Exploring First Nation-held Forest Tenures and Community Forest Enterprises in British Columbia

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### Acronyms

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<th>Description</th>
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<tbody>
<tr>
<td>AAC</td>
<td>Allowable annual cut</td>
</tr>
<tr>
<td>B.C.</td>
<td>British Columbia</td>
</tr>
<tr>
<td>BCCFA</td>
<td>British Columbia Community Forest Association</td>
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<tr>
<td>CCFM</td>
<td>Canadian Council of Forest Ministers</td>
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<tr>
<td>CF</td>
<td>Community forestry</td>
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<tr>
<td>CFA</td>
<td>Community forest agreement</td>
</tr>
<tr>
<td>CFE</td>
<td>Community forest enterprise</td>
</tr>
<tr>
<td>COFI</td>
<td>B.C. Council of Forest Industries</td>
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<tr>
<td>EBM</td>
<td>Ecosystem-based management</td>
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<tr>
<td>EBP</td>
<td>Ecosystem-based Plan</td>
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<tr>
<td>FNFC</td>
<td>B.C. First Nations Forestry Council</td>
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<tr>
<td>FNWL</td>
<td>First Nations Woodland License</td>
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<tr>
<td>FRO</td>
<td>Forest and Range Opportunity</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>INAC</td>
<td>Indigenous and Northern Affairs Canada</td>
</tr>
<tr>
<td>JV</td>
<td>Joint venture</td>
</tr>
<tr>
<td>MFLNRO</td>
<td>Ministry of Forests, Lands, Natural Resource Operations</td>
</tr>
<tr>
<td>MFLNRORD</td>
<td>Ministry of Forests, Lands, Natural Resource Operations &amp; Rural Development</td>
</tr>
<tr>
<td>MOU</td>
<td>Memoranda of understanding</td>
</tr>
<tr>
<td>NAFA</td>
<td>National Aboriginal Forestry Association</td>
</tr>
<tr>
<td>NTFPs</td>
<td>Non-timber forest products</td>
</tr>
<tr>
<td>TRC</td>
<td>Truth and Reconciliation Commission of Canada</td>
</tr>
<tr>
<td>TUS</td>
<td>Traditional Use Study</td>
</tr>
<tr>
<td>WL</td>
<td>Woodlot Licenses</td>
</tr>
<tr>
<td>XCF</td>
<td>Xáxli’p Community Forest</td>
</tr>
<tr>
<td>XCFC</td>
<td>Xáxli’p Community Forest Corporation</td>
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Introduction

Forestry in Canada is dominated by a concession-based system whereby authority to govern and manage forests rests with the provincial government agency in charge of forests (in British Columbia (B.C.), this is the Ministry of Forests, Lands, Natural Resource Operations & Rural Development (MFLNRORD)). The government delegates specific rights and responsibilities for public forestland management to private actors, primarily individuals and vertically-integrated corporations (Ambus 2016; Ambus and Hoberg 2011) through a complex system of long-term (25 to 99 years) forestry licenses collectively called forest tenure (Furness et al., 2015). Over a dozen types of forest tenures are legislated in B.C. alone, each with its own unique set of characteristics (Benner et al., 2015). The forest tenure system\(^1\) outlines the obligation to prepare forest management plans, pay timber fees (also known as ‘stumpage’ or taxes) when timber is harvested, and manage non-timber forest products (NTFPs) among other things (Furness et al., 2015). The type of industrial forestry practiced in Canada and B.C. is characterized by its high-volume, low-value-added, export-oriented production, large-scale clearcuts, and prevailing assumption that old-growth forests would be gradually logged and replaced with more quickly growing second-growth forests (McCarthy 2006). 65,000 people were directly employed in B.C.’s forest sector in 2015 (Statistics Canada 2015), which contributed $12 billion to the provincial GDP. Another 82,000 jobs are estimated to be indirectly tied to the industry (COFI 2017).

This same model of industrial forestry has discounted the role of Indigenous people in forest governance in Canada and B.C. (Beaudoin et al., 2015). B.C. is home to 198 First Nations, about one-third of the national total (INAC 2010), and an Indigenous population surpassing 232,000, of which 155,020 are First Nations people, 69,470 Métis and 1,570 Inuit (see Box 1) (Statistics Canada 2016). The majority of forest land (94% in Canada, 96% in B.C.) is publicly owned and managed by the federal, provincial and territorial governments (NAFA 2015; Natural Resources Canada 2017). Indigenous communities own or control approximately 6 million hectares of forested lands\(^2\) across Canada (CCFM 2007), and around 198,000 hectares of B.C.’s 52 million hectares of timber-productive lands are Indigenous forestlands\(^3\) (Wyatt et al., 2010; NAFA 2015). Despite the extent of forest lands in Canada and B.C., Indigenous communities are considered socio-economically marginalized, with those in forested regions suffering lower incomes and rates of employment than the nation as a whole (Parlee 2015, Gysbers and Lee 2003).

Over the last three decades, Indigenous involvement in Canada’s forest sector has changed; Indigenous peoples have moved from near exclusion to assume an ever-expanding role in the harvesting and management of Canada’s forested landscapes (Wyatt et al., 2013). There are a number of important reasons that Indigenous participation in the forestry sector is warranted. Not the least of these, Indigenous title and rights have not been extinguished for most B.C. First Nations,\(^1\)

\(^1\) Some tenures date back to the 19th century.
\(^2\) Both on and off reserve.
\(^3\) Mainly reserves.
and have been acknowledged within Canada's Constitution and upheld in Canada's Supreme Court (Diver 2016) (see Box 2). Most of Canada's Indigenous communities are located within commercial forestry zones, therefore, forests represent a strategic means of development for these communities while increasing Indigenous participation could lead to a better forest stewardship and alternative forest practices (Beaudoin 2012). Indeed, Canadian provincial and federal governments have agreed that the participation of Indigenous people is both a prerequisite for sustainable forestry (CCFM 2006) and a means to building stronger Indigenous communities (CCFM 2007).

**Box 1. Indigenous title, rights, recognition and reconciliation in Canada**

Canada has recently embraced the use of the term Indigenous when referring to the original inhabitants of the land. However, the term Aboriginal is still widely used, particularly in government documents preceding 2016. Throughout this report, the term Indigenous is used for consistency; if a source document used the term "Aboriginal", it has been replaced with the term "Indigenous". While we refer to Indigenous people when speaking about Canada, we use the specific term “First Nation(s)” in regard to B.C. First Peoples.

Excerpt from **Indigenous vs Aboriginal: Which is Correct?** By: Bob Joseph (2016)
https://www.ictinc.ca/blog/indigenous-or-aboriginal-which-is-correct

"A collective noun for the original inhabitants of Canada has been a challenge ever since Christopher Columbus arrived in 1492. Believing he had landed in India, it followed that the existing population would be referred to as "Indians." Despite it being blatantly incorrect, it became the de facto collective noun. Initially "Indians" included First Nations, Inuit and Métis.

Usage of the word Indian in Canada is decreasing due to its incorrect origin and connections to colonizer policies and departments such as the Indian Act, the Indian Department (precursor to Indigenous and Northern Affairs Canada), Indian Agent, Indian residential schools etc. Some individuals still refer to themselves as Indians, but in terms of a collective noun, it is rarely used.

Aboriginal Peoples moved into popularity as the correct collective noun for First Nations, Inuit and Métis and was widely adopted by government and many national groups. This distinction was made legal in 1982 when the Constitution Act came into being. Section 35 (2) of the Act states, “Aboriginal peoples of Canada” includes the Indian, Inuit and Métis peoples of Canada.

Aboriginal Peoples was a fresh step, although there was resistance to its use from some groups.

And now the federal government has moved to embrace Indigenous and all of its legal ramifications. By recognizing First Nations, Inuit and Métis as Indigenous Peoples, the government is acknowledging their internationally legal right to offer or withhold consent to development under the United Nations Declaration of the Rights of Indigenous Peoples.”
Box 2. What’s the difference? Indigenous vs Aboriginal Peoples in Canada

The policy and legislative context regarding Indigenous rights and title across Canada is a highly complex environment. The federal government has a key role in controlling and directing issues related to Indigenous peoples (provincial and territorial governments also have obligations), while the management and use of forests in Canada is primarily a provincial responsibility (Wyatt et al., 2010). In Canada, Indigenous rights refer to practices, traditions and customs practised prior to European contact that distinguish the unique culture of Indigenous people (CCFM 2007). Treaty rights refer to rights that are set out and defined in a specific treaty (CCFM 2007). While Indigenous and treaty rights are constitutionally recognized and affirmed under section 35 of the Constitution Act, 1982 (Diver 2016), Indigenous rights and title are still subject to ongoing definition based on treaties (the earliest signed in the 1700s and the most recent since 2000), Supreme Court decisions and government policies (Fortier et al., 2013). Canadian courts continue to affirm that the Crown has a duty to consult with Indigenous people where its actions may adversely affect an established or asserted Indigenous or treaty right. Land claims are a particularly salient issue in B.C. as most of the province was not included in historical treaty-making processes (Wyatt et al., 2010). This means that the province now faces very complex issues around Indigenous title and rights, and current legal interpretations of Indigenous title and rights have generated important questions about land ownership (Diver 2016).

