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Project: Community Approaches to Forest Management Across
Canada: An Analysis of Current Community Forests

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Model Forest of Newfoundland and Labrador

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Executive Summary

Since the risks associated with embracing a new model for community participation in decisions related to forest management can be high, the Model Forest of Newfoundland and Labrador is interested in looking at a variety of national models currently used in Canada. There are currently a number of models across Canada for engaging the public, helping them to become more involved with decision making related to natural resources surrounding their communities.

During December of 2009 and January of 2010, Anderson & Yates Forest Consultants Inc. has been researching various community forest (CF) projects that have been established across Canada. The purpose of this study was to research and compile data relating to established CF projects across Canada. The information collected will aid in the development of an innovative approach for forest projects across the Province and will provide insight into the keys to success when developing a new CF, as well as many of the initial and operational problems faced by other CF's throughout Canada.

Currently there are 152 CF's in Canada, predominantly in Quebec (52), Ontario (51), British Columbia (48) and New Brunswick (1). The goal of many of the communities is to secure some form of management input into the working forest surrounding a community and to obtain some control over local forest resources for both social and economic reasons. Communities often want to increase jobs, maintain quality of life in the place where they live, diversify the economy, and maintain the environment in such a way that is consistent with their long term goals and objectives for the community.

There are a number of successful CF's across Canada, some of which have been studied and explained in this document. It presents 5 case studies focused on various CF's across Canada and into the United States, and discusses their goals and objectives, community involvement, organizational structure, and employment.

This report will also briefly discuss private woodlots and their significance to community forestry, as well as the idea of forest certification within CF's. Lastly, this report will identify a potential process for communities seeking to establish a CF in Newfoundland and Labrador.

Introduction

A *Community Forest* (CF) is a public forest land that is managed by the community as a working forest for the benefit of the community as a whole. CF's are based upon the principals of sustainable development and community-based natural resource management. They have the potential to be a valuable component in a mosaic of conservation, community and economic development strategies for the regions that can result in the conservation of productive forestland and important ecological systems while promoting community vitality and economic well-being (Lyman, 2007).

The reasons for pursuing a CF are varied between communities. The goal of many communities is to secure some form of management input into the working forest surrounding a community and to obtain some control over local forest resources for both social and economic reasons. Communities often want to increase jobs, maintain quality of life in the place where they live, diversify the economy, and maintain the environment in such a way that is consistent with their long term goals and objectives for the community. Whatever the reasons for pursuing a CF, many communities across Canada have created successful CF's that are creating local jobs, producing revenue for their respective communities, and allowing the community to prosper and grow towards a sustainable future.

Project Description

Since the risks associated with embracing a new model for community participation in decisions related to forest management can be high, the Model Forest of Newfoundland and Labrador is interested in looking at a variety of national models currently used in Canada. There are currently a number of models across Canada for engaging the public, helping them to become more involved with decision making related to natural resources surrounding their communities.

The purpose of this study is to research and compile data relating to established CF projects across Canada. The information collected will aid in the development of an innovative approach for forest projects across the Province and will provide insight into the keys to success when developing a new CF, as well as many of the initial and operational problems faced by other CF's throughout Canada. The main goal of this project is use the researched information to develop innovative approaches to community forestry for the Province of Newfoundland and Labrador that is consistent with the Province's economic, social, cultural and environmental conditions and legislation.

Specifically, the project is to examine the following:

- Various models for CF's across the country, and examine the successfulness of those models;
- How other CF's across Canada were established, and for what reasons;
- What organizational structures are being used (legal structure, board structure);
- How the CF's have engaged and involved community members;
- Direct and indirect benefits of starting a CF;
- Keys to success when starting and operating a CF;
- Major issues/problems when starting and operating a CF;
- Forest certification from a CF point of view; and
- Private woodlots and how they relate to CF's.

This report will discuss various characteristics of the CF's identified in the research. In the following sections, these characteristics will be discussed generally, not necessarily specific to any one CF. Later in the report there are 6 case studies that give a thorough understanding of some successful CF models present in Canada. The *Case Study* section will outline specific characteristics for various CF's across the Country. Finally, the report will give recommendations for the establishment of a CF model for the Province of Newfoundland and Labrador.

Community Forests in Canada

Many rural communities across Canada have substantial dependency upon the forest sector. With the rise and fall of market prices for timber, these communities are recognizing the critical need for proper management of their forest resources, and the importance of these forest land bases to their local economy. In recent years the need to actively engage in discussion over the management of forest land bases surrounding communities and to capture value at the local level has brought on the idea of community forestry. The general definition of a community forest (CF) is "*a public forest land that is managed by the community as a working forest for the benefit of the community as a whole*". CF ventures tend to emerge primarily in provinces where there is a predominance of public lands and/or where mandates have been established provincially that cater to CF development.

Currently there are a total of 152 CF's in Canada (Teitelbaum, Beckley, & Nadeau, 2006). These include:

- 52 in Quebec:
 - ❖ Intramunicipal lands managed by regional governments, and

- ❖ Forest management contracts managed by local organizations.
- 51 in Ontario:
 - ❖ Mainly county and conservation authority forests.
- 48 in British Columbia:
 - ❖ A mix of management regimes and structures.
- 1 in New Brunswick:
 - ❖ Municipal forest.

Reference to community based forestry in Canada dates back to at least the 1940's and 1950's. The majority of CF's currently established in Canada have only been established within the last 5 to 10 years (83%). Since the forest industry has been subject to some major changes within this time frame, it provides means to analyze which CF models were able to adapt and withstand over the course of the last 10 years. Only 17% of all CF's in Canada have been established for more than ten years. This relatively short time frame of establishment limited the researcher's ability to evaluate the success rate and adaptation methods over the long term.

The majority of Canadian CF's are non-profit organizations. Many of these non-profit organizations are associated with for profit ventures. Research suggests that due to the volatility of the forest industry in recent years, an increasing number of CF organizations are beginning to operate small business ventures. By combining economic development projects with social service programs and environmental education, CF organizations are able to reach a broad economic spectrum, benefiting the entire community.

Community Objectives

As discussed earlier in this report, the reasons and objectives for pursuing CF's vary considerably between communities, but many of them have the same goals of job creation, economic stability, and decision making power over the forest resources near the community. Research shows that the objectives of a specific community change over time, and can be quite different as time goes on when compared to the initial stages of development.

The initial objectives of the Burns Lake Community Forest in Burns Lake, British Columbia (initiated in December 1998) for example were to secure some form of management input into the working forest surrounding the community and to obtain some control over local forest resources for both social and economic reasons (Barry T. , 2005). The community wanted to increase jobs, maintain the quality of life in the place where they live, diversify the economy, and maintain the environment. These objectives

are still very important, but the focus has now been placed on *local* management of resources, *local* processing of those resources, *local* employment, forestry training and education, outdoor recreation activities, maintaining culturally significant economic and educational opportunities for First Nations and revenue generation to sustain the corporation and support the community. This example shows that it is very important for a CF organization to be willing to change goals and objectives over time in order for the CF to be successful in the long term.

In order to prepare and realize what the goals and objectives are for any given community with regards to the forest resource, it is important to get input from the community members and leaders. Research shows that the most successful CF organizations credit much of their success to getting the public involved from the start, and keeping them engaged and involved as the CF grows and develops. During correspondence with the various CF's across Canada, many pieces of advice were given with regards to community objectives. These include the following:

- It is important to go to the community and ask up front for an actual ranking of priorities and support;
- Understand that not a lot of profit is to be made but employment opportunities are substantial and the community is able to manage their surrounding land base;
- Don't be too detailed; situations and circumstances can change quickly and the CF must be able to adapt;
- It's important to have good facilitation, participation and an inclusive process;
- The CF process needs to be open and transparent;
- There should be a core group of individuals that obtain input and are the primary body that keeps things moving forward;
- The foremost goal must be the successful operation of a community forest; participants cannot put individual interests first.

The following is a list of common objectives of the various CF organizations across Canada:

- Secure management input into the working forest surrounding a community;
- Obtain some control over local resources for social and economic reasons;
- Generate revenue for the community;
- Economic Stability;
- Creating and/or increasing jobs in the community;

- Maintaining and enhancing quality of life in the community;
- Diversifying the economy by diversifying the forest industry itself;
- Protect land and water features;
- Protect and enhance cultural and tourism values;
- Preservation of cultural values;
- Manage resources in a ecologically responsible manner;
- Provide more socioeconomic diversity;
- Access to information, and a voice in decisions;
- Develop a sense of community pride in direct ownership;
- Encourage education and training in all aspects of sustainable forestry.

