



Forest Carbon Partnership Program Update February 2015

Background

BC's Forest Carbon Partnership Program aims to restore damaged public forests and take advantage of the carbon value of these forests. This planting project however, is not a typical reforestation program.



An open competition was tendered through a Request for Proposals (RFP) in the fall of 2012 to select a partner that would undertake the restoration work and help coordinate the activities required to generate carbon offset credits from the restoration work. The successful proponent and the Province have now partnered to launch the program. The Province will be issuing an additional RFP in the spring of 2015 to expand the program to other areas of the Province.

Program Goals

The goal of this program is to encourage and stimulate ecosystem restoration and reforestation on Crown land while helping restore the carbon balance of our forests without costs to taxpayers. With this innovative new program, the Ministry leverages private sector investments to restore damaged public forest land in exchange for atmospheric benefits created by the work. The program enables forest ecosystem restoration beyond the current capacity of the Ministry of Forests, Lands and Natural Resource Operations. Other activities like fertilization, improved forest management and salvage may also be undertaken to generate additional atmospheric benefits under the program.

The benefits of the program go beyond demonstrating climate action and replenishing the carbon stored in our forests:

- There is no taxpayer burden for reforestation of Crown forest damaged by forest fires and mountain pine beetle infestations as these activities are funded through private sector investment.
- The trees planted and land used for forest carbon projects remain public assets.
- Forest carbon projects create near term direct forestry jobs and support the working forest by providing medium to longer term job opportunities for the management and manufacture of climate friendly forest products from forest resources.

A 1,000 hectare project in BC's interior has been forecast to create 13.6 FTE worker years in short term jobs (e.g. restoration, planting) and 393 FTE worker years in long term Jobs (e.g. harvesting, milling). It would sequester over 160,000 tonnes of additional carbon.



Current Status

The program was successfully launched at the end of May 2013 with the first 19,000 trees planted on Provincial forest land in Quesnel and Kelowna. This year, work is underway to facilitate restoration of 750 hectares of forests impacted by wildfire. The rehabilitation of these areas will include salvage of low value residual timber for utilization in a bioenergy facility operated by Pinnacle Renewable Energy Group and reforestation of project lands.

How It Works

In exchange for restoring Crown forests, successful proponents are entitled to claim ownership of the atmospheric benefits (i.e. GHG emissions reductions) resultant from planting trees. Once verified through third party review, these atmospheric benefits can be quantified as carbon offset credits.

Restoration is financed by various private sector investors and in return, investors own the atmospheric benefits that work creates. Investors may decide to quantify the atmospheric benefits as carbon offsets to reduce their carbon footprint or sell the carbon offsets. Investors are also interested in socio-economic benefits like rural community job creation, First Nations partnerships and environmental benefits generated from restoring forest ecosystems.



The Opportunity



The opportunities for this kind of restoration work are substantive given the incredible amount of insect and fire damaged forest in BC that requires restoration. Approximately 19 million hectares (ha) of Crown forest land has been impacted by mountain pine beetle (MPB) and other natural disturbances (e.g. fire, disease and other insects) in the last decade. Despite the fact that some areas are inaccessible and some are naturally regenerating post mountain pine beetle, there is still significant opportunity for carbon financed restoration of these areas.

Conservative estimates suggest approximately 1.0 million hectares are currently suitable for restoration.¹ The Ministry's Forests for Tomorrow restoration program is expected to restore as much as 300,000 hectares of the total area by 2028, leaving 700,000 hectares available for restoration under

¹ Conservative estimate based on current carbon pricing levels in carbon markets. Higher carbon prices and demand in markets could drive restoration beyond the 1.0 million hectares.



our Forest Carbon Partnership Program. In addition, there are new disturbances (fires, other pests, etc.) creating new opportunities annually.

How You Can Get Involved

First Nations, businesses, communities and all British Columbians have the opportunity to become partners in the program to take action on climate change and to improve their personal or corporate carbon footprint. We can all be part of the solution and a small investment from a number of partners can go a long way to help store more carbon in our forests and in providing a wide range of environmental benefits in restoring one of BC's greatest natural resources, our forests.



This program creates direct forestry jobs in regions across the Province, supports forest ecosystem resilience and future timber supply while generating high quality, quantifiable carbon benefits. Forest Carbon Investors are encouraged to contact the Province to discuss partnership opportunities within the Forest Carbon Partnership Program..

Staff from the Competitiveness and Innovations Division of the Ministry of Forests, Lands and Natural Operations will be visiting Regional and District offices in Quesnel, Prince George, and Smithers this spring to meet with Ministry staff and First Nations to discuss the Ministry's Forest Carbon Strategy and to develop relationships leading to successful partnerships in the Forest Carbon Partnership Program.

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