



MINISTRY OF FORESTS, LANDS AND
NATURAL RESOURCE OPERATIONS

Community Forest Agreement Application Requirements

March 2017

Forest Tenures Branch

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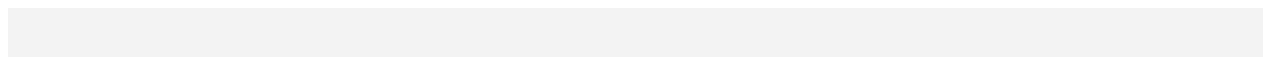
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Application Administrative Information

1.0 Application Format

One digital copy of the Community Forest Agreement (CFA) application must be submitted to the location specified in the Offer Letter. If there are any large maps associated with the application, paper copies of the maps should be provided.

2.0 Application Costs

The applicant is solely responsible for the cost of preparing the application.

3.0 Acceptance of Terms

The application must be submitted and received on the basis that the applicant has read and agrees to all the provisions of this invitation to apply. If the application imposes any condition on, or modification of provisions of this invitation to apply, it will be rejected.

4.0 Obligations of the Ministry

This invitation to apply does not obligate the Minister of Forests Lands and Natural Resource Operations (FLNRO) to accept an application or to direct that a CFA be entered into.

5.0 Financial Information

For the purpose of preparing financial forecasts or statements associated with the harvesting of Crown timber, the applicant is advised that the following will apply to the CFA:

Stumpage must be paid on timber harvested from the Crown land part of the CFA area, stumpage rates are detailed in the Appraisal Manual. A CFA is subject to the payment of annual rent. The current rate is \$0.37 per cubic metre of allowable annual cut attributed to Crown land within the agreement area. This rate is subject to change.

A holder of a CFA is responsible for the payment of all applicable taxes and fees levied by federal, provincial and municipal government agencies. It is the responsibility of the applicant to determine what those taxes and fees will be.

6.0 Evaluation Process

FLNRO staff will screen the application for submission requirements and as outlined in the Evaluation Checklist (Appendix B). If FLNRO staff is satisfied with the application, it will be forwarded to the delegated decision maker (DDM) for a determination.

If one or more submission requirements are missing, and changes are required the applicant will have 60 days or another time as specified by FLNRO to revise the application. It is recommended the applicant work with FLNRO staff to ensure any resubmission satisfies the requirements. If the application is returned, or minor changes required, the applicant will have 60 days or another time as specified by FLNRO to revise and re-submit the application.

Extensions to these timelines are possible based on mutual agreement if discussed in advance with FLNRO staff.

7.00 Community Forest Agreement (Licence Document)

The applicant is advised to study the sample agreement. A sample CFA license document can be found here ((link)) and includes current requirements for the Management Plan:

<https://www.for.gov.bc.ca/ftp/hth/external!/publish/web/timber-tenures/templates/Community%20Forest%20Agreements/>

The applicant should be aware that that annual rent is due as soon as the parties sign the licence document. The effective date of the licence can be negotiated.

Application Format and Content

The application must be prepared using the following format and information:

1. Title Page

2. Letter of Introduction

One page, introducing the application, dated and signed by the person(s) authorized to sign on behalf of the applicant. This letter is to include acceptance of provisions stated in the invitation to apply for a CFA.

3. Table of Contents

Show the page numbers of all major headings.

4. Executive Summary

Provide a concise overview of the application summarizing, in no more than three pages, the key points from each major section. Indicate where the supporting detail is located in the application body and its attachments.

5. District Documentation

Include written confirmation from the District Manager that the proposed CFA area is suitable for a CFA.

6. Legal Entity

Include the documentation for the legal entity as described in Attachment A.

7. CFA Area Overview

Each CFA describes a specific area of land to be managed exclusively by the agreement holder. The CFA area must include Crown land, but may also include municipal land, Indian Reserve land, and/or private land where the owner agrees to have it included in the CFA area and managed it as part of the CFA area. The proposed CFA area cannot include lands included in tree farm licences, woodlot licences or First Nation Woodland Licences.

FLNRO will provide an initial allowable annual cut analysis to determine the area (ha) appropriate for the volume being offered. This can be incorporated into the first

Management Plan for the CFA; alternatively, if the applicant is not satisfied with the analysis or wants to do a different analysis they do so at their own cost.

The application must include the following information:

- (a) A map showing the location of the land that will be in the proposed CFA area, nearby communities, and existing access structures. The map scale must be in the range of 1:20,000 to 1:50,000.
- (b) Describe how the proposed CFA area has historically been used, and how it would be used under a CFA. Identify any issues or areas of potential conflict that will need to be addressed in implementing the CFA.
- (c) Based on the best information currently available, describe the proposed CFA area in terms of the:
 - i. ownership and/or existing tenures or rights granted to others;
 - ii. state of land and resources, e.g. history and current management;
 - iii. environmental considerations, e.g. sensitive sites or unique features; and
 - iv. cultural considerations, e.g. areas of cultural significance.