To view the specific objectives of a variety of individual CF's, please see the *Case Studies* section in this report.

Organizational Structure

The way in which CF's are organizationally structured will guide how the CF can operate, generate revenue and make decisions regarding the management of the forest resource. It is very important that the organizational structure of a CF be thoroughly planned out to ensure that it is consistent with the goals and objectives for the organization. The main premise or reasoning behind the choice of organizational structure is the end result which will be a community based forest management structure that will emphasize collaborative and participatory action in locally based forest stewardship, local needs and knowledge.

The researchers looked at a number of CF's and evaluated and reported on the organizational structure of each. For this report, the researchers have considered the organizational structure of a CF to include the following components:

- 1) Land Agreement Structure
- 2) Legal Structure
- 3) Board Structure
- 4) Permanent Staff Members

Land Agreement Structure

There are a number of land agreement arrangements for CF's across Canada. In British Columbia, exclusive rights are given to CF's for the harvest, management and collection of fees for timber and non-timber forest products. CF agreements are initially awarded on a 5-year probationary licence, and if successful through this timeframe can be awarded a long-term agreement with a minimum of 25 years and a maximum of 99 years. These are replaceable every 10 years.

In theory, community based forestry could be practiced on public, private or industrial forest lands. By establishing partnerships and allowing coordination between communities and forest landowners, the fostering of economic development and forest stewardship can be realized.

There are generally five different models recognized for the establishment of a CF within a regional boundary with regards to the land tenure agreements. The models are as follows:

- Local Government on Crown Land;
- Local Government on Fee Simple Land (freehold land);
- Conservation Authority;
- Forest Organization;
- First Nations.

Legal Structure

The legal structure of a CF is very important and should be consistent with the vision for the CF itself. There are a number of different legal structures utilized by CF's across Canada, each of which has a number of advantages and disadvantages. The main legal structure models used in development and establishment of CF projects across Canada include:

- Corporation
- Society
- Co-operative
- Band
- Local Government

Corporation, co-operative and society type legal structures are the more prevalently used across the country for CF's, and as such a more in-depth review was conducted of these types. The First Nations

organizational structure is also widely used either solely or in partnership/collaboration with nearby communities. An example is the Algonquin's of Barriere Lake in Quebec, who are currently developing an integrated resource management plan in conjunction with the Governments of Canada and Quebec.

The following review gives examples of current CF's utilizing the various legal structures. It includes an overview of each the structure type and lists the main advantages and disadvantages associated with the particular legal structure type.

Corporation

A corporation is a distinct legal entity separate from its owners or shareholders. It's formed on the terms identified by the members or shareholders. It is made up of 3 groups of people: shareholders, directors, and officers. The corporation can borrow money, own assets, perform business functions without directly involving shareholders. The corporation may be solely the community, or a combination of communities, local businesses, and community members.

Advantages:

- Limited liability;
- Separate legal entity;
- Transferable ownership;
- Continuous existence;
- Capacity to raise capital;
- Possible tax advantage (under \$200,000).

Disadvantages:

- Closely regulated;
- Most expensive form of business to organize;
- Activity is limited by the corporations charter and various laws;
- Shareholders may be held legally responsible in certain circumstances;
- Personal guarantees undermine limited liability advantage.

Examples of CF agreements that are under a corporation legal entity include the Revelstoke Community Forest Corporation, McLeod Lake & Mackenzie Community Forest Corporation and the Burns Lake Community Forest Corporation.

Society

A society is a not-for-profit organization that holds all powers of an individual while remaining separate and distinct from its members. Any funds or profits must be used only for the purposes of the society itself. Volunteer directors may not receive any financial compensation for performing duties of a director.

Advantages:

- A society is a not-for-profit organization and is the beneficiary of some tax benefits;
- A society is typically seen as a very democratic form of incorporation;
- Societies are easy and inexpensive to set up;
- Annual maintenance costs are low;
- Board members can be chosen to afford wide community representation and skills.

Disadvantages:

- Any funds or profits must be used *only* for the purposes identified in the society's constitution;
- Members of the society have full access to all financial information, unless limitations are specifically spelled out in the bylaws;
- The purpose of the society can be changed by a vote of 75% of the membership; this can potentially be destabilizing should the goals of the membership shift from those stated at start up.

Examples of CF's that utilize this structure are the Kaslo and Bamfield Huu-ay-aht Community Forests.

Co-operative

A co-operative is an enterprise that is collectively owned and democratically controlled by its members for their mutual benefit. A co-operative is able to enter into contracts under its corporate name. Liability for the individual members of a co-op is limited to the extent of the value of the shares held. The co-operative can be a partnership of communities, local business, and community members, or any combination of them.

A co-operative is generally characterized by:

- Voluntary and open membership;

- Democratic control (one member, one vote);
- Independence from the public and private sector;
- Meaningful voice members have in governance;
- Member economic participation (both in financial contribution and benefit);
- Co-operative effort and service orientated;
- Concern for the community;
- Commitment to values such as self-responsibility, democracy, equality, equity and solidarity.

Advantages:

- Demonstrates to the community that the organization is democratic and inclusive.

Disadvantages:

- There is limited public understanding of co-ops and so efforts are required to educate the community of the benefits.

A CF that is organized using the co-operative structure is the Harrop-Procter Community Forest.

After review of various established CF agreements across Canada, the main legal structure utilized is that of a corporation. This is also the most widely used structure of newly licensed community forest agreements (CFA) in British Columbia. Similarly, the governance structure of woodlot licenses tends to follow a similar trend with corporation representing the second highest percentage next to individuals and families.

Board Structure

All of the best CF's across Canada have a board of directors. Of all of the CF's studied, the majority have between five and fifteen board members who are an integral part of the overall functioning and success of the community forest. Some characteristics of the various boards include:

- 5 – 15 Board Members;
- Usually consist of some combination of the following individuals:
 - ❖ General Manager of the CF;
 - ❖ Community Residents;
 - ❖ Mayor;

- ❖ Councilors;
- ❖ Industry Partners.
- Often supported by a technical and/or advisory committee who may:
 - ❖ Provide technical expertise (i.e. for forest management decisions);
 - ❖ Review performance of the CF;
 - ❖ Monitor and report on forest operations;
 - ❖ Give advice to the board on decision making.
- Board is usually responsible for the following tasks:
 - ❖ Setting policy;
 - ❖ Hiring staff;
 - ❖ Providing direction for planning;
 - ❖ Corporate strategy;
 - ❖ Management;
 - ❖ Media relations;
 - ❖ Administration;
 - ❖ Financial affairs.
- Some boards have volunteer members and some are paid.
- Selection process varies across CF's:
 - ❖ Many have elections on an annual basis;
 - ❖ Some set age limits for board eligibility;
 - ❖ Usually attempt to get specific expertise on the board;

The board structure of a CF is a lot to consider. Selecting a board structure and its members should be based on the decisions that will have to be made by the board, ensuring that proper expertise and interests are available.

There are a number of factors that contribute to effective board functioning, as noted during research. Some of these include:

- The personalities and approach of the board members themselves;
- Board should consist of proactive individuals who have the ability to recognize change and respond appropriately;

- The communication ability of members to relay messages effectively to the groups they represent;
- The commitment of members to the broader goals of the community forest rather than to their groups particular interest or agenda;
- The focus of board activities at the policy level rather than on day to day minutia.

Staff

All of the CF networks across Canada generally have some permanent staff. The staff are dedicated members of their CF who work to ensure that the CF management is a success.

To keep costs low, many of the CF tasks are initially completed by the community itself (i.e. accounting, payroll, general office work, etc.). Many CF's have stated that contracting out work has given their organization the ability to keep costs low as well, since it limits the amount of equipment and staff that are directly needed.

Permanent staff usually consists of some combination of the following positions:

- General Manager
- Receptionist / Administrative Assistant
- Forest Manager
- Operations Forester
- Woods Supervisor
- Treasurer
- Accountant

The number of permanent staff ranges across various CF's based upon the size of the land base, the age and maturity of the CF, and the amount of contractual workers and expertise available.

