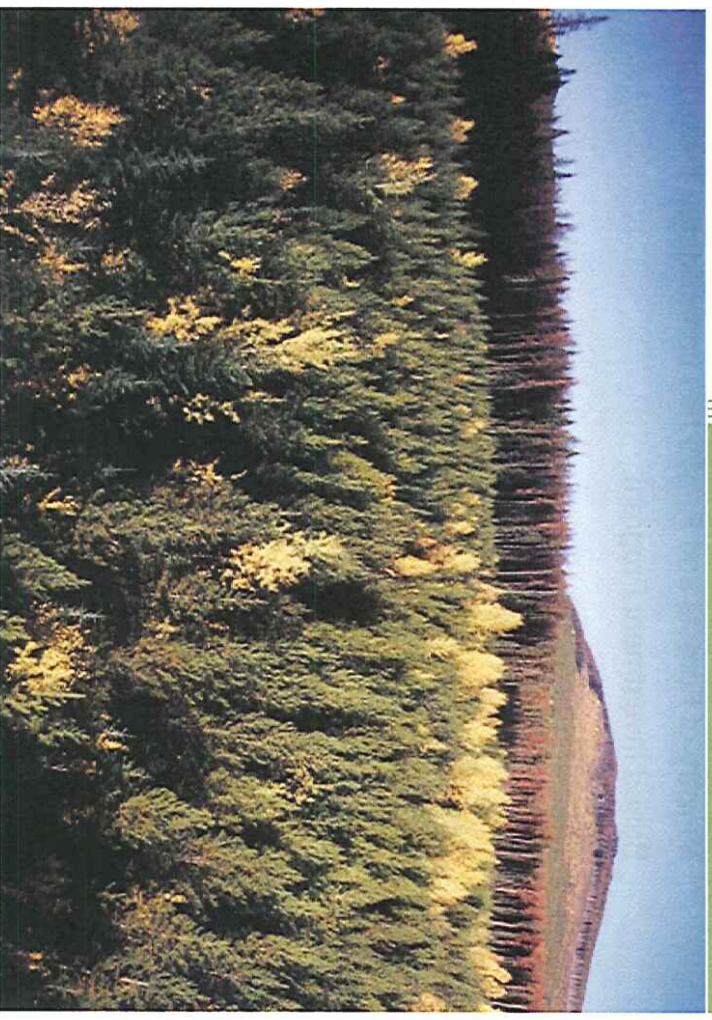


Forests and Range

2010/11
to 2012/13

Land Based Investment Strategy



The impacts of the Mountain Pine Beetle, recent wildfires and current fiscal situation has prompted the Ministry of Forests and Range re-examine our investment activities on the land based to ensure these investments are focused and optimized.

In recent years the ministry has had a mix of programs to fund activities on the land base including the Forest Investment Account – Land Based Investment program, Forests for Tomorrow, and other programs delivered as part of regular ministry operations.

To ensure limited funding is expended in the most efficient and effective way the Ministry of Forests and Range has consolidated these funding sources under the Land Based Investment Program.

The Land Based Investment Strategy provides guidance to ensure that the government goals and priorities are achieved economically, efficiently, and effectively in a results-based management framework.

Jim Snetsinger, R.P.F.

Chief Forester

Date

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Purpose

Vision: "British Columbia's policies encourage investments that maximize productivity and value while supporting forest resilience."

The Forest & Range 2010/11 – 2012/13 Land Based Investment Strategy (LBIS) provides strategic guidance for land based investment and aligns the objectives, outputs, and outcomes for eligible activities with government's goals and priorities.

Effective and efficient delivery of this investment strategy will provide economic and social benefit to British Columbians through the realization of increased future timber harvest volumes and increased value of the resource along with improved carbon sequestration, mitigation of climate change impacts on our forests, and protection of our forests from significant forest health and natural disturbance impacts.

