level evaluation.⁸ The B.C. Ministry of Forests and Range and members of the Community Forest Advisory Committee review each application.⁹ In the competitive process during the pilot phase, proposals were evaluated using a set of weighted criteria and only the best proposals were selected (Community Forest Advisory Committee 1998b). The invitation process uses a checklist to ensure the application is complete and has satisfied all of the requirements. An important, albeit difficult, part of the evaluation is assessing the level of community support for the CFA application. The final decision to award the tenure rests with the office of the Minister who takes into account the quality of the proposal, the level of community involvement, and assurance that First Nations have been consulted.

From start to finish, practitioners estimate the application process may take up to 3 years, and cost communities as much as \$183 000 (Gunter 2004). The extensive set of application requirements reflects the higher expectations for community participation, governance, and forest management of CFAs than larger industrial tenures. Signing the final agreement is cause for celebration (Figure 3).

⁷ The application and award process for CFAs is outlined by the Community Tenures Regulation (B.C. Reg. 352/2004, Part 1) under the *Forest Act*.

⁸ For a flowchart illustrating the process, see: <http://www.for.gov.bc.ca/hth/community/process.htm>

⁹ Although the Community Forest Advisory Committee was an integral part of the pilot project, it has subsequently been dissolved.



FIGURE 3. Formal signing of a long-term 25-year Community Forest Agreement in the Village of Burns Lake, April 12, 2005.

Forest Practices

British Columbia has a complicated system of legislation, regulations, and administrative requirements. All forest tenures must abide by rules outlined in the *Forest Act*, the *Forest and Range Practices Act (FRPA)*, as well as other relevant legislation, such as the *Wildlife Act*, and the federal *Fisheries Act*. The *Forest and Range Practices Act* uses a “results-based” regulatory framework, which specifies expected outcomes, but does not prescribe how to achieve them.

All tenure holders must ensure “due diligence” in upholding government objectives for multiple resource values, such as water quality, recreation, wildlife, and riparian areas. They must do this, however, “without unduly reducing the supply of timber from British Columbia’s forests” (Forest Planning and Practices Regulation, 14/2004, Part 2, Division 1).

The challenge of managing for multiple values should not be underestimated. Where community forests are situated close to village settlements and include sensitive areas such as drinking watersheds, local people must deliberate among themselves and agree on how to best manage these areas. The due diligence expected of all tenure holders is heightened for CFAs through direct public involvement and scrutiny (see Tyler *et al.* 2007).

All tenures include a series of post-harvest obligations, such as responsibility for reforestation until trees reach the free-to-grow stage. Forest practices regulations are monitored and enforced by the

government to ensure that their management objectives are satisfied. In most respects, small tenure holders have the same obligations as much larger industrial forest tenure holders.

Before any activities begin, all tenure holders are required to develop operational plans. Woodlot licensees prepare Woodlot Licence Plans, which follow a standard template. In recognition of their small size, woodlots have their own regulation (Woodlot Licence Planning and Practices Regulation, 21/2004) that establishes minimum standards or “default performance requirements.”

Under *FRPA*, CFAs are subject to the same rules as major industrial licensees. Their Forest Stewardship Plans (FSPs) must not only meet provincial objectives, but are also subject to public review and comment for a period of at least 60 days before the plan is submitted to the Forest District Manager for approval. All licensees are also required to “make reasonable efforts” to share information with First Nations groups that may be affected by the forestry activities (e.g., traditional uses and cultural heritage resources), particularly during the early phases of developing their Woodlot Licence plan or FSP.

When the FSP is approved by the Ministry, all CFAs must prepare site plans. These plans do not require government approval or public review, although they must be made available on request. Woodlot licensees are also encouraged to develop site plans, but this is not required by legislation. To put the plan into action, licensees need to apply for cutting and road permits; before beginning any harvesting operations, woodlot licensees are also required to notify residents by placing an advertisement in a local newspaper.

Tenure holders are allowed to vary the annual cut as long as they meet the overall 5-year AAC. This cut control period creates some flexibility for licensees to harvest timber at their own pace or at the appropriate time, such as when log prices are high.

Financial Responsibilities

All tenure holders have financial obligations to the government, including annual rents and stumpage fees. Woodlot licensees pay the government an annual rent of \$0.60/m³; this includes a \$0.25/m³ levy which goes to the Woodlot Product Development Council. Holders of CFAs pay an annual rent of \$0.37/m³.

A more significant financial obligation is stumpage. Stumpage fees are an economic rent paid by all tenure

holders per unit of wood harvested on public lands. Stumpage is an important revenue stream for the provincial government and is used to fund general public services, such as education and health care.

Tenures with a small AAC receive some financial breaks and are allowed to include a low volume cost allowance when calculating their forest development costs, which effectively reduces their stumpage fees payable to the government.¹⁰ Licences with an AAC of less than 3000 m³ in the Interior regions, and 10 000 m³ on the Coast are eligible. Most Woodlot Licences fall into this category.