Sources of Initial Funding

Each of the CF's across Canada has gained access to start-up funds in different ways, and from a number of different sources. Each CF requires a different amount of start-up funding, the amount of which is based on a number of criteria including land base size, anticipated annual allowable cut (AAC), product offerings, land agreements (purchase, lease, etc), along with many other things. Ken Gunther, General Manager of the Burns Lake Community Forest suggests that for new CF's, \$100,000 is a realistic amount

for start-up funding (Burns Lake manages approximately 85,000 hectares of land and has an AAC of 86,000m³/year).

During the initial stages of development certain CF projects decided to sell shares in a limited company in order to raise capital and have some initial funding. The CF of Likely-Xats'ull in British Columbia initially sold shares in a limited company. To avoid shares being traded publicly, the company was set up with two shares, one held by the Soda Creek Band and the other by a society that was set up under the societies act. Society membership costs \$1 per year and each member can vote. Community residents were encouraged to buy a 20 year membership for \$20. This system resulted in a 90 percent participation rate in a community with a population of 300 (Barry T. , 2005).

The Harrop-Procter community forest noted a key strength of being a Cooperative is allowing for community involvement. Residents within the community can become members by purchasing a share for \$25. A single share is all that is allowed to be purchased per individual. This resulted in one vote per person and eliminates the ability for any one person or entity dominating the organization.

The Cheslatta Community Forest, located in British Columbia, is another example of innovation in the initial funding stages. The CF is one third partner/owner of Cheslatta Forest Products that began operations in 2001. In order to establish Cheslatta Forest Products, the community raised \$1 million in a few weeks by selling 200 shares at \$5000 each. The community used the a portion of the money to buy the local mill and have been able to pay the bank back close to \$14 million in operating loans to date.

Some of the sources of initial funding which were identified during research are shown below:

- Municipal funding;
- Partners in the CF invest money, and amount of ownership is based on initial investment;
- Industry and local partners;
- Sell shares to potential shareholders;
- Government grants and funding programs;
- Sell memberships for the CF;
- Community Futures Development Corporation;
- Community member contributions;
- Rural development grants.
- Private lending companies;

- Bank loans;
- Bank operating line of credit.

Innovation with Forest Resources and Forest Community Development

The majority of small forest tenures are largely based on small scale logging operations that circulate logs into a fluctuating local and regional market at low margins. It is important to diversify forest products and market opportunities for CF projects which typically do not have the same financial stability as large scale industrial forest tenure holders. Due to the close involvement within the community and local knowledge of the forest these small tenures are at an advantage for identifying specialty products and niche markets to compensate for changes in the timber market. The need for innovation within small forest tenure is crucial to being able to financially withstand continual changes in timber markets. A literature review of “*Market Opportunities and Benefits from Small Forest Tenures*” identifies three areas of potential opportunity for small forest tenures to grow their business. These include: value added wood products, non-timber forest products and environmental services (Ambus, Davis-Case, Mitchell, & Tyler, 2007). The following is a list of innovative methods current CF organizations are utilizing for financial means:

- Geraldton Community Forest and Elk Lake Community Forest in Ontario have created separate divisions for GIS (geographical information system) work and have established themselves as major driving forces in the GIS industry. The division provides a multitude of services from online web mapping applications to tourism and silvicultural projects.
- Paul T. Doherty Memorial Forest in New Hampshire uses locally harvested timber to renovate town facilities such as the town hall and provides materials for local craftsmen to produce chairs and tables for the town library, district offices and town hall.
- Some CF’s are collaborating with local Community Colleges and Universities to use the CF site as a training ground for forestry programs.
- CF’s are managing for a broad range of alternative products and managing for species diversification.
- Establishment of municipal campgrounds, contractual co-management of parks and implementing trail systems.
- Botanical forest product endeavors.
- Agroforestry industry initiatives.

- Exploring green certification opportunities.

Key Success Factors

When in correspondence with the various CF's throughout Canada, the researchers asked what the key success factors were for the overall economic viability of the CF. In addition they were asked what, if anything, they would do differently with regards to the whole CF, and what they could suggest to anyone setting up a CF. The following is a list of responses from the various CF's:

- Establish strong community support and approval from the beginning;
- Establish strong support from District Manager's office;
- Be proactive;
- Don't be afraid to ask for what the CF wants;
- Lobby for the CF;
- Adapt quickly, and if there is no profit in an activity, stop doing it;
- Run the operation like a business, run lean;
- Be focused and stick to objectives, revenue should be the first priority;
- Always work with trusted professionals;
- Try to reduce debt burden from the beginning by having proper initial start up funds;
- Consider having as many partners as possible who can mutually benefit from the partnership;
- Ensure the proper information has been researched and contracts are in place prior to getting involved with value-added product sales;
- Ensure there is sufficient community interest, available markets and availability of individuals to do full time work;
- Chose the initial harvesting areas carefully;
- Obtain or create a good, accurate forest inventory;
- Take time to adapt or look for systems that both maintain employment and are cost effective;
- Innovation and the ability to adapt is the key to a successful operation.

Each one of these factors is seen to have significantly contributed to the communities obtaining and sustaining a CFA.

Key Problems/Issues Faced by Community Forests

When in correspondence with the various CF's throughout Canada, the researchers also asked about the key problems and issues that are faced by CF's. It is very important to understand the problems/issues faced by CF's projects because it will allow for adaptive management plans to be created and therefore potential problems can be avoided in future projects. The following is a list of key problems and issues noted by CF projects that should be considered.

- Community support and collaborative approval on issues;
- Stumpage rates;
- Decline in log sales;
- Trying to operate a sort yard that was not successful due to insufficient volume (solved by shutting down the sort yard and operating a direct log market instead);
- Land base tenure was not negotiated properly;
- Long term agreement is needed;
- Lack of professional labour;
- Funding;
- Relationship strains with Government and industry.

CF organizations are dealing with these issues by building and establishing good working relationships to become preferred clients, creating community awareness with presentations, open houses and forest tours, keeping up pressure to extend forest license's beyond the original 5 year agreements and continuing to create employment in order to show sustainability and worth of the organization itself.

Legislation and Funding Programs to Support Community Forests

Federal Funding and Grant Programs

The National Community Development Trust is a nationwide program aimed to help provinces and territories assist communities suffering economic hardship caused by the current volatility in global financial and commodity markets. The program is also aimed at community transition plans that foster economic development and the creation of new jobs. The expected areas of investment for this program include:

- Job training funds and skills development to meet identified local or regional gaps;

- Measures to assist workers in unique circumstances facing adjustment challenges;
- Funding to develop community transition plans in support of economic development and diversification;
- Infrastructure initiatives that support the diversification of local economies;
- Other economic development and diversification initiatives aimed at helping communities manage transition and adjustment;

Additional options may arise from such programs as the Canadian Agricultural Rural Communities Initiative, Tourism Investment Program, Canada Community Investment Plan Program, and the Canada Business Service Program.

British Columbia

In British Columbia, a broad range of governance structures was planned as part of the original community forest pilot project. The government's goal was to give the communities maximum flexibility in how they chose to define themselves but required that the tenure be awarded to a legal entity. During that time frame the community forest pilot project was being created and an amendment was made to the *Forest Act* that added provisions for the new community forest tenure (Typer, Ambus, & Davis-Case, 2007). The new provisions created legislation that lists various legal entities that can pursue a CFA if the prescribed requirements are met. The various governance structures include; co-operative, society, First Nation, local government and corporation. The most popular structures amongst the currently established CF's are corporation, society, co-operative and First Nation.

British Columbia's CFA's also give exclusive rights to CF's for the harvest, management and collection of fees for non-timber forest products. The government of British Columbia also doubled the timber allocation for CF's and woodlot licenses. CF agreements are initially awarded as a 5-year probationary license, and if successful through this time frame can be awarded a long term agreement with a minimum of 25 years to a maximum of 99 years. These are replaceable every 10 years.

The current arrangement with the Ministry of Forests and Range (MOFR) relieves CFA's from all cruising requirements, provides an 85% rate reduction to the Interior Appraisal Manual, and a 70% reduction to the Average Sawlog Stumpage Rates for the Coast Forest Region (British Columbia Community Forest Association, 2007). Special funds were also made available by the MOFR for CFA orientation and for the development of investment rationales.

Alberta

The rural community adaptation grant program was established in Alberta in order to increase the capacity of rural communities and regions to transition and allow them to adapt to more diverse economic opportunities. The eligible activities include assessment and planning, capacity building, rural economic development (which includes value added product development and economic diversification) and unique community solutions. The grant consists of a minimum amount of \$10,000 per request up to a maximum of \$50,000.