Canada is in a time of transition and reconciliation with Indigenous peoples. In 2009, the Truth and Reconciliation Commission (TRC) of Canada began a multi-year process to document the truth of survivors, families, communities and anyone personally affected by the Indian Residential School experience. At the time of writing, Canada was celebrating its 150th birthday, which was widely publicized across the country as Canada150. Canada150+ was a project based in Vancouver, B.C. which aimed to acknowledge the Indigenous peoples who have been on the land since time immemorial, and bring attention to their history that predates colonization. Jody Wilson-Raybould, the Minister of Justice and Attorney-General of Canada and a member of the Kwakwaka’wakw First Nation, notes that before reconciliation can occur, there must be recognition:

... recognition must occur before reconciliation can begin to manifest itself fully in all our lives and relationships... many aspects of formal relations between Indigenous peoples and the Crown remain based on “denial.” For example, Indigenous peoples have to prove their rights in court even though they are recognized by section 35 of Canada's Constitution. For government to simply say to Indigenous peoples “let’s reconcile” while demanding that rights are only relevant if proven in court, or may be recognized at the end of a protracted negotiation, is not a true starting point for reconciliation and impedes progress. Similarly, reconciliation cannot emerge without undoing colonial laws and legacies that are based on denial. For reconciliation to fully manifest itself in Canada, denial must be ended in all of its aspects, and recognition must become the foundation of relations. This is ultimately how the lives of Indigenous peoples will be improved... To inaugurate the shift to recognition, our government endorsed the United Nations Declaration on the Rights of Indigenous Peoples without qualification. Next, our Prime Minister created a centralized mechanism – a Working Group of Ministers – to work with Indigenous peoples to decolonize federal laws, policies and operational practices, and to ensure that all aspects of Canada's relationship with Indigenous peoples become rooted in recognition of rights... to guide our work we released 10 principles – Principles Respecting Canada’s
Demand for alternative management approaches by forest-dependent communities has increased over the past few decades (Gunter and Mulkey 2012). First Nations in B.C. have been calling for many years for a reallocation of decision-making control over land away from timber companies (Clogg 2003). This has provided an important impetus for establishing community forests in Canada. Community forestry (CF) has been linked to public dissatisfaction with the legacy of top-down and centralized management (Teitelbaum 2014), and a lack of economic, social and cultural benefits being returned to local communities. By extension, community forest enterprises (CFEs) – a commercial orientation of CF combining management and trade of forest products (Wiersum et al., 2013) – are also looked upon to provide profits from a wide range of forest-linked activities (e.g. ecotourism, carbon) (Tomaselli and Hajjar 2011). The purpose of this report is to situate existing knowledge on First Nation-held forestry tenures and CFEs in B.C. within a broader discussion about Indigenous and non-Indigenous CFs in Canada. This report provides the following:

1. A brief characterization of Indigenous forestry partnerships across Canada;
2. A description of the two most common First Nation-held forest tenures within B.C.: the First Nations Woodland License (FNWL) and the community forest agreement (CFA);
3. An assessment of challenges and constraints facing First Nation-led CFEs in B.C.;
4. An assessment of key enabling conditions in First Nation-led CFEs in B.C.; and
5. Recommendations to enable Indigenous communities, policy makers, the private sector and supporting institutions to strengthen the business proposition of Indigenous-led CFEs in B.C. and elsewhere in Canada.

Characterizing Indigenous forestry partnerships across Canada

Indigenous involvement in Canada’s forest sector takes a variety of forms, with Indigenous governments acting autonomously on behalf of their own communities, in collaboration with other Indigenous groups (i.e., tribal councils) or in concert with government agencies, forestry companies or other actors (Wyatt et al., 2013). Those involved in collaborative approaches to forest management have diverse and often distinct motivations for engaging. Indigenous communities may be motivated to influence industrial forest activities, receive economic benefits from the harvesting of timber on their traditional lands, develop operational and institutional capacities, achieve empowerment and self-determination, exercise rights and responsibilities over forestlands and gain access to secure forest tenures (Hickey and Nelson 2005; Wyatt et al., 2010). The forest industry may support Indigenous communities’ involvement as they face an increasing shortage of...
skilled workers and see the Indigenous population as critical for meeting workforce demands (Beaudoin 2012). Industry may also see these as broader opportunities to establish harmonious relations with local communities, to secure access to timber and avoid conflicts in areas where blockades and boycotts had made industrial logging politically impossible, demonstrate corporate social responsibility, comply with government regulations and policies and even increase their access to wood by securing formal rights-of-first refusal for timber being sold from particular community forests (McCarty 2006; Wyatt et al., 2010). Governments strive to maintain a globally competitive forest industry to generate government revenues, thus needing to sustain employment while promoting sustainable forest management and balancing demands on forestlands to avoid conflicts, all the while complying with constitutional obligations to recognize and affirm Indigenous and treaty rights (Wyatt et al., 2010). Environmentalists see community-based forestry approaches as more environmentally benign that industrial-scale logging (Ambus 2016).

Collectively, Indigenous communities in Canada hold approximately 10.4% of the national wood supply, an increase of 7.5 million m³ or 64% in volume since about 2007 (NAFA 2015). First Nation-held forest tenures in B.C. totalled about 7.6 million m³ in 2016, representing 10% of the provincial total (MFLNRO 2016)5. Five main types of collaboration between Indigenous peoples and the Canadian forest sector have been identified (Wyatt et al., 2013; Fortier et al., 2013). These include treaties, agreements and memoranda of understanding (MOU) which provide the frameworks within which other collaborative arrangements may be carried out; involvement in forestland planning, management and land use studies; influence on forest management decision-making; Indigenous-held forest tenures; and other economic roles and activities such as businesses and partnerships (Table 1). Box 3 presents a typology of the economic roles and partnerships (Table 1, category 5) most commonly taken up by Indigenous communities involved in forestry.

Table 1. Classification of collaborative approaches involving Indigenous peoples in the Canadian forest sector (Wyatt et al., 2013; Fortier et al., 2013)

<table>
<thead>
<tr>
<th>Collaborative Approaches</th>
<th>Description</th>
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<tbody>
<tr>
<td>Treaties, agreements and memoranda of understanding (MOUs)</td>
<td>Treaties, agreements and MOUs are used to establish the formal framework for relations between Indigenous peoples, governments (federal and provincial) and companies, clarifying the rights of each party and establishing how they will work together.</td>
</tr>
<tr>
<td>Indigenous involvement in forestland planning, management and land use studies</td>
<td>Most forestlands in Canada are managed by governments or private companies and so Indigenous people have negotiated a variety of ways to engage in management. The degree of control that Indigenous peoples may exercise over forest management activities varies from full Indigenous management (which is very rare) to little or no management responsibilities (e.g., Indigenous land use and occupancy studies).</td>
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4 Approximately 19 million m³
5 Of which 3.1 million m³ were competitively awarded and just under 4.97 million m³ were directly awarded.
### Influence on forest management decision-making

Indigenous influence on decision-making, also referred to as “consultation” or “participation”, is becoming increasingly common in Canada and can occur in a wide variety of ways (e.g.: co-management boards, advisory groups, etc.). This approach assumes that governments and/or companies remain responsible for managing forestlands. The key element is the amount of influence that an Indigenous community has on decisions. This ranges from full decision-making authority to providing information without much decision-making influence.

### Indigenous-held forest tenures

Tenure systems operate within the legal frameworks of government responsibility for natural resources. Indigenous-held forest tenures refer to licences and permits that governments grant to Indigenous communities and organizations that seek to obtain harvesting rights or forestlands management responsibilities. Forest tenures are primarily for timber harvesting, but other purposes could include non-timber forest products or carbon offsets.

### Economic roles and partnerships

For many Indigenous peoples, the forest sector provides opportunities for income (for individuals and for the community), economic development, political autonomy, employment, partnerships and the ability to manage forestlands. It includes joint-venture as well as contractual relationships between aboriginal and non-aboriginal companies.

### Box 3. A typology of the economic roles and partnerships most commonly taken up by Indigenous communities involved in forestry (Wyatt et al., 2013)

Wyatt et al. (2013) provide a useful typology of the common types of opportunities under which Indigenous communities can gain income (for individuals and for the community), economic development, political autonomy, employment and the ability to manage forestlands. Their classification is based primarily upon the type of activity undertaken (which affects the human, financial and material resources needed), with a secondary consideration of the form that the arrangement takes.

- **Primary and secondary transformation** covers industrial facilities to transform forest resources, such as sawmills, paper mills, value-added products and non-timber products;
- **Forest planning activities** include specialist management services, usually under contract, such as inventories, planning and community assessments;
- **Harvesting and management operations** include road construction, logging and monitoring, usually under contract and often requiring significant financial resources;
- **Silviculture, protection and industry service operations** such as planting, thinning, reclamation, fire-fighting, mechanical services or camp operation are typically labour intensive requiring some skills and experience;
- **Employment and training agreements** may be signed between communities and companies or agencies to employ Aboriginal individuals or to provide training;
Revenue sharing, access and compensation agreements provide financial transfers from government or companies associated with access to resources or as compensation for impacts;

Non-timber forest products could include eco-tourism, carbon credits/offsets, environmental service payments and the commercialization of non-timber products.