8. Management Plan

Guidance to assist in the development of a Management Plan is included in the document titled: "CFA Management Plan Companion Document" (December 2015) and located here: <https://www.for.gov.bc.ca/hth/timber-tenures/community/process.htm>. There is also a Management Plan template available should an applicant wish to utilise the format.

The Management Plan must describe the range of objectives that the applicant proposes to pursue under the CFA, and must

- (a) be prepared in accordance with any directions of the Regional Executive Director or District Manager,
- (b) be consistent with
 - (i) the CFA Agreement,
 - (ii) the forestry legislation,
 - (iii) higher level plans under the *Forest and Range Practices Act*, and
 - (iv) commitments made in the Community Forest Agreement application package or as otherwise agreed to in writing by both parties to the agreement
- (c) include existing inventories:
 - (i) for the timber in the agreement area, and
 - (ii) for botanical forest products and other prescribed products the applicant proposes to manage for,

- (d) include any other inventories and information regarding the development, management and use of the CFA that the regional manager or district manager requires to determine the allowable annual cut for the agreement area and rate of harvest of prescribed products.
- (e) propose an allowable annual cut for the agreement area which considers the following:
 - (i) inventories and other information referred to in Subparagraph (c) and (d),
 - (ii) timber harvest specifications proposed for the timber resources in the agreement area,
 - (iii) reductions that are necessary to facilitate the management and conservation of non-timber resource values in the agreement area, including visual quality, biological diversity, soils, recreation resources, cultural heritage resources, range land, wildlife, water and fish habitats,
 - (iv) silviculture practices and forest health factors that may impact on timber production,
 - (v) the anticipated impact of the reductions to the productive portion of the agreement area due to permanent roads, landings, pits and trails, and
 - (vi) any other factors that may impact on the allowable annual cut during each year,
- (f) contain a rationale for the allowable annual cut referred to in subparagraph (e) prepared in accordance with any directions of the regional manager or district manager,
- (g) propose management objectives for the agreement area regarding the harvesting, management of, and the charging of fees for prescribed products,
- (h) specify measures to be taken by the Agreement Holder to identify and consult with persons using the agreement area for purposes other than timber production and harvesting of prescribed products, including
 - (i) trappers, guide outfitters, range tenure holders, and other agreement resource users,
 - (ii) an aboriginal group who may be exercising or claiming to hold aboriginal interests or treaty rights, and
 - (iii) community members, local governments, and government agencies.
- (i) include the Agreement holder's values or guiding principles
- (j) contain the broad social, economic and resource management goals proposed for the Community Forest Agreement,
- (k) identify the linkage between the Agreement goals and the provincial Community Forest Agreement Program goals, and

- (l) include a plan for annual reporting out to the community on Subparagraphs 6.02 (i), (j), and (k).

Plan Signatures

In accordance with the requirements of the *Forester's Act* the Management Plan must be signed and sealed by a Registered Professional Forester (RPF). The Management Plan must also be signed by a person authorised by the licensee to sign the plan on their behalf.

9. Community Awareness, Support and Involvement

Describe the level of support, awareness and commitment by the community. The submission must contain proof that there is a high level of community awareness of the application and strong support for the application from a broad cross-section of the community.

Examples of how this proof could be demonstrated include, but are not limited to:

- (a) distribution of information newsletters or brochures to community members;
- (b) recognition of the application in an official community plan or endorsement by a city, regional district or band council;
- (c) recognition of the application in by-laws or resolutions, of the legal entity;
- (d) community meeting(s) respecting the application;
- (e) results of a community survey respecting the application;
- (f) letters of support from licensees that operate in or near the proposed land base; and
- (g) letters of support representative of a broad range of community members and stakeholders regarding the application. This is especially important in the case of a Society or where there is no direct linkage to local government.

It is the responsibility of the applicant to determine the methods that will provide proof of broad community support and awareness within their community. The minimum mandatory requirements are:

9.1 Report on the public input event(s)

The applicant must hold at least one public meeting, open house or other event to obtain input from the public and affected stakeholders regarding the application. Subsequent meetings may be required prior to submission of the application (dependant on outcomes of prior meetings). The event(s) must allow the public to present thoughts orally and in writing by completing a questionnaire, or by providing written statements at the event(s) or delivered to the applicant up to 3 weeks following the event(s).

The applicant will be responsible for advertising, coordinating and providing relevant information regarding the application to the public before and during the event(s). FLNRO staff may attend the event(s) and may also provide information to the public.

Prior to the commencement of the public event(s) the applicant must provide the district manager with notice of the public input event(s) including the proposed format, date, location and advertisement strategy.