Manitoba

The government of Manitoba, under their recent forest strategy document, states “Forest resources shall be allocated in an equitable manner amongst the various users of the forests including the non-commercial needs of individuals and communities”. This has brought on the commitment to investigate opportunities for cooperative management of the forest resources with both First Nations and local communities.

In addition to this mandate, Manitoba Hydro has introduced the “Forest Enhancement Program”. The purpose of this program is to involve the public in making Manitoba’s natural and community forest environment more attractive, diverse, widespread and productive. Residents are encouraged to participate by submitting project proposals which will benefit the people of their community and their region. The categories listed as eligible include: tree planting projects, forest education projects, and innovative forest projects that will enhance the long-term sustainability and productivity of the forest environment. Since the principle aim is towards local residents and organizations, this provides additional means to establishing community based forest endeavors.

Ontario

In 1991 the Sustainable Forestry program was established. The program stated that it was designed to improve management and give citizens a stronger voice in forest policy development and decision making. Community based natural resource management was a key component of the program. The initiative was designed to increase the opportunities for community involvement in forestry.

Currently the province has a sustainable forest license mandate that is a renewable for up to 20 years. The license allows for the harvest of forest resources. The licensee is required to carry out planning,

renewal and maintenance activities necessary to provide the sustainability of the Crown forest covered by the license. Each license will be reviewed every five years to make sure the licensee has complied with terms and conditions.

Quebec

The Government of Quebec set up a specific agreement with Abitibi-Temiscamingue Development Council to allow approximately 80 municipalities control of Crown land lying within their boundaries. The intention through this agreement is to improve the state of forests growing in close proximity to communities. The agreement also is a significant step towards decentralization of forest management which could equate to the creation of multiple CF's.

Newfoundland and Labrador

Currently in the province there is no legislation pertaining to the development of CF programs. The province does offer a community business development program, and a community business development corporations program.

The regional/sectoral diversification fund is available to non-commercial, not-for-profit organizations, including regional economic development boards, municipalities, industry/sector groups, educational institutions and any other community based organization involved in economic development.

Northeastern United States

In the Northeastern United States, programs are in place to assist, or act as funding sources, for the development and establishment of CF projects. The availability of significant funding programs for the initial land acquisition is a major step in the actual process of successfully establishing a community forest. Examples of such available funding include; Forest Legacy Program, New Hampshire Land and Community Heritage Investment Program, and Land for Maine's Future Program. This provides early reassurance that funding to undertake such a large venture and financial commitment is available and has helped to secure community support. Additional grants were available that allowed the communities to undertake initial project planning activities such as inventory field work and financial analysis reports for the cost of community services.

Case Studies

The case studies which will be reviewed represent a broad range of approaches to CF management. Each CF was reviewed based on the community's objectives for the CF, the level of community support, employment and involvement, and the organizational structure. After each review, notes were taken on key success factors, innovative solutions and key problems/issues faced by each CF. A collaborative summary has been made on each of these topics to better demonstrate the main factors in a simplistic way.

The CF's chosen were based on variation in management forms, innovation in pursuing economic benefits from forest resources and community involvement. The following case studies represent five different CF's located across Canada and one CF in the Northeastern United States. Two of the CF's chosen were established CF's that other developing community forests used as a model; these are Burns Lake Community Forest and Revelstoke Community Forest.

The community forests which will be discussed include the following:

- Burns Lake Community Forest, British Columbia
- Revelstoke Community Forest, British Columbia
- Harrop-Procter Community Forest, British Columbia
- McBride Community Forest, British Columbia
- Farm Cove Community Forest, Grand Lake Stream, Maine
- Westwind Forest Stewardship Inc., Ontario

Case Study #1: Burns Lake Community Forest

<u>Initial Start Date:</u>	July, 2000
<u>Current Size of Land Base Managed:</u>	85,541 hectares
<u>Current Annual Allowable Cut:</u>	86,000 m ³ /yr
<u>Community Population:</u>	2,500 (approx.)

The idea for a CF in Burns Lake was initiated in December of 1998. The development of a community forest was initiated as a governance model selected by the community to respond to the request for proposals issued by the province of British Columbia. The CF license was signed on July 7, 2000 with an annual allowable cut of 23,677 m³. During its first year of operation the CF was able to put \$360,000 into

the local economy and create 7,848 man hours of employment for local residents (Burns Lake Community Forest Ltd., 2000-2007). During the first winter season of operations Burns Lake created an additional 14,268 man hours of employment, employed over 70 individuals on various operations and spent a total of \$1.5 million in the Lakes District. By the year 2006, Burns Lake Community Forest Ltd. annual report was stating 250,000 man hours of direct employment within the community and 160 jobs directly linked to the CF. In addition it had gross profit revenues of \$1.9 million and over \$118,000 donated to local non-profit organizations. The success of the Burns Lake Community Forest also was noted by the awarding of a 25-year long term CFA in 2005, the first to be signed in the province.

Objectives

The initial reasons for pursuing a CFA were to secure some form of management input into the working forest surrounding the village and to obtain some control over local forest resources for both social and economic reasons. The main goals were to achieve an increase in jobs, maintain quality of life, diversify the economy and maintain the environment.

The current objectives include local management of resources, local processing of those resources, local employment, forestry training and education, outdoor recreation activities, maintaining culturally significant economic and educational opportunities for First Nations and revenue to sustain the corporation and support the community. The Community Forest of Burns Lake states that due to economic conditions the board's primary duty is to safeguard the corporation's long term sustainability which means that enough revenue must be generated to cover expenses. This will ultimately dictate the number of non- forestry related activities that will transpire. They believe the key management strategy is to provide a steady flow of revenues. Another contribution towards community sustainability is to provide fiber to companies wishing to expand employment opportunities within the Lakes District. Additional wood suppliers are provided opportunities to purchase wood from the company's operations when it is available.

The company has an aggressive approach in involving the public in its business through regular reports to the community and use of public information and consultation sessions like the annual general meeting. This will include the release of reports on company operations to local media and to the general public. The opportunity for contract work and purchases of goods/services is placed for public tender with preference given to local businesses and members of the small business forest enterprise program. There is strong support towards the development and training of a local workforce.

Community Support and Involvement

A steering committee was formed and individuals were recruited representing key stakeholder groups; First Nations, community members, local business', industry, and Ministry of Forests and Tourism. A Community Economic Development Plan was also completed at this time. The primary vision statement and guiding principals were established through consultation of local groups and individuals. Public consultation included a media campaign, direct mailings to stakeholders, numerous public meetings, presentations to various stakeholder groups, mass mailing of a newsletter/survey to all local residents and a CF open house.

The majority of residents within the community were supportive of the proposal. There were some concerns that were voiced at this time related to management of the CF and distribution of profits.

Organizational Structure

Burns Lake CF is a corporation. The structure is set up so that the Corporation of the Village of Burns Lake owns 100 percent of the shares of Comfor Management Services Ltd., which is the holding company. In return Comfor Management Services Ltd. owns 100 percent of the shares of Burns Lake Community Forest Ltd., which is the license holder.

There are nine board members which are selected by a committee. All potential board members are selected based on skills and diversity in background. This selection process maintains that no one interest group can gain control. A dispute resolution process has also been established in case the need arises. Additional to the board, two formal committees were developed and are consulted on an annual to biannual basis. They consist of an advisory committee and a corporate performance committee. Due to the corporate performance committee completing a major monitoring report, the Burns Lake CF was awarded a 25-year long term license. By taking the initiative to complete the report instead of waiting on the Government's monitoring process to unfold, the process was expedited and contributed to Burns Lake's success.

Community Employment

The Burns Lake CF currently employees a general manager, an operations forester, a GIS Analyst, a Scaling/Layout/Waste and Residue Technician, a Harvesting Supervisor, a Roads Supervisor, and a Forestry Crew Leader. All forest management construction and logging activities are contracted out to residents of the Lakes District. As of 2009, the company provides 55 individuals with full-time

employment. These positions are in forestry, road building and maintenance, administration, mill staff, as well as harvesting contractor employees.

Case Study #2: Revelstoke Community Forest

<u>Initial Start Date:</u>	April, 1993
<u>Current Size of Land Base Managed:</u>	120,000 hectares
<u>Current Annual Allowable Cut:</u>	100,000 m ³ /yr
<u>Community Population:</u>	7,500 (approx.)