Broadly, the LBIS the Ministry of Forests and Range (MFR) supports these goals

- 1) maximum productivity of forest and range resources,
- 2) well-managed forest and range resources, and
- 3) coordinated and integrated planning of the use of forest and range resources

as outlined in the Ministry's 2010/11 – 2012/13 Service Plan and other government land base priorities (Appendix 1). The focus will be on these Service Plan objectives:

- 1.1) best return from investments and activities on the forest and range land base,
 - Maximize timber volume that is grown in the provincial forest.
 - Grow more timber to offset impacts in the mid-term timber supply caused by the mountain pine beetle and other catastrophic events.
 - performance measure of an annual timber volume gain of 7.1 M m3 (millions of cubic metres) from silviculture investments

Scope

The 2010/11-2012/13 LBIS represents a new integrated approach to investing on the land base by combining the funding sources of Forest Investment Account Land Base Investment Program (FIA-LBIP), Forests for Tomorrow (FFT), base forest health

funding, and base invasive plant funding. Funding allocations will no longer be based on Allowable Annual Cut (AAC) apportionment.

Investment categories of the LBIS that will be supported include:

- a. Treatments to address mid-term timber supply
 - i. Fertilization
 - ii. Spacing
 - iii. Backlog brushing.
- b. Reforestation of areas impacted by catastrophic disturbance (i.e. Forest For Tomorrow)
- c. Tree improvement
- d. Forest health and mitigation of invasive species
- e. Forest inventory activities - prioritized towards priority management units to mitigate reduction in the midterm timber supply.
 - f. Fish passage ¹
 - g. Ecosystem Restoration
 - h. Fuel management

Land Based Investment Planning Framework

For LBIS funds to be allocated in a transparent and consistent manner to the highest priority projects that will, collectively, meet land use and forest management objectives, a Multiple Accounts Decision Analysis² (MADA) approach will be used, where applicable, in the investment decision making process for new projects. The MADA framework consistently recognizes the range of economic and environmental values at the planning phase. In order to optimize fiscal performance a target of at least 2% return on investment has been set for prescribed treatment regimes. Variation to the return on investment threshold will be allowed where benefits to timber supply or other

¹ Fish passage will focus on the top 10% priority treatment options that enable 70% habitat recovery

² Multiple accounts decision analysis, sometimes called multi-criteria decision analysis, may be defined as a “value-maximizing approach to incorporate multiple uses of, and benefits from, a larger forest system” (Wagner et al., 2006). A Multiple Accounts Decision Analysis (MADA) approach was desired to integrate non-timber values into the LBI decision making process in a transparent and consistent manner. The objective is that the MADA framework will consistently recognize the range of economic, social and environmental values at the planning phase, in order for funds to be allocated to the highest priority projects that will, collectively, meet land use and forest management objectives as well as LBI program objectives.

resource values reflect a higher social priority and or a return on investment calculation or determination is not practical.

Determination of specific treatment activities must consider the direction contained within relevant existing local plans and strategies (e.g. silviculture strategies, forest health strategies, community wildfire protection plans, sustainable forest management plans, ecosystem restoration plans, future forest strategies, and wildlife habitat plans).

Government and MFR Priorities Relevant to Land Based Investments

Government and MFR key strategic goals, objectives and strategies were used to determine eligible activities and outcomes in the LBIS (Appendix 1). Strategic guidance is provided on land based investment categories, key objectives, key activities, associated outputs, and key outcomes.