The authors note that Indigenous businesses can adopt a variety of different structures, each with particular characteristics of ownership, legal structure, financial and managerial resources and distribution of benefits. Nation or community-owned non-profits distribute benefits to an Indigenous community. Indigenous businesses, partnerships and cooperatives emphasise commercial returns and may be individually or collectively owned and controlled. Joint ventures usually link Indigenous and non-Indigenous enterprises with control determined by relative shareholdings.

A recent examination of collaborative arrangements between Indigenous peoples and the forest sector across Canada identified 1,378 arrangements in 474 Indigenous communities and found that most Indigenous communities are engaged in more than one form of collaboration (Fortier et al., 2013). Multiple collaborations were most common in B.C., with 68% of communities adopting at least three approaches (Fortier et al., 2013). The simplest and most common arrangements occur when First Nations forest companies subcontract for larger companies which, while enabling the First Nations community to develop technical and management skills, rarely results in influencing decision making (Wyatt 2008). Yet, the Essipit Innu First Nation in Quebec did gain authority over forest management decisions by creating a partnership with a forest company (Beaudoin et al., 2015). There are over one hundred community forest initiatives currently taking place on public land, mainly in the Canadian provinces of Ontario, Quebec, and B.C. (Teitelbaum et al., 2006). Ontario is modernizing its forest tenure system in part to provide Indigenous and local communities with a greater say in forest management and to foster more meaningful partnerships with these communities. The two most common forms of First Nation-held tenures in B.C. are First Nations Woodland Licenses (FNWLs) and Community Forest Agreements (CFAs) (Table 1, category 4).

First Nation-held forest tenures in British Columbia: FNWLs and CFAs

The CF concept is not well defined in the Global North, nor has it been implemented to the extent it has been in the Global South (Teitelbaum 2016). In Canada, community forestry describes a public forest area managed as a working forest by the community for the benefit of the community (Teitelbaum 2016). Likewise in B.C., it is taken to mean any forestry operation managed by a local government, community group, First Nation or community-held corporation for the benefit of the entire community (BCCFA 2017). Broadly speaking, CF in B.C. is characterized by a large surface area, abundant expertise and training in the management of forests, the procurement of efficient equipment and machinery and healthy customer relationships and distribution channels for forest products (Alemagi 2010).
The objectives for CF in B.C. have been distilled into the following: (1) social benefits including community involvement and participatory governance; (2) local economic benefits, diversification and innovation; and (3) environmental stewardship and management of the forest for multiple values (Teitelbaum 2014; Furness et al., 2015). The provincial government's own ambitious goals for CFAs also include promoting communication and strengthening relationships between Indigenous and non-Indigenous communities/persons, fostering innovation and advocating forest worker safety (BCCFA 2017). The remainder of this section explores the two common forms of First Nation-held tenures in B.C. – First Nations Woodland Licenses (FNWLs) and community forest agreements (CFAs).

**First Nations Woodland Licenses (FNWLs)**

The creation of FNWLs arose out of a 2009 provincial government report that noted the need to “…create more long term, area-based forest tenures that are of an economically viable size and create legislation for a First Nations forest tenure” (NAFA 2015). The FNWLs are an area-based, long-term tenure with a term of 25 to 99 years, replaceable every 10 years (NAFA 2015), recognizing First Nations’ asserted interests in the land and resources, including the protection of traditional use practices and the harvest and management of NTFPs (MFLNRO 2016). The FNWL allows licensees to harvest NTFPs (e.g. mushrooms, evergreen boughs), and to manage and charge fees for botanical forest products (NAFA 2015). The basic stewardship responsibilities of other area-based tenures⁶ are included in the FNWL, with license holders required to produce a management plan, including inventories and allowable annual cut (AAC), as well as cultural heritage resource management plans (NAFA 2015).

The FNWL supports First Nations to have an increased role in forest stewardship, to protect traditional uses, and to improve their ability to secure investment and loans (Goddard 2015). FNWL holders pay stumpage based on market rates, however a portion of the paid stumpage can be shared through a revenue sharing agreement, and there are no annual rents charged to the tenure holder (NAFA 2015; MFLNRO 2016). By 2015, there were only two FNWLs with a total allocation of 90,000 m³ (NAFA 2015)⁷. However, by the time this report went to press (in late 2017), there were nine FNWLs and several others were under negotiation. Because First Nations were originally awarded volume-based tenures that are being transitioned to the area-based FNWLs, this, to some extent, could explain the slower uptake.

⁶ Such as CFAs, Woodlot Licenses (WL) and Tree Farm Licenses (TFL).
⁷ Both of these contained objectives to maintain cultural heritage. For the Huu-ay-aht First Nation, this includes monumental western red cedar or cypress for making paddles, masks, totems, canoes and other traditional use items, and for the Canim Lake Band this includes maintaining access to resources for cultural, sustenance, community and commercial use instead of solely protecting past use (Goddard 2015).
Community Forest Agreements (CFAs)

B.C.’s CFA program began as a pilot in 1998, though its origins can be traced back to the mid-19th century. In simple terms, the province launched the *Forest Revitalization Plan* in 2003 which reallocated some harvesting rights from the major industrial tenures (amounting to 1.2 million m$^3$, or about 20% of the province’s volume) to more locally based tenures such as Community Forest Agreements (CFAs), Woodlot Licenses (WLs), and tenures held by First Nations (Bullock and Hanna 2008; Assuah 2015; Benner et al., 2015; Goddard 2015). The full evolution of CF in B.C. has been described elsewhere (see, for example, Pinkerton et al., 2008; Alemagi 2010; Ambus and Hoberg 2011; Bixler 2014; Furness et al., 2015; Ambus 2016). There are 57 community forests distributed widely around the province, and two-thirds of these are members of the B.C. Community Forest Association (BCCFA), an organization promoting and supporting the practice and expansion of sustainable community forest management in B.C. (BCCFA 2017).

CFAs are an area-based tenure, giving the licensee exclusive rights to harvest timber within a particular area (Furness et al., 2015; Diver 2016). They range in size from 361 to 160,000 hectares, with annual harvest levels from 860 m$^3$ to 200,000 m$^3$, are granted for a period of 25 years, replaceable every 10 years (BCCFA 2017), and may be competitively or directly awarded (NAFA 2015). CFAs are treated differently from other licenses in the province’s stumpage regime. While they are required to pay annual land rent and stumpage (timber royalties) to the government for the volumes they harvest, an alternative arrangement implemented for CFAs as per the appraisal manual (policy) was reduced stumpage payments. For First Nations, CFAs also offer the promise of immediate jobs and revenues from nearby forests, whereas treaty negotiations are likely to take many years (McCarthy 2006).

CFAs are granted to a local government, an Indian Band (as defined under the Canada Indian Act), or a society, cooperative, partnership or corporation that is community controlled and representative of community interests (BCCFA 2017; Alemagi 2010). While they explicitly require that the tenure holder be community-based, no particular institutional model is prescribed (Ambus 2016). CFAs only represent approximately 2% of the provincial annual harvest (Benner et al., 2015; BCCFA 2017), a small amount compared to the full extent of First Nations traditional territories and community aspirations (Clogg 2003). In 2011, the three most common governance structures (listed in descending order) were municipally-owned corporations, First Nations governments and societies (Pinkerton 2017). As of June 2017, 46% (25/54) of operating CFAs were completely or partially governed by First Nations; of these, 19% of CFAs were held by First Nations, and the remaining 27% were partnerships between First Nations and others (Pinkerton 2017). About one-half (49%) of CFAs had First Nations representation on their boards of directors (BCCFA 2017). CFAs are looked upon favourably by communities throughout B.C. and allocating more public forestlands to CFAs well beyond the current 2% of provincial harvesting rights would likely prove to be a popular policy in many communities throughout B.C. (Benner et al., 2015).

CFA holders are responsible for completing management plans, conducting timber supply analysis, enhancing timber production through silvicultural techniques (e.g., replanting, thinning, etc.),
regulating logging activity within the boundary of the CFA, and have exclusive rights to timber in the CFA area (Pinkerton et al., 2008; Furness et al., 2015). CFA holders must meet the same environmental standards as other timber holders (Ambus 2016), however unlike other tenures, these licenses also provide some (non-exclusive) rights to harvest, manage and charge for botanical and other NTFPs (Furness et al., 2015; Ambus 2016). Like any other Crown tenure holder, a CFA does not include the rights of alienation (selling or leasing). While CFA holders do have some flexibility to decide how they will fulfill the management objectives defined by government (Ambus and Hoberg 2011), collectively their efforts support the provincial government’s goals (BCCFA 2017). The province determines how much can be harvested sustainably (an upper limit) (Pinkerton et al., 2008; Furness et al., 2015), and fulfillment of these objectives must occur “without unduly reducing the supply of timber from British Columbia’s forests” (Ambus and Hoberg 2011). In practice, the licensee submits a proposed AAC as part of a management plan, which is then reviewed by the district or regional manager who sets the AAC (often by accepting the AAC suggested in the community’s management plan).

Challenges and constraints facing community forestry

Community forest initiatives reflect the heterogeneity of the communities and environments in which they are situated (Agrawal et al., 2008), and this holds true in Canada and B.C. There is little uniformity among community forests in B.C., each having evolved autonomously to meet the particular needs of their respective community (Furness et al., 2015). The intent in this section then is not to evaluate case study community forests against a prescriptive set of criteria and indicators (indeed, this has been done elsewhere). Instead, the aim is to highlight the most common challenges and constraints facing community forest tenures in B.C. under three categories: (1) social benefits including community involvement and participatory governance; (2) local economic benefits, diversification and innovation; and (3) ecological stewardship and management of the forest for multiple values (Teitelbaum 2014; Furness et al., 2015). These three categories are not to be considered mutually exclusive as they interact with, and influence, each other.