The Revelstoke Community Forest Corporation was created in 1993. A few years before this initiative, the area had an unemployment rate of close to 30% with only 4% of the local timber supply being processed locally. The corporation was approached with a unique opportunity from three local milling operations. This partnership provided financing, industry expertise and some sharing of risk with the City in return for a secure timber supply. The new corporation would be required to sell 50% of the timber harvested to its industry partners at the average annual cost per cubic meter of timber delivered to the mill yard. The remainder would be sold on the open market to the highest bidder. In its first year of operation the corporation brought in \$346,783 in profit with \$1 to \$1.25 million spent locally. Currently the operations put \$6-7 million in the local economy annually and have seen gross annual profits in the \$600,000 - \$700,000 range.

Objectives

For Revelstoke, the initial reasons for pursuing a CF agreement included gaining some local control of resources, enhancing economic security/stability, generating and sustaining employment, gaining access to information, having a voice in decisions, enhancing forest and environmental protection, generating revenue to benefit the community and instilling community pride in direct ownership and management of the forest resource.

Over time these objectives changed somewhat, and the current objectives include generating revenue to sustain the Corporation and support the community, maintaining local control of resources, local processing, local employment, forestry training and education, outdoor recreational activities and a lasting relationship with the land.

Community Support and Involvement

The development of the CF proposal included extensive public information sessions including a meeting with community leaders, public presentations to community groups, agencies and individuals, workshops with specific groups, an open house, pamphlets delivered to each household which addressed common questions and misconceptions, a radio open line program, newspaper articles, cable television coverage of public meetings and articles in the local newspaper. As a result of the extensive public information sessions, over 60% of eligible voters within the community participated and the outcome was 78% in favor.

Organizational Structure

Revelstoke Community Forest (RCFC) is set up as a corporation and operates as two companies: RCFC Holding Company Ltd., wholly owned by the City of Revelstoke, and acts as a management company overseeing the operation of the license, and RCFC which holds the forest license and conducts all development and harvesting activities along with the log sort yard.

The CF was purchased by the city with three local forest companies but the city holds 100 percent of the shares. The industry partners hold timber removal rights to a portion of the AAC. The portion was based by percentage of their financial contribution to the project. For example Downie Timber financially contributed 30% to the project and therefore has rights to 30% of the AAC.

Due to restrictions within the BC tree farm license for the area, RCFC cannot own or operate a timber manufacturing plant. 50% of the corporation's AAC goes to the three industry partners, which is processed within the community, the other fifty percent is open to competitive bid. The corporation is solely funded through the proceeds of log sales and made a commitment to not call upon taxpayers to fund the venture.

The board is made up of seven members and includes the Mayor, two city councilors, the city administrator and three people appointed from the community. The board members receive a small stipend for the work of \$600/year. The industry partners provide their input through a management advisory committee, which is comprised of the three industry partners, two RCFC directors and the general manager of the corporation. The committee then makes recommendations to the board.

Community Employment

There is seven staff employed with the Revelstoke Community Forest. They include a General Manager, Administrative Assistant, Controller, Woods Supervisor, Operations Forester, Scaler (at sort yard) and Loader Operator (at sort yard).

Local based contractors are hired for most forest planning/mapping, cruising and engineering, road building, timber harvesting, as well as all silvicultural activities. Revelstoke Community Forest Corporation restricts contracts to promote local hiring and supports local training and economic development groups. For roads and logging contracts 100% must be local contractors, while 70% of silviculture contracts must be local contractors.

Case Study #3: Harrop-Procter Community Forest

<u>Initial Start Date:</u>	July, 1999
<u>Current Size of Land Base Managed:</u>	11,000 hectares
<u>Community Population:</u>	700 (approx.)

The Harrop-Procter Community Forest is located in the towns of Harrop and Procter situated between the Purcell and Selkirk Mountains of Southeastern British Columbia. The CF was one of 7 original applicants for a CF pilot project and was not modeled after any other CF. Harrop-Procter Pilot went a few steps further than the typical CF to implement an ecosystem based plan at the landscape and timber stand levels, as well as value added strategies to expand local employment. The CF is currently certified under the Forest Stewardship Council (FSC) certification.

The Harrop-Procter Community Forest approached Silva Forest Foundation in the late 1990's to develop an ecosystem-based forest use plan for the Harrop-Procter watersheds. The plan is based upon the principals of landscape ecology and conservation biology, and takes a precautionary approach to protecting water quality, wildlife habitat, old-growth forests and structures, and biodiversity. In 2008, the Province of British Columbia entered into a 25-year CF agreement with the Harrop-Procter Community Co-operative, ensuring long-term benefits from sustainable forestry and local decision-making.

Objectives

The main motivation behind the establishment of the Harrop-Procter CF was a desire to manage the surrounding forest in an ecologically responsible manner. This was emphasized by the community's objectives of maintaining biological diversity, domestic water resources and logging operations (Harrop-Procter Community Forest, 2005).

The current strategies highlight the protection of domestic water as being a high priority as well as the protection of tourism potential and visual integrity. The initial business plan identified the objective of developing four business areas over time:

- Sales of eco-certified timber and lumber to value-added manufacturers and to the public;
- Creation of a value added manufacturing plant, producing items designed by students and graduates of the Kootenay School of Arts Wood Design Program, the BC Center for Wood Products and other local designers;
- Development of an agroforestry business (i.e. Integration of wild-crafted herbs with commercially grown herbs to produce bulk, dried herbs);
- Environmentally low impact tourism.

All of these endeavors are currently at various stages of development.

Community Support and Involvement

During the initial proposal development stage, surveys were sent to every household within the community, public meetings were held and newsletters mailed out quarterly. In 1998, Harrop-Procter Watershed Protection Society members also visited every home to explain the proposal (Barry T. , 2005). Consultation with local groups and businesses also took place at this time to gain support. At the time of the final draft stages of the proposal, 60% of the community were members of the society and fully supported the Harrop-Procter Community Cooperative. Since the Harrop-Procter CF is a co-operative, community residents can become a co-operative member by purchasing a share. The share is good for the life of the resident and is non-transferable. The co-operative grew to 98 members in its first year, and presently consists of 114 members.

On an ongoing basis, the Harrop-Procter CF employs a number of strategies to engage current members of the co-operative, and to involve more community members. The board has developed an annual calendar of community events and meetings designed to be educational and fun/social, and also have

created a recruitment plan to find willing and able community members to come forward as directors for the boards.

Organizational Structure

The Harrop-Procter CF is a co-operative. The Harrop-Procter Watershed Protection Society originally submitted the CF agreement proposal and applied under the Co-operative Association Act to form the Harrop-Procter Community Cooperative Association. The main function of the Co-operative is to act as a decision making body for business planning, forest operations as well as any product research, development and marketing.

The community becomes involved in the co-operative by becoming members. To become a member an individual is permitted to buy a single share, at a cost of \$25. A single share allows for one vote, so no person or entity can dominate the organization. Additional income could have been raised by increasing the cost of a share; however the co-operative did not want to exclude people within the community that may not have been able to financially afford to become a member.

The board consists of ten members made up of representatives from the community and directors from the Harrop-Procter Watershed Protection society. The board is mainly responsible for the planning and operations of the CF.

Community Employment

Harrop-Procter has a general manager and administrative assistant who are employed by the Society and undertake other activities in addition to CF matters, but the CF does contribute to both salaries. The general manager undertakes activities related to planning, funding, processes, policies, etc. for the Board and has outreach and education responsibilities (Barry T. , 2005). There is also a full-time forest manager, and two foresters-in-training, as well as a marketing person who works 24 hours per week.

Case Study #4: McBride Community Forest

<u>Initial Start Date:</u>	February, 2007
<u>Current Size of Land Base Managed:</u>	60,000 hectares
<u>Current Annual Allowable Cut:</u>	50,000 m ³ /yr
<u>Community Population:</u>	750 (approx.)

The McBride Community Forest Corporation signed its first long term CFA in February of 2007. The CF has timber rights to approximately 60,000 hectares of Crown timber surrounding the community of McBride. In 2005 the net income for the CF Corporation was \$189,923 (McBride Community Forest Corporation, 2005). During the same year the Corporation presented the community of McBride with a cheque for \$150,000.