Investment categories, objectives, activities, outputs, and outcomes for 2010/11 - 2012/13 LBIS

(see Appendix 2 - *Summary Table of Key Objectives and Outcomes 2010/11 – 2012/13*)

Implementation priorities

- Fertilization, spacing, and backlog brushing in the Interior will focus on priority units to mitigate the reduction in the midterm timber supply.
 - Priority Units³ for mid-term timber supply mitigation⁴:
 - Priority 1: Lakes, Quesnel, Prince George, Williams Lake
 - Priority 2: 100 Mile House, Merritt, Morice, Okanagan
 - Priority 3: Cranbrook, Kamloops, Invermere, Arrow, Tree Farm Licence 52 (Quesnel), Tree Farm Licence 49 (Okanagan)
 - Spacing treatments should be focused on managing density of repressed, or potentially repressed, stands

³ All forest management units (e.g. Tree Farm Licences, Woodlot licences, Community Forest Agreements, Timber Supply Areas, etc.) encompassed by the broader TSA name indicated are eligible for treatment if they meet the overall management objective.

⁴ Priority rating based on a combination of anticipated drop in mid-term harvest potential from current Allowable Annual Cut and current annual harvest levels.

- Stands and spacing densities should be targeted for future fertilization treatments
- Carry out fertilization and stand tending (juvenile spacing) on forest management units on the Coast to improve timber availability and value.
 - Focus on forest management units on the Coast where highest return-on-investment will be achieved.
 - Focus on establishing stands for future fertilization and value improvement.
- Maintain adequate growth rates on existing government funded land based investments.
- Annual reforestation level of 13 million⁵ seedlings (beginning in 2011/12) to reforest areas impacted by catastrophic disturbance focusing on the priority units for midterm timber supply mitigation.
- Plant 60 million⁶ seedlings over four years (2008/09 to 2011/12).
- Eliminate the provincial backlog (pre 1987) Not Sufficiently Restocked (NSR) by 2015.
- Establish six fibre plantations including short rotation plantations
- Enable 70 per cent habitat recovery through treating the top 10 per cent of priority fish passages
- Focus site productivity and forest inventory updates on priority units for midterm timber supply mitigation in the Interior and ecosystem based management units on the Coast
- Breed and produce seed in order to establish fast growing forests better adapted to climate change
- Support improved tree growth by managing the impacts on the forest from pests

⁵ Excludes seedlings planted under Forest and Range Practices Act section 108.

⁶ 60M seedling commitment includes seedlings planted under FRPA s 108

- Support public/community/firefighter safety by managing the forest fuel build-up on crown land in/next to wildland urban interface areas⁷
- Restore ecosystem function of in-grown open forests and native grasslands

Investment principles for implementation

Investment Principles that Apply to All Activities

- Return the most productive lands to productivity as follows:
 - In Management Units where reforestation can address predicted midterm timber supply shortfalls.
 - In Management Units where the mountain pine beetle infestation or wildfire has significantly impacted timber supply
- Wherever possible, activities should be coordinated to achieve multiple goals
- Optimize return on investment
- In consideration of the points above, where practical, activities that will support local employment will be undertaken.
- Reduce treatment costs by utilizing residual fibre wherever possible and feasible to do so
- Community forests and woodlot licences are eligible for funding for similar activities within the priority units for midterm timber supply mitigation in the Interior and forest management units on the Coast

⁷ 2010/11 funding and outputs tied to Union of BC Municipalities, Community Adjustment Fund, and the Job Opportunities Fund and not tied to the Land Based Investment Strategy.

First Nations

The MFR is committed to building and maintaining positive relationships with First Nations. The Land Based Investment Delivery Branch has a mandate to deliver investments on the land base in a cost efficient and effective manner and will work with First Nations to explore ways to encourage First Nations participation.

Flexibility of implementation

The LBIS is results based - Alteration of specific outputs within a key objective is allowed as long as the outcome for the specific key objective is achieved.

No funds shall be moved between investment categories⁸ without consent of the Chief Forester.

Any funds remaining after the outputs have been achieved within an allocation to a specific key objective may be used, in consultation with the Chief Forester, to achieve other outcomes within that, or other, investment categories.