Challenges to obtaining social benefits

A common critique in the broad literature on community-based natural resource management in general, and CF specifically, is that of decentralization versus devolution (sensu Berkes 2010). Devolution denotes a redistribution of power and authority to local groups and organizations, whereas decentralization refers to the transfer of power from central to lower branches of the same governing authority (Bixler 2014). The tendency of the State is to retain its authority rather than relinquish it to communities, especially for activities with revenue-generating potential, and despite the aspirations of local communities for greater devolution (Teitelbaum 2014; Beaudoin et al., 2015).
Participatory governance ensures that local people have the opportunity to meaningfully participate in decision-making concerning forests in their region (Teitelbaum 2016). However, the regulatory environment for CF in B.C. has been criticized for foregoing participatory governance while allowing controlled community participation, that is, for favouring decentralization over true devolution. Community forestry in B.C. has been considered an ongoing experiment in constrained devolution of forest management to a local level, where the government maintains a “gatekeeper” role rather than acting as a facilitator of change (Bullock et al., 2009; Ambus and Hoberg 2011; Ambus 2016). This system is has been accused of maintaining the status quo, bringing only very minor changes to the tenure system by simply expanding the list of eligible tenure holders to include communities and First Nations, making communities de facto junior partners in the established management system, while securing the Ministry as the locus of forest governance (McCarthy 2006; Pinkerton et al., 2008; Bullock et al., 2009; Ambus and Hoberg 2011). Indeed, the CF system has even been accused of being more akin to “local industrial forestry” than to the broader definitions of CF identified in the academic literature (Reed and McIlveen 2006).

Two challenges confront community participation in B.C.’s community forests. First, achieving the right level and kind of public participation is a tricky balance. Within the mandate of a community forest, ensuring ongoing, representative and collaborative participation has proven challenging and requires sustained effort (Furness et al., 2015). Long periods of negotiation and communication are often required to generate consensus between diverse community interests (Bullock et al., 2009). Some processes have increased tensions between traditionally divided groups, attempting to come to agreement about a resource they previously had no access to or responsibility for (Furness et al., 2015). There is a certain irony in introducing collaborative management and mechanisms to encourage broad public involvement in forest management, only to find that multiple stakeholder involvement actually creates more conflict (Bullock and Hanna 2008). On the other hand, a homogeneity of interests emerging between long-standing and committed members of a community forest can happen at the expense of excluding certain interests, norms and values (Reed and McIlveen 2006).

The second challenge has to do with the capacity of a CFE to adequately manage a community forest. In many cases, the degree of authority that is devolved to communities in B.C. is largely restricted to operational decisions affecting timber harvesting and forest management planning, while strategic decisions are largely predetermined by the government (Ambus and Hoberg 2011). Similar situations have been observed with First Nations elsewhere in Canada (Beaudoin et al., 2015). Yet concerns have been raised as to whether many CFEs have the skill sets to make their plans a reality (Bullock et al., 2009; Furness et al., 2015). The make-up of a management board (e.g., those with formal business experience versus those without), not to mention the board’s gender and cultural representativeness, can determine whether it has the appropriate expertise and leadership skills (Reed and McIlveen 2006). While operating community forests could build local management capacity (e.g., skills) that will be needed after treaties return more land to First Nations’ control (McCarthy 2006), at present many First Nations lack the capacity to manage their licenses and risk making decisions that do not reflect the broader and best interests of the community.
Community forestry and cultural autonomy in Indigenous communities

For First Nations communities in B.C., a lack of clear title and tenure rights is a major inhibitor to progress (McRae, pers. comm). It is of paramount importance to First Nations, and First Nations’ involvement in CF initiatives reveals specific challenges, namely whether community forests can and should be used as a route toward greater self-determination and self-governance. The broader critical scholarship on Indigenous self-government implicitly downplays the very real efforts, sheer political tenacity and successes of Indigenous communities in transforming unequal relations of power in ways that improve their situation (Salee and Levesque 2010). Many First Nations communities have a common desire to be self-reliant, self-directed, with a perceived need to be proactive rather than always responding to the plans of industry and government (Bullock et al., 2009). This impetus for control comes from 100 years of state and industry control over forest lands and policy, and the perceived neglect of the interests of First Nations in B.C. (Bullock and Hanna 2008). First Nations’ range of values and aspirations for land have often gone unrecognized and unincorporated within conventional resource management activities (Booth and Muir, 2013). Therefore, cultural autonomy is a key local benefit motivating First Nations to pursue CFAs (Pinkerton 1999), and politically, CFAs have been a route toward First Nations regaining some control over forests in their historical territories (McCarthy 2006; Diver 2016).

While providing First Nations an opportunity to engage more fully in the forestry sector, First Nations in B.C. have not pursued CFAs as enthusiastically as non-Aboriginal groups (Furness et al., 2015; Pinkerton 2017). This may be due to a combination of institutional and cultural barriers, as well as ongoing wider legal issues concerning treaty negotiations (Furness et al., 2015). First Nations are more actively involved in co-management or joint venture agreements with forest industries and provincial governments (Booth and Muir, 2013). The unresolved nature of Indigenous rights and title over public forest lands is an issue of critical importance, pointing to a need for a radical redefinition of relationships between governments and Indigenous peoples in B.C. (Teitelbaum 2016). The B.C. government has adopted a policy of consultation and accommodation of First Nations’ interests when forestry (or other development activities) may impact their territories (Diver 2016). Some caution that the CFA and land claims processes should remain separate so the far more comprehensive territorial authority at stake in treaty negotiations does not become diluted by CFAs which result in the ultimate authority over forests staying in the hands of the provincial government (McCarthy 2006). However, the experiences of the Likely/Xat’sull Community Forest demonstrate that it was precisely their open and communicative partnership with the non-First Nation community of Likely that enabled the Xat’sull to

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8 See Stevenson and Perreault (2008) for a cogent discussion of “whose” capacity is being built and for “what” purpose in natural resource management contexts.
participate in proposing the community forest as many of their members were already busy with treaty negotiations and developing a Xat'sull Land Use Plan (Robinson 2010).

**Challenges to obtaining local economic benefits, diversification and innovation**

Community forestry in a developed country context is commonly expected to lead to enhanced local economic benefits. The rationale is that keeping the wealth generated by forests in the local area creates new opportunities, which in turn contribute to local community revitalization (Teitelbaum 2016). These benefits tend to be characterized in terms of jobs, wood processing opportunities, value-added processing and the reinvestments of profits in community services and infrastructures (Teitelbaum 2014). Yet, a survey of 38 active CFEs in B.C. found that just over half are struggling to remain economically viable, and the direct employment benefits are small with 15 CFEs employing no permanent staff and the remaining CFEs employing a mean of 3.5 people (Furness et al., 2015). Many First Nations have not realized the full economic benefit of CFAs as they are harvesting only a small portion of the AAC that has been allotted (SR Management Services Ltd., 2010). Timber harvested under a CFA was originally charged the same tax rate as that harvested under commercial tenures. This was lowered as communities argued that their small scale increased the cost of operations and that they could not be viable at the higher rates (Furness et al., 2015).

Economic diversification within community forestry is often discussed but difficult to achieve (Furness et al., 2015). While there may be a desire to do things differently, the existing policy and market environments in B.C. are limiting. Community forests face unique challenges related to the small size of their operations (Ambus 2016), and there appears to be a lack of a strategic direction in terms of CF and its focus on timber harvesting (McRae, pers. comm). This may be due to how CF fits into the province’s commodity-focused, oligopolistic structure (Pinkerton et al., 2008). Provincial policy has focused on managing the forest and maximizing timber harvests, not optimizing the community forest as a business (Furness et al., 2015; McRae, pers. comm.). Firms have been focused on commodity production, maintaining volume to remain competitive, and controlling costs (Furness et al., 2015). Most CFEs in B.C. are dependent on timber harvesting and selling raw logs; of 38 CFEs studied by Furness et al. (2015), only two had developed value-added manufacturing, eight had more than one source of revenue from their tenure, while the remaining thirty relied solely on harvesting trees to be sold on the log market.

The focus on timber, combined with the high costs associated with timber harvesting, mean that many community forests, including Indigenous-led ones, rely on contract loggers for timber harvesting. This leaves them vulnerable on three fronts. First, it is contractors who often put up much of the capital required to build roads and handle the transportation of raw logs, meaning that First Nations do not have capital in the supply chain. This results in the prices for logs being too low and leaves First Nations with little choice but to accept being in the position of a “price taker” (Manhas, pers. comm.). Second, many contractors reportedly “high grade”, that is, log the high value species (e.g., Western Red Cedar, Douglas Fir) and leave behind the less valuable species (e.g.,

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9 In total, 38 CFEs employed 78 permanent staff province wide.
Western Hemlock). Third, an important opportunity for Indigenous branding by First Nations is lost when they use an outside contract logger. First Nations tend not to keep ownership of the logs, and with no/little sawmilling or processing capacity, the logs cannot be branded as have coming from Indigenous lands (Gaston, pers. comm.) 10. CFAs have also generally been unable to diversify to sell botanical plants, mill timber, or generate revenue from outdoor recreation, carbon offsets, or biofuels (Furness et al., 2015). Given their small scale, it is unclear whether community forests have the necessary economies of scale to produce more than basic commodity products and to develop secondary, “value-added” manufacturing capacity (Ambus and Hoberg 2011).