During 2006 the McBride CF utilized a forest investment account to maintain summer recreation sites, to purchase picnic tables and an outhouse for a major expansion of another recreation site, to maintain access for snowmobile trails and to complete a forest inventory update. The overall net revenue for 2006 was substantially more than the previous year. In 2007 the CF contributed a part of its \$1.4 million dollar profit from 2006 towards the construction of a community hall. Additional profits are also being directed towards upgrades to the municipal water system, and being used to fund a new employment opportunity for a local economic development officer. The community of McBride had some significant challenges in the beginning but the result thus far has proved to be a profitable success.

Objectives

The McBride CF project proposal was initiated by a need to move the forestry dependent community away from the “commodity roller coaster” and to diversify the economy by diversifying the local forest industry itself. The main objective of the proposal was to manage the forest for its entire product potential which includes timber, water, recreation and tourism, education and research, healthy living, environmental considerations, and botanical/wildlife/mineral/spiritual values. Timber continues to be the main economic stimulus of the CF but an increasing emphasis is now being placed on using other non-timber forest products and developing alternative land use opportunities. The overall goal is to manage the forest for its entire product potential rather than just that of timber.

Community Support and Involvement

Support had already been established since the majority of the community had been requesting a CF structure for some time. Public meetings were held to present information and obtain feedback and further support from the small business forestry enterprise program applicants. The full support of the community was seen to be a critical aspect of the proposal.

Organizational Structure

The McBride CF is set up as a corporation wholly owned by the Village of McBride. The corporation was chosen after seeing the Revelstoke Community Forest model. By having a corporate entity a greater sense of freedom was allowed in terms of how the money could be used. The corporation allowed the management of the business to be at arm's length from the village and allowed the operation to make money to be returned to the community in the form of dividends.

The McBride CF board of directors is appointed by the village and consists of a seven member made up of three village councilors, the village administrator and three community members. Elections are held on an annual basis.

Community Employment

The staff employed at the McBride CF includes a full time general manager and a field operations supervisor. The CF is also looking into a treasurer position that will be shared with the village. During the proposal stages of the CF, an estimated 30 long term sustainable jobs would be created within the first five years of operation (McBride Community Forest Corporation, unknown). By securing long term tenure, the level of permanent employment was expected to rise to 50 positions. The establishment of a CF in McBride gave the potential to increase employment at least threefold as well as the opportunity to diversify the local economy. McBride CF is able to create 40 direct jobs from utilizing grade 4 shell cedars, which essentially is seen as rotten pulp cedar (British Columbia Community Forest Association, 2007). The organization typically has 20-30 small market loggers working in the forest to which they sub-license volume to. At peak times the number of people employed in the forest is up to 130 with additional 30 or more truckers. Generally, the number employed ranges from 12 to 50 individuals.

Case Study #5: Farm Cove Community Forest

Initial Start Date: 2005

Current Size of Land Base Managed: 11,000 hectares

The Farm Cove Community Forest is located in Grand Lake Stream in the state of Maine, and was acquired and is managed by the Downeast Lakes Land Trust. It is a smaller section of a large land conservation initiative to permanently conserve 138,400 hectares of forestland that is strategically positioned between more than 242,811 hectares of conserved land in New Brunswick and 80,937 hectares of land in the state of Maine. The forest includes 100 kilometers of shoreline on six lakes,

extensive wetlands, a 1,440 hectare ecological reserve, 1,518 hectares of late successional forest management area, and has a total area of nearly 11,000 hectares.

Objectives

The CF project proposal was motivated by a “fear of change”. The main objectives were to gain control of the area’s forest resources and protect the areas shorelines and wetlands from development. The community residents did not want to see the region be subdivided and developed, and as such initiated a move to conserve the area and employ sustainable forest management techniques.

Community Support and Involvement

There were initial outreach efforts that included informal one on one discussion and meetings around town. This developed into more formal meetings that included a slide show and formal presentations with data from inventories, photographs and maps. In addition, staff and board members of the Downeast Lakes Land Trust and the New England Forestry Foundation took individuals (donors, legislators and journalists) out in the field on aerial surveys to describe and promote the project. The Downeast Lakes Land Trust also offered field trips for the public as well as special events such as canoe races and local crafts day.

The Farm Cove CF lists the following as critical components of the outreach effort:

- Public meetings;
- Facilitation of the first public meeting by a skilled individual from outside the community;
- Articulation of values and priorities;
- Good inventory and assessment data;
- Access to staff, board members and other individuals with technical expertise and skills that expanded the capacity of the Downeast Lakes Land Trust;
- Expanded network of contracts through partnership within and outside the region for public outreach work;
- Commitment of leaders that enforced the idea of a community forest project.

Organizational Structure

The Farm Cove CF was organized by the Downeast Lakes Forestry Partnership, which is a collaboration between the Downeast Lakes Land Trust and the New England Forestry Foundation. The structure of the organization is that of a small non-profit land trust.

The Farm Cove CF currently has 12 board members along with six committees for various degrees of management of the forest and forest commodities. Partnerships with state wide organizations and local groups have proven to be a critical component to the success of the CF project. Some of these partnerships include: New England Forestry Foundation, University of Maine and community college systems, local groups including ATV and snowmobile clubs, guide associations and the historical society.

Community Employment

The Farm Cove CF has created jobs both directly and indirectly through forest management activities and has supported a local economy based on tourism, protecting the land base, guaranteeing public access and developing trails and campsites. As well summer outdoor education programs have provided additional employment for town residents and education for youth aimed at realizing the importance of conservation and giving an in depth educational interaction with nature.

Case Study #6: Westwind Forest Stewardship Inc.

Initial Start Date: 1997

Current Size of Land Base Managed: 885,446 hectares

Westwind Forest Stewardship Inc. is a non-profit organization that manages the 885,446 hectare French/Severn public forest located in Central Ontario. The management is done under the province of Ontario's sustainable forest license (SFL) program. The creation of the public forest land base was a direct result of a major policy shift in government that moved forest management from government to the private sector across the province of Ontario. The organization is certified by the Forest Stewardship Council (FSC).

Objectives

The main objective of Westwind Forest Stewardship is to manage the publicly owned French-Severn Forest in a way that is ecologically and socially sustainable (Westwind Forest Stewardship Inc., 2005). A number of other values and objectives include:

- respect for nature;
- highly qualified, motivated, innovative employees ;
- exemplary personal conduct of staff and directors that is reflected in relationships with others at all times ;
- honesty, integrity, transparency and fairness in all decision making;
- respect for the law and the rights of others including the inherent rights of First Nations;
- credible, fiscally responsible, publicly accountable and effective forest management;
- a healthy, successful forest-based economy ;
- solid, enduring relationships with MNR, clients, partners and others (Westwind Forest Stewardship Inc., 2005).

Community Support and Involvement

The development of the public forest land base began as a local idea from government staff. It gathered support from senior government levels and then expanded out to stakeholders and First Nations groups.

Organizational Structure

Westwind Forest Stewardship Inc. has a seven member, consensus based, board of directors. The seven members are comprised of four community members and three forest industry members. The community members have no connection to the forest industry and are based on skills and perspective. The three forest industry members consist of one independent logger, one member from the largest allocation (example Tembec) and one member from a medium sized mill operation. The forest product companies in the region are considered clients of Westwind. This method of having forest product companies as clients is different from many standard cost center models of CF's across Canada. This allows the profits to be put back into the forest estate. The absence of shareholders encourages responsiveness to community goals and the creation of a balance between finance and environment.

Community Employment

Westwind employs 7 individuals in positions that include a general manager, a planning forester, an operations forester, forest technicians (3), and GIS services. All of these individuals are employed full-time and involved in the day to day operations of the CF. In addition, Westwind directly employees 20 operators who have an over-lapping licence agreement with Westwind as well as an Forest Resource

Licence with the Ministry of Natural Resources. These documents confirm the operator's entitlement to harvest on Crown land in the French-Severn Forest.

Private Woodlots

Private woodlots represent 7% of the country's productive woodland and belong to over 450,000 owners. These owners include individuals, families, corporations and communities. Approximately 80% of these woodlots are located east of Manitoba, with the majority being in the Maritime Provinces and Quebec. Their importance is by no means negligible; in fact, in these regions, they are located close to mills and processing plants, and they provide more wood than their proportion of forested area would suggest. For example, in Quebec the roughly 130,000 owners of private woodlots occupy 11% of the forest land base, but contribute more than 20% of the timber supplied to mills (Benoit, 2008).

There are a number of woodlot associations located throughout Canada. Most woodlot associations are strongly tied to the communities in which they reside and assist local woodlot owners with their management objectives. These organizations often foster a strong and local presence and provide structure to allow for local woodlot owners and members to access local needs through workshops, woodlot tours and general sharing of knowledge and experiences within their local communities.