Adding new investment categories, objectives, activities, outputs or outcomes during the planning year

The Chief Forester, in consultation with the Assistant Deputy Minister – Field Operations, may add new investment categories, objectives, outputs, or outcomes during a planning year if they are directly linked to government's strategic goals, objectives, or strategies and the LBIS is adjusted accordingly.

Transition

Projects or activities from previous fiscal years initiated under FIA-LBIP and FFT that carried-over into fiscal 2010/11 will continue to be funded if they are consistent with the goals and objectives of the LBIS or if completion is necessary to realize the value from previous investments. Any transition funding provided will be for this year only.

⁸ Investment categories are Current Reforestation, Mid-term timber supply, Inventory, Tree improvement, Forest and Range Health, Fish passage, Fuel management, Ecosystem restoration, LBI development, monitoring, and continuous improvement.

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Applicants/recipients will need to seek alternate funding sources or approaches for projects or activities that are not completed during this fiscal year.

Monitoring and continuous improvement

Evaluation of the LBIS's planning, administration, and delivery effectiveness and efficiency will be carried out by the Forest Practices and Investment Branch and the Land Base Delivery Branch. The Forest Practices and Investment Branch will establish reporting requirements into database systems (e.g. RESULTS) and organize and present this data in a way that will provide managers with the means to improve LBIS's planning, administration, and delivery effectiveness and efficiency.

Planning and reporting cycle

Key goals for planning this fiscal year include production of a program plan for all forest districts which contain priority management units in the Interior or key forest management units on the Coast.

The program plan will also help form the LBIS and budget plans for 2011/2012.

FPIB and LBIDB will jointly develop a LBIS planning framework to produce the draft 2011/12 LBIS by the end of November 2010.

Appendix 1

Table 1: Government and MFR Priorities Relevant to Land Based Investments

Strategic Document	Goal	Objectives Strategies
Service Plan MFR 2010-2013	Goal 1: Maximum Productivity of forest and range resources <i>Grow more trees, more resilient trees</i>	Best return from investments and activities <ul style="list-style-type: none"> * Maximize timber volume * Grow more timber to offset impacts in the mid-term timber supply <ul style="list-style-type: none"> o Goal 1 has a performance measure of an annual timber volume gain of 7.1 M m3 (millions of cubic metres) from silviculture investments
	Goal 2: Well managed forest and range resources	Ensuring public and consumer trust in forest management. <ul style="list-style-type: none"> * Monitor and manage impacts from pests, disease and wildfire
	Goal 5: Revenue opportunities from forest and range resources	Revenue generation opportunities from forest and range resources <ul style="list-style-type: none"> * Support the development of new revenue generation opportunities
MPB Action Plan	Maintain and protect worker and public health and safety Conserve the long-term forest values identified in land use plans	<ul style="list-style-type: none"> * Identify and monitor critical water supplies impacted by the infestation or forestry mitigation activities * Examine the opportunities to restore non-timber values (e.g. wildlife habitat, hydrological function)
	Prevent or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations.	<ul style="list-style-type: none"> * Conduct timely and appropriate detection and assessment surveys to monitor the level of infestation and success of mitigation actions

	Restore the forest resources in areas affected by the epidemic.	<ul style="list-style-type: none"> * Reforest on a priority basis to return the best sites to timber productivity quickly * Establish strategies and priorities for returning the most productive multiple-use lands to productivity quickly and efficiently , particularly in areas that provide for a variety of forest values (e.g. water, wildlife, cultural or recreational , in addition to timber) * Restore forest ecosystem productivity * Undertake stand treatments on a priority basis to ensure timber will be available for harvest sooner than originally planned
Roundtable Recommendations		* Review forest management and silviculture practices to ensure that they encourage maximum productivity, value and support forest resilience
		* Enable the establishment of short rotation fibre plantations
Throne Speech Commitments		* Plant 60 M seedlings under FFT in 4 years (2008/09 to 2011/12)
		* Eliminate the backlog NSR(pre 1987) by 2015
Great Goal		* Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