Small-scale and CF may ultimately be seen to conflict with the values and practices of senior government, professional (technical) forestry schools and industry that has long controlled forestry in B.C. (Bullock et al., 2009: 300). CFAs are a nested part of the broader provincial forest industry (indeed, the global political economy), meaning their fortunes are influenced by the major licensees’ influence on market prices and control over purchasing policies (Ambus 2016). Some community forests have been instructed – by the sawmills which will purchase their wood or by the forester who is trained in commodity forestry – on how to cut and process logs in a certain way. In efforts to scale-up their operations, to obtain better prices for the volume of timber sold and create more local jobs, some CFs have considered establishing their own sawmill to enable them to sell timber directly to customers rather than to log markets (Furness et al., 2015). In doing so, communities would then face a dilemma: support local businesses at a non-competitive price or face higher transportation costs to get more competitive prices (Pinkerton et al., 2008). Manufacturing timber locally to support local employment may not maximize direct timber revenue if the variety or capacity of local mills is limited, while maximizing direct timber revenue may require logs to be marketed outside the community thereby decreasing opportunities for local manufacturing jobs (Benner et al., 2015). Some CFs reported that they would be blacklisted from selling logs to large mills if they attempted to diversify their fibre flows and sell to multiple manufacturers (Benner et al., 2015). Added to this challenge, consolidation within the forestry sector has reduced the number of potential buyers, further affecting market opportunities (Furness et al., 2015).

**Challenges to ecological stewardship and managing the forest for multiple values**

Community forestry is in many respects a reaction to the forestry practices of industrial forestry (Teitelbaum 2016). In Canada, CF is particularly well suited to developing a multi-use approach to provide more than one of the following objectives: fish and wildlife, wood products, recreation, aesthetics, grazing, watershed protection and historical or scientific value (Teitelbaum 2014). The intent with a multi-use approach is to provide diversified income streams and employment beyond direct economic benefits from harvesting timber (Furness et al., 2015). In B.C., commercially valued NTFPs include berries, mushrooms, medicinal plants, decorative greens and recreation/tourism utilization (Pinkerton et al., 2008). While CFAs can grant rights to manage and charge fees for the harvest of NTFPs, they cannot exclude other NTFP harvesters from physical entry (Pinkerton et al.,

10 An excellent example of Indigenous branding is Taan Forest on Haida Gwaii, BC.
NTFPs are generally treated as open-access resources as the provincial government has yet to develop a comprehensive regulatory system for them (Ambus and Hoberg 2011).

Ecological stewardship can be an important goal of CFEs. In B.C., a survey of BCCFA member organizations found that 43% of the landbase of the reporting community forests was deemed sensitive, and 40% of community forests made investments in forest stewardship, averaging $108,000 per investment and treating 4,500 ha each (BCCFA 2017). Yet, CFEs can be challenged by how they approach the management of ecological values, by the existing state of the forestlands they have been given tenure over, or both. Some CFAs have gone to great lengths to adopt alternative forest management approaches, such as prioritizing watershed protection over economic values, however these may be the exception rather than the rule (Ambus 2016). Practising ecosystem-based management (EBM) means that some CFEs have faced very high stumpage fees because of the higher costs associated with alternative management practices (e.g., partial cutting, less road-building) (Bullock et al., 2009). In practice, these activities are supposed to factor into the provincial stumpage framework, but there are questions about whether small CFEs have, or can afford, the expertise required to adequately practice EBM in a way that takes advantage of the provincial stumpage framework (e.g., can build roads in an ecologically sound manner while also reducing their stumpage). This puts First Nations at a loss in playing what has been referred to as “the stumpage game” (Manhas, pers. comm.). For other CFEs, their sites have been previously logged, and the timber profile of the sites means that easily accessible stands of timber have already been removed. Thus, there is an insufficient supply of good quality timber and, while EBM techniques will eventually restore a forest, this will require initial sacrifice to do so and communities may need to subsidize costs through donations, grants, government programs or other sources (Bullock et al., 2009; Diver 2016).

These types of challenges have led some to question whether communities have the capacity to address landscape-level environmental issues such as biodiversity loss or climate change (Teitelbaum 2016). More broadly, are community forests trying to achieve too much, caring for both community and the forest while trying to provide jobs and economic development (sensu Reed and McIvceen 2006)? Community forests are expected to provide for so many different and competing needs – including conflict mitigation over valuable natural resources and homelands and community empowerment – that the wide range of expectations is unrealistic and undeliverable (Furness et al., 2015). Too often when these goals need to be prioritized and decisions need to be implemented on the ground, they are found to conflict with each other (Benner et al., 2015).

**Enabling conditions and innovations for CFEs in B.C.**

Four key enabling conditions for profitable and sustainable community forest enterprises (CFEs) have been distilled from the extensive empirical evidence and meta-studies on community forestry worldwide: (1) well-defined and secure resource rights; (2) enterprise-oriented institutions and competitive business skills; (3) appropriate technical assistance; and (4) product diversification.
These conditions are applied within the context of CFEs in Canada and B.C., and pertaining to B.C.’s First Nations in particular, in spite of the general dearth of literature on these topics.

**Well-defined and secure resource rights**

CFEs require a security of tenure and clear ownership (e.g., shared and exclusive rights in decision-making) in order to conduct their business operations successfully (Pagdee et al., 2006). Tenure rights include forest access rights, timber and NTFP utilization rights, management rights, and the right to exclude others (Macqueen 2013). In B.C., the CFA includes exclusive rights to harvest timber, and is the only tenure in B.C. that grants rights to botanical NTFPs, though the latter are not exclusive since Indigenous rights are constitutionally protected (Ambus and Hoberg 2011). In terms of secure tenure rights, the Xáxli’p are “a community to learn from” (Diver 2016: 162; see Box 4). The Xáxli’p Community Forest (XCF) Agreement gives the community exclusive timber rights over the majority of Xáxli’p Survival Territory, providing Xáxli’p with exclusive jurisdiction over forest management for a large portion (24,531 hectares) of off-reserve areas under the XCF tenure, covering 78% of Xáxli’p Survival Territory (31,419 hectares) (comparatively, the B.C. government formerly recognized community authority primarily within Xáxli’p reserve areas of 1,581.6 hectares in total, or 5% of Xáxli’p territory) (Diver 2016).

**Box 4. The Xáxli’p Community Forest (XCF) Agreement**

*Excerpted (with minor amendments) from Diver (2016)*

Xáxli’p is a community to learn from. The community is pioneering a land management approach that grapples with resource sustainability, rural economics, cultural survival, and the politics of Indigenous land claims – all at the same time. By pursuing eco-cultural restoration, Xáxli’p Community Forest leaders are refusing the nature/culture divide. By working with scientists and community experts, the Xáxli’p community is breaking down assumed hierarchies that often separate Western scientific knowledge from Indigenous knowledge, “expert” from “non-expert.” The Xáxli’p Community Forest (XCF) Agreement story highlights an Indigenous community’s implementation of community land management plans and policy. The community’s achievement in this case is not just about the XCF; it is about practicing self-determination. The XCF initiative is situated in a long history of the Xáxli’p community struggling to both protect the land and get it back. The larger importance of XCF operations, where Xáxli’p people are managing their own forests, becomes more clear when considering the history of land and resource negotiations between B.C. First Nations communities and British colonial representatives. The XCF has led to new land management policies that forward Xáxli’p self-determination.

The XCF Agreement is a land tenure agreement that gives the community exclusive timber rights over the majority of Xáxli’p Survival Territory. This means that no other users are able to harvest timber within the Community Forest area without the Xáxli’p community’s direct approval. The XCF has increased the community’s governance authority over their territory. The agreement provided Xáxli’p with exclusive jurisdiction over forest management for a large portion of off-reserve areas. The Xáxli’p Community Forest tenure area (24,531 hectares) covers 78% of Xáxli’p Survival Territory (31,419 hectares).
hectares). As a point of comparison, B.C. government formerly recognized community authority primarily within Xáxli’p reserve areas (1,581.6 hectares in total, or 5% of Xáxli’p territory). Thus, signing the XCF Agreement led the Province of B.C. to recognize Xáxli’p jurisdiction over land use decisions over a much larger area.

The formal recognition of community governance authority is based on Xáxli’p community plans. Community planning processes, particularly the Our Way of Life/Traditional Use Study (TUS), were essential because they created an initial framework for consensus building and a forum for elders to begin articulating Xáxli’p land use values for a broader audience. The Ecosystem-based Plan (EBP) workshops involved elders in defining the central vision for the XCF, and translating Xáxli’p land use values into Xáxli’p Forest Practices. The deep cultural values driving the XCF resonated with Xáxli’p people, and it was often the cultural connection to the land that motivated community leaders and the broader membership to support the XCF initiative. The TUS and EBP now govern management decisions for the XCF. This is a formal requirement that Xáxli’p negotiators built into the Xáxli’p Forest and Range Opportunity (FRO) Agreement with the province. The requirement to use the TUS and EBP in this way was also incorporated into Xáxli’p bylaws that govern XCF operations. By first developing their own community land management plans and then taking a hardline stance on negotiations, the Xáxli’p community inserted what is essentially Xáxli’p law into their government-to-government agreements.