Often private woodlot owners are local community residents who generally tend to process their products locally as well. This acts similarly to the principles of a CF where locally harvested wood is processed in close proximity to the community. The community in turn tends to benefit from a stable economy and increased employment opportunities. This study reviewed the private woodlot sector in New Brunswick and an International Case in Sweden, to identify similarities and opportunities presented by woodlot associations.

Some of the main market system issues affecting private woodlots are:

- Mill closures due to low pulp prices, increased transportation and associated costs;
- Significant decline in wood sales and declining number of producers;
- "equitable market access" for private woodlot owners;
- Environmental and economic sustainability.

Many of the issues are similar to the challenges faced by CF establishments. By looking into innovative ways that private woodlot owners have overcome some of these obstacles, solutions can be created and

adaption methods devised before a CF is established. This pro active approach could be a significant factor in the overall success of a CF project.

New Brunswick

The province of New Brunswick currently has approximately 35,000 to 39,000 private woodlot owners, accounting for 29% of the total provincial forest land base (Valcourt & Gould McDonald, 2008). Many of the timber sales associated with these woodlots are to local mills within the province or through wood marketing boards.

The total timber harvested from private woodlots in New Brunswick is demonstrated in the Table 1. The total timber export outside the province from private woodlots is estimated to be around 100,000 m³ per year. The total volume harvested from private New Brunswick woodlots is reported to be (for the 2007-2008 period) 693,000 m³ of softwood and 315,000 m³ of hardwood. The estimated amount of firewood harvested annually is 694,000 m³.

Table 1. Timber harvest levels from private woodlots in New Brunswick.

	Total (million m ³)	Total Percent of overall AAC or Harvest
Softwood AAC	1.9	27
Softwood Harvest	0.6	11.3
Hardwood AAC	1.7	4.5
Hardwood Harvest	0.3	2.9

In New Brunswick, the total wood sales through the marketing boards for the 2008-2009 seasons were \$32,818,557. This was a decrease of approximately 66% from past seasons. The province also has initiatives in place for private land owners to take advantage of silviculture funding. The province has agreed to pay for 90% of the silviculture to take place as long as the landowner contributes 10%.

An example of a group of community woodlot owners coming together to create a viable economic opportunity for themselves is the small town of Nashwaak Valley, NB. A group of investors have established a wood energy plant in the area that will help to reinvigorate the market for local wood, and create a market for hundreds of woodlot owners to sell their wood. Most woodlot owners in the community see a great deal of promise in the establishment of a wood energy plant as the past few years have seen the collapse of the pulpwood market in the region making it difficult to sell their wood.

International Case: Sweden

Family owned woodlots represent about one half of all productive forest land in Sweden and have an average holding size of 47 hectares. During the 1930's owners of small woodlots established a forestry co-operative which now has an estimated 90,000 members.

Through membership with the forestry co-op, members have access to such services as felling, silviculture, transport and marketing of wood, as well as conservation, forest planning, information, training and technical advice. The co-operative provides members great incentives for production by getting involved in downstream manufacturing and establishing consensus based forest management guidelines (Hysing & Olsson, 2005).

Forest Stewardship Council (FSC) Certification

The forest stewardship council (FSC) is an international body which accredits certification to promote environmentally responsible, socially beneficial and economically viable management of the world's forests. The process is initiated by the forest managers who voluntarily request the services of the certification organization. The FSC principles and criteria are standard for all those seeking accreditation. A number of these principles and/or criteria can be directly applied to a forest management operation being involved with a local CF.

Principle number 4 of FSC certification is "Community relations and worker's rights". The main goal of this principle is for forest management operations to maintain or enhance the long term social and economic well being of forest workers and local communities. The criteria based under this principle that can be related to community forests include:

- 4.1 The communities within, or adjacent to, the forest management area should be given opportunities for employment, training and other services.
- 4.4 Management planning and operations shall incorporate the results of evaluations of social impact. Consultations shall be maintained with people and groups directly affected by management operations.

Principle number 5 of FSC certification is "Benefits from the forest". This states that forest management operations shall encourage the efficient use of the forest's multiple products and services to ensure

economic viability and a wide range of environmental and social benefits. The criteria that can be related to CF involvement include:

- 5.2 Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.
- 5.4 Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.
- 5.5 Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of the forest service's and resources such as watersheds and fisheries.

An example of a certified CF is the Westwind Forest Stewardship Inc. public forest in central Ontario. The land base is a non-profit community based model with no shareholders, and Westwind's main responsibility is to demonstrate good resource management to the community. With FSC certification, this provided an independent measure of performance that has credibility with the public. The FSC certification was set as Westwind's target and means to measure performance.

Another example of a FSC certified CF is the Harrop-Procter CF located in British Columbia. They were awarded certification in 2002 and have marketed their own line of cedar decking, siding, flooring and other various products. The Harrop-Procter CF gets numerous calls for certified wood products but states the real benefit is gaining credibility in forest management practices (British Columbia Community Forest Association, 2004).

Community Forestry in Newfoundland and Labrador

The goal of this section is to examine how CF's could be established in the Province of Newfoundland and Labrador. Currently, there is no framework within the Provincial government that provides a pathway for a community to gain access to Crown Land and initiate a CF; however there may be possibilities within the current legislative structure that will allow communities to gain access to forest resources adjacent to the community to benefit its residents. This section will start by reviewing some of the indicators for forest community well-being and resilience, by comparing some rural Newfoundland and Labrador communities to communities in British Columbia which have established CF's in the past. It will analyze the current legislative conditions that may provide interested communities the opportunity to initiate and operate a CF.

Indicators for Forest Community Well Being and Resilience

The core indicators listed in a study done on “The criteria and indicators of sustainable forest management in Canada” for forest community well-being and resilience are as follows (Canadian Council of Forest Ministers, 2005):

- Economic diversity index of forest-based communities;
- Education attainment levels in forest-based communities;
- Employment rate in forest-based communities;
- Incidence of low income in forest-based communities.

This set of core indicators can demonstrate the overall success of a CF project beyond that of just net revenues. The current opportunity for a CF to be established in the Province of Newfoundland and Labrador lies within proximity to the communities of Jackson’s Arm, Pollard’s Point and Sop’s Arm. A comparison was made of five forest based communities based on the above indicators; three of the communities are located within proximity of the proposed CF site on the Northern Peninsula and two are communities are in British Columbia who have established successful CFA’s (Table 2). The community of McBride was chosen based on a similar population level as the communities of Sop’s Arm and Pollard’s Point and was modeled after the Revelstoke CF. The information presented in Table 2 is based on the most recent data available from Stats Canada.

The economic diversity is relatively the same when comparing all five communities. The communities of Jackson’s Arm, Sop’s Arm and Pollard’s Point have a larger percentage of employment concentration in the manufacturing sector. The only major differences were that both the communities of McBride and Revelstoke had a larger percentage of employment in the “other services” category.

In terms of the educational attainment category, all five towns had very similar outcomes. The major difference was that Jackson’s Arm, Sop’s Arm and Pollard’s Point had a larger percentage (about doubled) of the population over 15 who had not attained a certificate, diploma or degree.

The percentage of individuals with low income before taxes was relatively the same as well, noting only a slight increase between the Northern Peninsula based towns and the communities based in British Columbia.

The major differences came with a comparison of employment and unemployment rates that demonstrated vast differences between the communities. The communities with established CF's (Revelstoke and McBride) had employment rates of 63-75% with unemployment rates ranging between 2 and 9%. The communities of Jackson's Arm, Pollard's Point and Sop's Arm had employment rates ranging from 24-29 % and unemployment rates of 29-46%.

Table 2. Comparison of communities based on indicators for CF well being and resilience.