One of the original objectives for the Community Forest Pilot Project was to experiment with an alternative fiscal arrangement to stumpage for CFAs. Provisions to do so were written into the *Forest Act*. In the meantime, timber harvested from CFAs was appraised under the same rules as major licensees, although CFAs with small AACs were eligible for the low volume cost allowance. The British Columbia Community Forest Association (BCCFA) and the Ministry of Forests and Range negotiated a temporary 12-month fiscal arrangement, beginning January 1, 2006 for all CFAs. This arrangement accounts for the small scale of community forest operations and the unique objectives of the program. It has resulted in reductions to average sawlog stumpage rates for CFAs of 70% on the Coast and 85% in the Interior. At the time of writing, the Ministry and the BCCFA were exploring options to establish an alternative fiscal arrangement for CFAs on a more permanent basis (J. Gunter, B.C. Community Forest Association, pers. comm., January, 2007).

Performance Evaluation

All tenure holders have some form of performance evaluation written into the terms of their licences. The Compliance and Enforcement Branch of the B.C. Ministry of Forests and Range is responsible for monitoring and assessing whether licensees are operating in compliance with legislation and forest practices regulations.

As CFAs were initially awarded as a pilot project, they have additional requirements. The Ministry devised a scheme to evaluate the performance of CFAs that reflected the experimental nature of community

forestry (B.C. Ministry of Forests and Range 2004a). The purpose of the evaluation is to determine whether the tenure should be extended or replaced with a long-term CFA.

The evaluation scheme includes seven categories:

1. Returns to the Province
2. Economic self-sufficiency
3. Forest practices and management
4. Innovation
5. Governance and compliance
6. Returns to the community
7. Incremental use of the land base

The last four categories highlight some of the additional requirements the government expects of CFAs that are not expected of other tenure holders. For example, CFAs are evaluated on the level of innovation applied to forest management, business management practices, and public involvement. These elements are difficult to interpret, to implement, and also difficult to evaluate.

In 2006, as the Community Forest program stood on the cusp of significant expansion, the B.C. Ministry of Forests and Range commissioned an independent review. The consultant's report recommended changes to the program and the tenure structure to increase the ability of communities holding a CFA to achieve expected outcomes. Among these were suggestions to:

- outline a comprehensive strategic plan for the program,
- develop regulations and support the promotion of NTFPs in community forests,
- eliminate the probationary period of the CFA, and
- ensure a minimum level of support to communities from the provincial government (Meyers Penny and Norris and Enfor Consultants 2006).

The review signals a willingness on the part of the government to consider further modifications to this new tenure structure. Meanwhile, the Federation of B.C. Woodlot Associations and the Ministry of Forests and Range have worked to streamline administrative and regulatory requirements for woodlots, which is likely to result in significant changes (B. McNaughton, Federation of B.C. Woodlot Associations, pers. comm., December, 2006).

¹⁰ For details, see the B.C. Ministry of Forests and Range *Interior Appraisal Manual* (<http://www.for.gov.bc.ca/HVA/MANUALS/interior/>) and *Coast Appraisal Manual* (<http://www.for.gov.bc.ca/HVA/MANUALS/coast/>).

Summary

This brief overview of the attributes, status, and structure of small tenures shows that small tenures have generated big expectations on the part of individuals and communities in rural British Columbia, and on the part of the provincial government. Despite these big expectations, there is a high demand for small tenures. The number of Woodlot Licences and CFAs has increased, although they still account for only a small fraction of the total forested land base and provincial AAC. To help meet this demand, the provincial government has made a commitment through the Forest Revitalization Plan to expand the area available for woodlots and community forests.

Small tenures are obliged to follow the same regulatory structure as large industrial tenures, but without their operational scale and resources. Tenure holders have therefore pressed for, and in some instances received, amendments to standard policies (e.g., the temporary stumpage reductions for CFAs). Although these issues are not yet resolved, the structure of small tenures is expected to further evolve as their experience and numbers grow. By creating opportunities for collaborative and community-based ventures, small tenures hold promise for the future of forest-dependent communities in British Columbia.

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By creating opportunities for collaborative and community-based ventures, small tenures hold promise for the future of forest-dependent communities in British Columbia.

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Test Your Knowledge . . .

Big expectations for small forest tenures in British Columbia

How well can you recall some of the main messages in the preceding Extension Note?
Test your knowledge by answering the following questions. Answers are at the bottom of the page.

1. Why were small tenures introduced?
 - A) To diversify the types of tenure holders
 - B) To harvest timber
 - C) To increase local participation in forest management
 - D) To increase opportunities for community economic development
 - E) All of the above

2. Compared to the “major” industrial forest tenures, which of the following points are unique attributes of small tenures? [choose one or more]
 - A) They must be locally based (i.e., held by a local individual, or community-based organization)
 - B) They are area-based
 - C) They include exclusive rights to harvest timber
 - D) They account for a relatively small percentage of the total provincial AAC
 - E) They include rights to non-timber botanical products
 - F) They are subject to provincial forestry legislation and regulations

3. Which of the following outcomes are expected for CFAs? [choose one or more]
 - A) They will create local jobs
 - B) They will create recreational opportunities
 - C) They will develop markets for NTFPs
 - D) They will operate much the same as industrial logging tenures
 - E) They will have input from all community viewpoints

ANSWERS

1. E 2. A AND D; E APPLIES TO CFAS 3. A, B, C, E