A broader impact, putting Xáxli’p land use plans into action has involved creating a new Indigenous governance institution, the Xáxli’p Community Forest Corporation (XCFC). The XCFC is formally recognized both by B.C. law and Xáxli’p law. The XCFC Board of Directors holds the primary governance responsibility for the XCF. There is also project oversight by Xáxli’p Chief and Council, and the broader Xáxli’p community. Because the Xáxli’p community has strategically chosen to work through B.C. Community Forest policy, B.C. government recognizes the community as the primary decision-maker over day-to-day XCF operations. Despite taking an unconventional approach to forestry, the XCF continues to function within B.C. law and forest policy frameworks. While the XCF opens up a significant number of possibilities for Indigenous self-determination, the Xáxli’p community views this initiative as an “Interim Measure” – a step towards broader community goals that include getting the land back. The XCF is part of an ongoing set of negotiations between the Xáxli’p community and state agencies over resource management and land claims. The XCF initiative continues to evolve in order to serve the community’s goal of ensuring the land base persists in a state that will continue to support Xáxli’p culture into the next generation.

Enterprise-oriented institutions and competitive business skills

Most of the community forests belonging to the BCCFA are small Indigenous and non-Indigenous rural communities with an average population of 3,543, operating relatively small forest tenures with an average AAC of 40,719 m$^3$ (BCCFA 2017). On average, community forests created 0.33 full time jobs/1000 m$^3$ in forestry, logging and support services, which is 50% higher than the industry average (BCCFA 2017). At the local level, enterprise-oriented institutions provide strong leadership, and define business roles and staff them appropriately with available financial and human resources (Pagdee et al., 2006; Macqueen 2013). Pinkerton et al. (2008) note there is no simple rule for
economic viability, but rather that a combination of strategies may be successful including large mill ownership for better price, small specialized mill ownership to access niche valued-added markets, log yard sort auction for better price and higher utilization of wood not purchased by the major industrial tenures, access to competitive local markets, access to eco-labeled markets, NTFP production, volunteer labour and operating at a scale of production which makes the management infrastructure supportable.

The Revelstoke Community Forest Corporation (RCFC) in Revelstoke, B.C. is a community-run, enterprise-oriented institution. Owned by the City of Revelstoke, the RCFC owns and operates a 120,000-hectare Tree Farm Licence (TFL 56)\(^1\). The RCFC has a primary aim of making money by supplying the local mills with timber, using local contractors for road building and tree felling, and providing timber on the open market through an innovative log-sort yard (Bixler 2014). The latter diversifies the local forest product industry, and provides markets for small-diameter and underutilized tree species mostly used in niche processing to produce a range of products\(^12\), with the profits providing operating capital for the community forest (Bixler 2014). In the XCF, the Xáxli’p people and their selected advisors make all operational decisions, develop business plans that work for the community over the long term, and because they do not have a joint venture partner taking a percentage of revenues, the Xáxli’p community will receive the full share of economic benefits that arise from restoration forestry in the future (Diver 2016). The members of the Likely/Xat’sull Community Forest run their community forest as a business, and have aimed to separate business from politics by having a separate board of directors for the CFA, not the Chief and Council (Robinson 2010).

Most CFAs in B.C. provide targeted financial support to worthy local causes that may otherwise struggle to find funding (Ambus 2016). In 2016, CF in B.C. donated an average of $257,000 cash and in-kind to local projects, contributing an average of $1.9 million to local economies, most of which have populations of 3,000 people or less (BCCFA 2017). In Revelstoke, a proportion of the community forest’s net income goes into a seed fund that provides financial backing for other community development projects, such as a community swimming pool and capital investment toward a biomass district energy corporation (Bixler 2014). Likewise, the XCF redistributes forestry income and other benefits to the community, primarily through jobs and some revenue (Diver 2016). Community forests are also working to protect residents from the threat of wildfire, a particularly salient issue in B.C., having spent $52,000 of their own funds to reduce wildfire risk in 2016 (BCCFA 2017).

Community forests in B.C. have delivered training and skills development, as well as education and heightened awareness among people about forest management and climate change (Furness et al 2015). Over two-thirds (69%) of BCCFA member organizations have invested funds and/or time in

\(^{11}\) The TFL was purchased by the community prior to the origination of the CFA program, and has been kept as such rather than being converted formally to a CFA.

\(^{12}\) For example, softwood peelers (veneer logs), house logs, sawlogs, cedar shake blocks (for wood shingles), spruce tonewood (music wood) and cedar poles.
education in 2016, collectively spending $115,000 and 1,320 hours in training (BCCFA 2017). The Xáxli’p Forest Crew provided local youth with cultural and EBM training, and a Xáxli’p Community Forest curriculum may be part of a teaching program that will prepare the next generation to protect Xáxli’p lands and culture (Diver 2016). However, competitive business skills are essential to break into markets or create new ones, and to ensure profitability by attracting investment and manage the forest resource sustainably (Pagdee et al., 2006). In spite of this, beyond generalities noting that First Nations lack financial, technical and business skills (Beaudoin 2012), there is dearth of literature pertaining to the provision of specific business skills in B.C.’s CFEs.

At the regional and national level, it can be advantageous to link forest enterprises through business groups or federations to strengthen bargaining power within markets, reduce transaction costs and perceptions of risk to financial and business service providers and increase influence over decision-makers who determine commercial forest rights (Macqueen 2013). Interested communities can support CFEs through involvement with associations and forums that strengthen community networks, share resources and build on the collective voice of CF (Bullock et al., 2009). There is a clear role for the BCCFA here. However, more could be done as cooperatives and associations as CFEs are presently too disaggregated, and cluster development around a kiln, for example, could provide important drying capacity on the coast in particular (McRae, pers. comm). Lastly, certification is a market tool that remains important to First Nations because through it they can exert influence over decision-making processes in forest management (Beaudoin et al., 2015). Only one community forest is certified in B.C. as certification is seen to provide no real market benefit at present (Alemagi 2010), and some have questioned its validity as it encourages only gradual and incremental change rather than the rapid ones required by First Nations (Teitelbaum and Wyatt 2013).

**Appropriate technical assistance**

Extension agents, drawing on external expertise who regularly visit communities and associations to provide advisory support and appropriate technical assistance to community timber activities, have been advocated (Taylor 2010). The BCCFA has played a key role in providing support to CFA holders at all stages of development, including holding an annual conference focused on timely topics or key challenges facing CFA licensees (Ambus 2016). The BCCFA’s purpose is fourfold: to work to ensure the viability of community forest initiatives in rural communities; provide education on community forestry issues; assist community forest practitioners in accessing resources required to succeed; and promote community forest management as a strategy for community economic development (BCCFA 2017).

**Product diversification**

Community forest diversification includes producing something entirely new for new markets, and diversifying beyond commercial timber into NTFPs (Macqueen 2010; Taylor 2010). As discussed above in Section 4.2, diversification has not been borne out in the experience of the great majority of CFEs in B.C. due to issues of scale and economic considerations (Furness et al., 2015). While some CFEs have supplied wood to more diverse recipients as compared with the major industrial tenures
(Benner et al., 2015), CFEs have the potential to increase the value of their output by focusing on higher value products (McRae, pers. comm). Diversifying into NTFPs such as recreational opportunities would require more and better coordination between the authorities responsible for community forests and other resources (e.g., wildlife, water) (Alemagi 2010). CFAs could also use carbon as a tool, however communities often do not understand how to use it (Manhas, pers. comm.).

**Strengthening the business proposition of First Nation-led CFEs in B.C.**

The business proposition of First Nation-led CFEs in B.C. can be strengthened at two discrete intervention points. First, there are clear opportunities where the overall environment in which Indigenous-led CFEs exist can be improved by policy makers, as well as additional opportunities for communities to engage with the private sector and supporting institutions. Second, there are several changes that communities and policy makers can make to facilitate the establishment of Indigenous-led CFEs. Each of these intervention points (and the key actors required) are discussed in more detail below. The purpose of this section is to provide concrete recommendations pertaining to how First Nations, government/policy makers, and the private sector/industry can strengthen the business proposition of First Nation-led CFEs. While this section focuses specifically on Indigenous-led CFEs, many/most of the recommendations may apply to non-Indigenous CFEs as well.

**Improvements to the environment in which First Nation-led CFEs exist**

The provincial and federal governments play a critical role in fostering an enabling environment in which CFEs in B.C. can thrive. In light of this, the provincial government in B.C. should consider amending the overall system in which First Nation-led CFEs operate in four ways: facilitate land claims to enable Indigenous self-determination; amend the regulatory environment; develop new policies that reflect the needs of First Nations; and use existing policies in new ways to benefit First Nations.

**Facilitate land claims to enable Indigenous self-determination (Government)**

The governments of Canada and British Columbia and the First Nations Summit established the B.C. Treaty Process in 1992. The single most important action the federal and provincial governments can take to facilitate Indigenous-led CFEs is to advance comprehensive land claims agreements with First Nations governments in B.C., enabling greater self-determination. As discussed in Section 4.1.1, the unresolved nature of Indigenous rights and

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13 All recommendations discussed in this section are also listed in Appendix I.
14 Bracketed terms at the end of each sub-heading indicate the target audience for the recommendation.
Title over public forest lands is a critically important issue to First Nations in B.C. (Teitelbaum 2016).