INDICATORS	COMMUNITY			
	Jackson's Arm	Sop's Arm/ Pollard's Point	Mc Bride	Revelstoke
Employment:				
Population 2006	374	607	660	7230
Population 2001	420	678	711	7500
# individuals in Labour Force	150	205	375	4170
# individuals employed	80	145	310	3765
# individuals unemployed	70	60	10	410
Employment Rate (%)	24.6	29	75.5	63.4
Unemployment Rate (%)	46.7	29.3	2.7	9.8
Educational Attainment (# individuals):				
Population over 15 years of age	325	500	490	5940
No certificate, diploma, or degree	195	280	140	1460
High School equivalent	95	130	170	1735
Trades certificate	20	25	50	910
College equivalent	15	25	80	960
University equivalent	0	25	45	635
Income Indicator:				
% individuals with low income before taxes	9.3	16	8.9	10.5
Economic Diversity (# individuals):				
Agriculture/resource based	0	20	35	315
Construction	0	0	20	370
Manufacturing	110	100	105	470
Wholesale Trade	0	0	0	45
Retail Trade	10	0	60	440
Finance and real estate	0	0	10	110
Health Care	10	25	35	345
Educational Services	10	10	25	190
Business Services	10	15	15	815
Other Services	10	15	70	1060

Potential for Community Forestry in Newfoundland and Labrador

Currently in Newfoundland and Labrador there is no structured process for communities to apply to the Provincial government to become a CF. There isn't any available application process that a community can follow, and no evaluation process should a community decide that they want to submit a request to obtain land for the purpose of forming a CF. This section simply identifies a potential process for communities to gain access to land adjacent to the community. It is not approved method for CF establishment in the Province, and has not been endorsed or accepted by the Government of Newfoundland and Labrador. It is basically a process suggested by the author based on research of legislation.

In British Columbia, there is a very structured and organized process for communities seeking to manage the resources surrounding their community. There are CFA application requirements which must be met, and these requirements must be documented and submitted as a part of the application process. The application includes information about the proposed CF, including the legal structure, area overview (including maps of the area), management plan, community awareness, involvement and support, and administrative authority and structure. A business plan is also recommended, but is not evaluated by Ministry staff in the application process. Once a CFA application has been submitted, it is reviewed by Ministry staff who may accept, reject, or request changes to the CFA application. During this process, Ministry staff will often engage in discussions with the applicant for the purpose of developing the content of the CFA. During the discussion process, Ministry staff will advise the applicant of the terms and conditions which must be included in the CFA.

If the applicant is successful in the application process, the Ministry will enter into a CFA with the legal entity. In British Columbia, there is a legal document (a CFA) which has been prepared as an agreement between government and the applicant. The CFA can be customized to meet each CF, however each document contains similar information that sets rights, requirements and obligations of the CF under the CFA.

Unlike British Columbia, Newfoundland and Labrador has no process that can be followed for CF's, nor is there any type of CFA that can be entered into. Because of this, the authors conducted research to see how a community interested in managing the resources surrounding the community could fit into current legislation in the Province.

Most communities in Newfoundland and Labrador have access to watershed areas and municipal land surrounding the community. The Municipalities Act gives communities the right for make regulations for the cutting of timber within the catchment area of their watershed, even if this area is outside of the municipal planning boundary.

It is recommended that any community with intentions of forming a CF use municipal and watershed land as the “heart” of their land base. To access additional land, municipalities will need to approach the provincial government or the company currently managing the land base. Section 14 of the Forestry Act states that *Crown timber shall not be cut or removed from Crown lands or public lands except under:*

- a. A Crown timber licence;
- b. A timber sale agreement; or
- c. A cutting permit.

Section 15 of the same Act goes on to say that *“The Minister, with the approval of the Lieutenant-Governor in Council, may issue a Crown timber licence to a person who:*

- a. owns or operates a timber processing facility in the province or who undertakes by agreement with the minister to construct and operate a timber processing facility in the province; and
- b. has entered into a forest management agreement with the minister that has been approved by the Lieutenant-Governor in Council.

Considering Section 15 of the Forestry Act, a community would be required to own or build a timber processing facility in order to seek Crown land on which to operate. Since this may not be a reality for many municipalities, this piece of legislation may need to be changed to accommodate communities who do not own, and have no intentions of building or acquiring a processing facility. To get around this problem, communities could look at partnering with local business to form the CF, or acquiring equipment to process resources.

If considering obtaining access to land which is currently managed under a timber licence (i.e. land managed by CBPPL), the community should approach the company and seek an agreement prior to submitting a plan to the government.

If communities meet the requirements to apply for land, it will be very important to complete preliminary work which could be presented to the Regional Director and District Forester. Since there is no application process that outlines what must be submitted, it is very important that communities document what their intentions are, how it will benefit the community (both economically and socially), how it will benefit the government, what funding resources are available, what in-kind contributions are being contributed, how the community will be involved, etc. A good list of community values is very important at this stage. It would be a good idea for the community to prepare a business plan which can be presented to the Regional Director and District Forester. Also, the community should delineate the land parcel that it is seeking, and get an understanding of any restraints on the land (i.e. like environmental constraints, land ownership, other timber agreements, etc.). At this stage it will be very important for the community to show who is involved. It will need to show a broad coalition of representatives from the community, who represent a variety of values.

When a community has completed its business plan, and identified its values, partners, benefits and objectives, it could submit documentation to the Regional Director and District Forester with a request to access Crown Land. Again, unless the community possess a processing facility, or has partnered with a business that does, the proposal may be rejected because of Section 15 of the Forestry Act. At this stage the Regional Director would have to review the plan with other member of the Natural Resources Department, and give an ok to proceed. If there are no major land issues (i.e. ownership issues, existing timber agreements, etc) within the area being requested for transfer, it is likely that the government will request the community to prepare a forest management plan (FMP) for the land base.

5-Year FMP's are developed within forest management districts (FMD) across the island. These FMP's have to be approved through the environmental assessment (EA) process. An FMP on Crown land near a community would need to be a subset of the existing 5-year plan, or an amendment of it. The community would have to show how the CF FMP fits into the big picture (i.e. the district FMP) otherwise the plan will be required to go through the EA process again for approval. Since there isn't a process for CF's in the province, there is no requirement on the structure of the FMP document. The Department of Natural Resources and Corner Brook Pulp and Paper have agreed on a format, but there are no Crown requirements for an FMP format. It would be advisable for the community to contact the Department or CBPPL, and model the FMP document after those currently prepared for forest operations in the Province.

If the community FMP is approved by the government on Crown land, a timber licence would be granted to the community, or to the legal entity owned by the community, as per Section 15 of the Forestry Act. The community would enter into a forest management agreement (FMA) with the government. If the community is seeking land on company limits, an agreement would have to be reached between the company and the community. The result would likely be that the company agrees to a transfer agreement with the community.

If a community enters into an agreement that allocates land to the CF, all operations and management will be subject to a number of guiding documents and regulations. The CF will be expected to become familiar with all of the legislative and regulatory documents that regulate the forest operations. Some of these documents include the Forestry Act, Environmental Protection Guidelines, Environmental Protection Act, Cutting of Timber Regulations, Directed Sale of Timber Regulations, Forest Fire Regulations, along with some others.

In addition to the FMP, communities may be required to submit annual operating plans (AOP) which outline what the community plans to do each year, and what was completed and achieved in the previous year. On Crown land, annual operations would be reviewed by the District Forester. On company land, these operations would be monitored by the company and by the District Forester.

Proposed Community Forest Structure

Structure: A proposal for a corporation type structure, similar to that of the Revelstoke Community Forest Corporation, seems to be the most realistic option. If the entity is in a combined partnership with various local logging companies or other interested parties, it would provide additional financing, expertise and sharing in the supply of risk in return for a secure timber or non-timber resource supply. Revelstoke Community Forest has an agreement made so that whatever the financial contribution of the 50% partners is, that percentage of AAC is allotted to the company. Another option would be to have a 49% partnership with community members buying shares for a small fee for the additional 51%. This would still give the financial means and expertise of the partnership but allow the community to have majority of the vote to remain in control of the entity.

Community Forest Boards: Options for board structures are endless. The majority of established CF's have chosen a 7 member board which includes representation from community members, the forest sector and from other individuals with technical expertise. The board members serve to make decisions

with the aid of a general manager and technical staff. These members can include loggers, mill workers, conservation society members, First Nations representatives, municipal representatives, economic development corporation representatives, and provincial DNR or industry representatives. Advice gained from research is to limit the board to seven members with four industry/forestry related representatives and three diverse community member representatives.

Forest Size: Research suggests that in order to conduct successful timber business from a CF, forest areas must be in the range of at least 1,000 to 10,000 hectares in size.

Land Tenure: Long term leases on Crown land seem to be the most realistic option for Newfoundland and Labrador. In other parts of Canada, these generally are 25-year term agreements with an initial 5-year probation period in the beginning. The 5-year probationary period is a general time frame for the community forest to “prove” itself before being awarded a longer lease period.

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