**Amend the regulatory environment to facilitate CFEs (Government)**

Two important changes could be made to the regulatory environment in B.C. to facilitate CFEs. First, the CFA grants the tenure holder exclusive rights to harvest timber, as well as rights to manage and charge fees for the harvest of NTFPs (Pinkerton et al., 2008; Ambus and Hoberg 2011). However, the provincial government has yet to develop a comprehensive regulatory system for NTFPs, which are generally treated as open-access resources (Ambus and Hoberg 2011). Given the cultural, spiritual and economic importance of NTFPs to First Nations, in particular, the government should develop a regulatory framework for NTFPs. However, diversifying into NTFPs would require more and better coordination between the authorities responsible for community forests and other environmental resources (Alemagi 2010). Second, the regulatory environment for CFEs in B.C. has been criticized for favouring decentralization over true devolution. Multiple sources recommend that more authority be given to communities to create the space for meaningful participation and to encourage more novel and adaptive approaches to forest management (Bullock et al., 2009; Ambus and Hoberg 2011; Benner et al., 2015).

**Develop new policies that reflect the needs of First Nations (Government; First Nations; Supporting Institutions)**

New policies that reflect the unique needs of First Nations should be developed. The BC Forest Tenures Branch appears willing and open to meet with First Nations, and has offered to facilitate a group of interested First Nations, to be coordinated by the FNFC, to discuss policy issues, concerns and questions about the different types of forest tenures, etc.

**Use existing policy in new ways (Government)**

Government officials proved willing to think outside the box and use existing policy tools in new ways in at least one case (Diver 2016), thus a certain flexibility to interpreting policy in ways that facilitate the establishment of First Nation-led CFAs is advocated.

**Facilitating the establishment of First Nation-led CFEs**

Government, First Nations, industry and supporting institutions can do more to facilitate the establishment of First Nation-led CFEs. Opportunities exist for one or more of these groups to: increase the allocation of timber to First Nations; address barriers to the establishment of First Nation-led CFAs; ensure CFAs have the capacity to operate; clarify the goals, objectives, and expected outcomes for a CFE; develop a formal governance structure early on; build partnerships and encourage communication; encourage and facilitate diversification; and value and facilitate extension.
Increase the allocation of timber to First Nations (Government; Industry)

Individually, community forests occupy only a very small proportion of the overall provincial forestlands and the fibre available for harvesting. They, therefore, only offer a small parcel of opportunity for First Nations, in spite of the fact that the CFE model is seen by the BC First Nations Forestry Council (FNFC) as a good model for economic growth in BC’s rural areas.

A 2008 briefing document by the FNFC clearly states the following actions would assist the establishment of more First Nation-led CFAs:

BC Timber Sales (BCTS) is an independent organization within the Ministry of Forests and was created to develop Crown timber for auction...Portions of the timber controlled by BCTS have not been awarded, and could be allocated to First Nations...Given that BCTS is the largest tenure holder in the Province and has created an expanded timber auction program, BCTS timber holdings are the logical vehicle for making new forest tenure offers to First Nations. The fundamental benefit of CFAs is the security they provide...longer-term, area-based forest tenures are vital to First Nations moving forward (FNFC 2008).

Address barriers to the establishment of First Nation-led CFEs (Government; First Nations)\(^{15}\)

It takes a considerable amount of education and capacity building for any community to be able to implement the formal CFA structure in their day to day policies and procedures (Gunter, pers. comm.). A combination of institutional and cultural barriers, as well as ongoing wider legal issues concerning treaty negotiations, means that First Nations in BC have not pursued CFAs as enthusiastically as non-Aboriginal groups (Furness et al., 2015; Pinkerton 2017). Identifying and reconciling these should foster an environment where First Nation-led CFEs can emerge. One practical example elucidates a simple change that government can make. Many of the government representatives appointed to negotiate with the Xáxli’p lacked the authority needed to approve policy changes, thus working with junior staff or contract negotiators was a major impediment for Xáxli’p negotiators; the community needed direct access to officials who were empowered to discuss policy change options (Diver 2016).

Major timber licencees have all of the tenure certainty, but have not done enough to create opportunity for First Nations. More pressure could be put on the majors to practice good

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\(^{15}\) This report has not delved into the “elephant in the room” – the debilitating impacts on Indigenous communities across Canada of colonialist policies in general, and the residential school system in particular. The repercussions of historical and ongoing systemic discrimination against Indigenous communities has meant that many Indigenous communities across the country suffer from a multitude of inequalities including access to health care, education, clean water and nutritious foods, resulting in grave ramifications that manifest as, among others, substance abuse and high suicide rates. These obviously form an important starting point before one can even begin discussing how to address barriers to the establishment of First Nations-led CFEs.
corporate social responsibility (CSR), but where the impetus for CSR would come from is unclear (e.g., supporting institutions like the BCCFA? Concerned consumers groups? Company shareholders?).

**Clarify goals for establishing CFEs (First Nations)**

Communities must work to clearly define their goals, objectives and expected outcomes for a CFE from the outset, including why they choose to pursue a CFA, FNWL or other tenure type. Communities must be sure of their intentions, and they must be sure that CF is really the appropriate route to achieving local goals (Bullock et al., 2009). If sustainability is going to emerge from a CFE, actors at various scales need to reflect a deep understanding of the constraints and opportunities arising from them (Benner et al., 2015). Comprehensive and robust community engagement is required at the outset to gauge community values and set objectives and targets (McRae, pers. comm).

For First Nation communities, they must take this process further in order to determine whether CFAs can work to advance their self-determination. At least one First Nation has strategically leveraged existing legal and policy frameworks available to them, including CFAs, in order to achieve their self-determination goals (Diver 2016). In doing so, First Nations communities must recognize the potential risks involved in government-to-government negotiations as there is always a danger of community interests becoming marginalized or co-opted by government agency agendas; strong and consistent community leadership is key (Diver 2016).

**Develop a formal governance structure (First Nations)**

Irrespective of the model selected (e.g., corporation, co-operative, society, partnership), developing some semblance of formal governance that builds on an existing group of core supporters or an organizing committee is an inward and outward sign of legitimacy and progress (Bullock et al., 2009).

**Ensure CFEs have the capacity to operate (Government; First Nations)**

Forestry is expensive, and First Nations need to have financial capital in the supply chain (Manhas, pers. comm.). The B.C. government has shown variable commitment to play a supportive technical role and there has been debate about how much community “hand-holding” should occur. Short of providing funding to CFEs, the most important role that government can play is to build internal CFE capacity through management training and technical support (Bullock et al., 2009). The B.C. government is recognized for providing several resources of use by communities including a CFA management plan template, a user-friendly flowchart outlining the application process and a FNWL information guide including instructions on how to formulate a management plan. These resources should be updated regularly to reflect ongoing policy changes.
The capacity to respond equally to employment opportunities is a challenge in many First Nation communities, and diversifying beyond a timber-based economy to one that includes NFTPs has been seen as one possible strategy in the Likely/Xat’sull Community Forest (Robinson 2010). First Nations should take advantage of Indigenous branding (e.g., of logs) wherever possible (Gaston, pers. comm.). FP Innovations, an innovation hub for the Canadian forest sector involving industry, governments, universities, suppliers and First Nations, is ideally positioned to determine the best way to carry out capacity building and how to implement the suggestions of academics.

Short of building internal community capacity (which is preferred), CFEs must be able to seek any necessary assistance externally and financial resources permitting. This could be in the form of professional consultation with RPFs, lawyers, planners, accountants, and consultants (Bullock et al., 2009). Particularly pertinent to the practice of EBM, there are concerns that small CFEs cannot afford and do not possess the expertise required to adequately practice EBM in a way that takes advantage of the provincial stumpage framework.

**Partnership building and communication (First Nations; Government; Supporting Institutions)**

First Nations and non-Indigenous groups should foster good working relations with one another even if they do not plan to work together. Having explicit knowledge that other community groups support your efforts rather than oppose them can facilitate senior government cooperation (Bullock et al., 2009). The demands of starting up a new business, community organization and finding trained personnel to work in the forest sector is challenging, and the Likely/Xat’sull Community Forest case demonstrates that a collaborative approach between the First Nation and non-First Nation communities was required in order to be granted a CFA (Robinson 2010). CFEs should also explore partnership opportunities with public and private institutions, including associations such as the BCCFA, as a way to exchange resource and information (Bullock et al., 2009). Broadly speaking, ongoing, two-way communication between CFEs, and between CFEs and the government should be the norm. Relevant government authorities should consult regularly with stakeholders and review the legislative framework to ensure that it remains relevant and effective (Alemagi 2010).

Academia plays a critical role in helping to build trust, and can foster Indigenous-community-led engagement practices that result in communities’ ability to determine and prioritize appropriate solutions (Bull, pers. comm.). Finally, First Nations in Canada could look south to the USA and form partnerships with American tribes. Facilitating measures, such as the Jay Treaty, could mean that there are tax incentives (e.g., no duties) on forest products shipped from Indigenous nations on one side of the border to the other. Canadian First Nations could form partnerships with American tribes whereby the former provide the raw natural resources (e.g., raw logs) while the latter possess the equipment and have the capacity to produce value added products (e.g., wooden doors).
Encourage and facilitate diversification (*First Nations; Government; Supporting Institutions; Industry*)

Diversification in CFEs has proven challenging due to issues of scale and economic considerations (Furness et al., 2015). CFEs in B.C. are presently too disaggregated and, wherever possible, they should consider forming partnerships with other CFEs (e.g., cooperatives, associations) (McRae, pers. comm). The BCCFA may be able to provide assistance in this regard.

CFEs have the potential to increase the value of their output by focusing on higher value products (McRae, pers. comm), and the private sector could play an important role in this regard. Efforts to understand the latter half of the value chain could potentially inform the front end of the value chain regarding small commodity type products (McRae, pers. comm.). Companies could provide input into market and product development to assist the development of CFEs brands and markets (Bullock and Lawler 2015). More joint ventures (JVs) between the majors and First Nations would be wise (given the likelihood that land claims will be settled).

Likewise, more JVs between First Nations and other businesses could be explored, such as Indigenous-led CFEs shipping their Indigenously-branded logs to a doors manufacturer (Gaston, pers. comm.).

As so many Indigenous people live off-reserve and in Canada’s urban centres (e.g., Vancouver, Toronto), co-operatives in these cities could provide access to a “business development centre” containing high-value wood working equipment (along with classes, business development ‘incubation’ programs, etc). Not only would this enable “urban First Nations” to gain skills, it could serve to strengthen their connections to their communities and facilitate the opportunity for them to return to their home communities with new skills should they wish to do so. Lastly, CFEs require a more supportive policy environment and/or the development of new markets that would optimize CFEs as a business and enable diversification; this is a clear role for government (Furness et al., 2015). Likewise, supporting institutions (i.e., academia in particular) could provide objective advice about whether and how carbon could be used as a tool in CFEs.

Value and facilitate extension (*First Nations; Government; Supporting institutions; Industry*)

The BCCFA is more relevant than ever in the landscape of B.C.’s CFEs. Their ability to provide timely and appropriate extension should be highly valued and supported by CFEs, policy makers and the private sector.
Conclusion

There are several important knowledge gaps pertaining to Indigenous-led forestry tenures in Canada. Despite more than two decades of CF implementation across the country, and in contrast to the developing world where a substantial literature (including meta-analyses) has emerged, very few evaluation methods or results specific to Canada exist (which are publicly available), representing a limitation from a policy perspective (Teitelbaum 2014). There is a need for research to gauge regional awareness for community forestry and ecosystem-based management (Bullock et al., 2009), to understand how to better support and expand the business opportunities open to CFEs (Furness et al., 2015) and to study “learning” in CFEs and its role in building adaptive capacity and improving their success (Bullock et al., 2009). Furness et al. (2015) also recommend comparing socio-economic outcomes and environmental measures (beyond compliance with regulations) between tenure types at a local level, while also taking into account regional and provincial level conditions. Notably, scientific studies in biology, ecology, hydrology, or in particular, forestry, are lacking to evaluate CF outcomes for ecosystems, challenging the commonly-held assertion that local control of forests will lead to better practices that protect the environment (Bullock and Lawler 2015).

There are several important opportunities for further research within the domain of First Nation-led forestry tenures within B.C. First Nations have not pursued CFAs as enthusiastically as non-First Nation communities, however the specific reasons for this remain under researched (Booth and Muir, 2013; Furness et al., 2015). There is an urgent need to understand whether the signing of CFAs by First Nations could actually reduce the political pressure to conduct and conclude treaty negotiations (McCarthy 2006). The answers to this rapidly evolving debate could help to elucidate why First Nations do not pursue CFAs so vigorously. From a case study perspective, more research on local benefits, tenure arrangements, policies and distributional impacts (Benner et al., 2015) has been highlighted, as has research elucidating how First Nations incorporate their values into their own forestry initiatives (Booth and Muir, 2013) and research exploring the potential for NTFPs to alleviate timber dependence and diversify local economies (Bullock et al., 2009). Ultimately, however, it may be that the revenue generated through CF does not compare to that which is generated by communities pursuing other types of natural resources development (e.g., through BC Hydro or oil and gas development), and this may be one of the major impediments to the uptake of CF generally by First Nations. Further research on this topic is warranted.

The purpose of this report has been to situate existing knowledge on First Nation-held forestry tenures in B.C. within a broader discussion about community forestry (Indigenous and non-Indigenous) in Canada. Indigenous-held forest tenures play an important role in the life of resource dependent communities. In B.C., CFAs are looked upon favourably by rural communities, both First Nation and non-First Nation. Yet, because they are allocated only 2% of current provincial harvesting rights (in spite of public support for more community-based tenures), they are unlikely to play a large role in BC's forest economy. There is a lack of clarity about what the real objectives and expected outcomes for CFEs in B.C. should be (McRae, pers. comm.). There is an important disconnect in this regard. The provincial government is accused of maintaining the status quo,
bringing only very minor changes to the tenure system, simply expanding the list of eligible tenure holders to include communities and First Nations, making communities *de facto* junior partners in the established management system, and encouraging “local industrial forestry” (Reed and McIveen 2006; McCarthy 2006; Pinkerton et al., 2008; Bullock et al., 2009; Ambus and Hoberg 2011). For First Nations communities however, their motivations for taking up a CFA are much more diverse, ranging from influencing industrial forest activities, receiving economic benefits from timber harvesting and developing operational and institutional capacities, to achieving empowerment and self-determination, reconnecting youth with their cultural and land practices and practicing ecological stewardship.

The single most important action the federal and provincial governments can take to enable greater self-determination and facilitate First Nation-led CFEs is to advance comprehensive land claims agreements with First Nations governments in B.C. Short of doing so will mean that First Nations communities must continue to debate whether or not the pursuit of a CFA in the near term will dilute their land claims and, ultimately, cultural autonomy, over the long-term. Aside from this, four key enabling conditions for profitable and sustainable CFEs have been identified, and the performance of First Nation-led CFEs in B.C. on these conditions appears mixed. This is partly because CFEs are achieving mixed results but also because, apart from a few robust case studies (Bixler 2014; Diver 2016) and comparative analyses (Bullock et al., 2009; Teitelbaum 2014; Benner et al., 2015; Furness et al., 2015), no systematic review of CFEs in B.C. or Canada has been completed. Such a review would be a welcome addition to this field.

Nevertheless, a broad assessment can be summarized here. In terms of well-defined and secure resource rights, B.C.’s CFA provides exclusive rights to harvest timber and non-exclusive rights to harvest botanical NTFPs. Given the importance of NTFPs to First Nations in particular, the government would be wise to develop a regulatory framework lest they continue to be treated as open-access resources (Ambus and Hoberg 2011). There is a dearth of evidence on how well CFEs are performing as enterprise-oriented institutions, though Pinkerton et al. (2008) noted a combination of strategies may be successful including large mill ownership for better price, small specialized mill ownership to access niche valued-added markets, log yard sort auction for better price and higher utilization of wood not purchased by the major industrial tenures, access to competitive local markets, access to eco-labeled markets, NTFP production, volunteer labour and operating at a scale of production which makes the management infrastructure supportable. Access to appropriate technical assistance is difficult to evaluate given a lack of information, though the BCCFA has played a key role in providing support to CFA holders at all stages of development. Lastly, diversification in CFEs is always a challenge given the scope and scale of these operations, not to mention the influence of the other three enabling conditions on them. While some CFEs have supplied wood to diverse recipients (Benner et al., 2015) and others have utilized an innovative log-sort yard to capitalize on tree species mostly used in niche processing to produce a range of products (Bixler 2014), there is still potential for CFEs to increase the value of their output by focusing on higher value products (McRae, pers. comm). Aggregation via appropriate forms of partnerships with other CFEs (e.g., as cooperatives, associations, etc.) should be encouraged
whenever possible; again, there may be an important role for the BCCFA in this regard. While First Nation-held forest tenures and CFEs in B.C. face a number of challenges, the concept holds great promise. With further critical analysis, the evidence from research could be used to amend policy and create better enabling conditions for Indigenous-led CFEs to thrive in B.C. and beyond.
References


and Kaslo, BC: FORREX Forum for Research and Extension in Natural Resources and British Columbia Community Forest Association.


### Appendix 1. Recommended actions that government, First Nations, industry, and supporting institutions can take to strengthen the business proposition of First Nation-led CFEs in B.C.

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<th>Improvements to the environment in which First Nation-led CFEs exist</th>
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<td>Facilitate land claims to enable Indigenous self-determination</td>
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<td>Amend the regulatory environment to facilitate CFEs</td>
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<td>Develop new policies that reflect the needs of First Nations</td>
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<td>Use existing policy in new ways</td>
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<td>Increase the allocation of timber to First Nations</td>
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<td>Address barriers to First Nation-led CFE establishment</td>
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About the Rights and Resources Initiative

RRI is a global coalition consisting of 15 Partners, 7 Affiliated Networks, 14 International Fellows, and more than 150 collaborating international, regional, and community organizations dedicated to advancing the forestland and resource rights of Indigenous Peoples and local communities. RRI leverages the capacity and expertise of coalition members to promote secure local land and resource rights and catalyze progressive policy and market reforms.

RRI is coordinated by the Rights and Resources Group, a non-profit organization based in Washington, DC. For more information, please visit www.rightsandresources.org.

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