The application must include a report on the public input event(s) including a summary of who attended, all comments, concerns or issues raised by persons attending, or written comments received following the event(s) and how concerns or issues were addressed in the application.

9.2 Process for Public Involvement and Consultation

Include a description of the intended ongoing, long term process for public involvement and consultation concerning matters relating to the CFA, including consultation within the local community, broader community and with government agencies and affected stakeholders (including licensed users).

The minister must consider the input and concerns of stakeholders and licensed users that may be affected by a CFA. The applicant is encouraged to ascertain the position of such parties and address how the concerns of those parties, if any, will be addressed in the application for the CFA

9.3 Consultation with First Nations

The minister must consult with and consider the input and concerns of First Nations whose asserted traditional territory or asserted title lands may be affected by a CFA. The applicant is encouraged to share information with First Nations and consider how the concerns of First Nations will be addressed in the application for the CFA

10. Administrative Authority and Structure

10.1 Include in this section:

- (a) The purpose of the CFA and a mission statement;
- (b) an overview of the history of the intended holder of the CFA;
- (c) the intended administrative governance structure including representation/appointment procedures;
- (d) a description of how the board will be accessible to the community;
- (e) a description of the proposed processes for decision-making for the operation and management of the CFA
- (f) a description of the proposed processes for decision-making regarding the distribution of benefits gained through operation of the CFA;
- (g) processes for monitoring and reporting; and
- (h) processes for the resolution of any conflicts regarding implementation of the CFA.

- 10.2 For the intended CFA holder and all other entities that will play a prominent role in the business affairs, identify:
- (a) the proposed role they will play; and
 - (b) key personnel, their proposed roles and their relevant qualifications.

11. Business Considerations

The *Community Tenures Regulation* requires the applicant to submit a business plan acceptable to the minister that includes the following:

- (A) a description of the legal entity that will hold the agreement;
- (B) the governance model for the agreement, including the structure and mandate of the management board or persons who will direct operations under or in respect of the agreement;
- (C) an analysis of the markets for products harvested under the agreement;
- (D) an assessment of the events or circumstances that may compromise the ability of the holder of the agreement to successfully implement the business plan;
- (E) financial statements respecting financing, if any, forecasts for profit and loss, cash flow and capital expenditures and a listing of capital assets;

FLNR will not evaluate or comment on the feasibility of a CFA. However, it is recommended that the applicant conduct an assessment of potential financial viability based on consideration of the CFA Management Plan implications and the associated financial risks.

The following Internet site provides information for development of Business Plans: www.smallbusinessbc.ca. The applicant may also wish to consult guidelines provided by various banks and financial organizations.

Information that should be considered in a Business Plan includes:

Industry/Market Analysis and Strategy

The environment in which the business will be operating and how the business will respond to the market conditions. A summary of the competition the business will encounter.

An analysis of the company's products in the context of the markets being served, measured against the markets available.

If the business will be involved in a specialized venture, consider a comprehensive description of that market including whether the product will be marketed locally, nationally or internationally, and the potential demand in each market area.

- **Potential Risks and Pitfalls:** The inherent risks to the business and how those risks will be addressed.

- Implementation Plan: If the business will be seeking financing or capital, consider how the funds will be acquired and how the lender/investor will be repaid. Consider a table listing the various expenditures and the corresponding sources of financing.
- Human Resources: The tasks/jobs that will require full-time and/or part-time employees, including positions which will be staffed by volunteers, and associated costs.
- Projected Financial Statement Summary: Consider the following over the short term (5 years of operations) and the longer term (25 years) with consideration the CFA is a replaceable tenure.
 - (i) profit and loss forecast based on projected income statement;
 - (ii) cash flow forecast;
 - (iii) balance sheet forecast;
 - (iv) projected capital expenditure budget; and company assets.

12. Not For Public Disclosure

- (a) It is suggested that the applicant identify which information in the application they do not wish to have released and which they believe to be excepted from disclosure under the *Freedom of Information and Protection of Privacy Act*. This can best be accomplished by including such information in a separate section of the application headed "Not for Public Disclosure".
- (b) **NOTE:** applicant should be aware that if a Freedom of Information request is received for the application only information excepted from disclosure under the *Freedom of Information and Protection of Privacy Act* will be withheld. The fact that information is contained in the "Not for Public Disclosure" section will not of itself save it from disclosure.

13. Attachments

Attach relevant supporting information and documentation to the application.

ATTACHMENT A:

Agreement Holder Legal Entity Information

The Applicant is solely responsible for ensuring that the legal entity who will be the intended holder of the CFA is lawfully constituted, in good standing and authorized to carry on the business described in the application in accordance with all applicable federal, provincial and municipal legislation, including statutes, regulations and by-laws.

The following are legal entities that may be eligible. The documentation that must be included in the application, if that legal entity is intended to be the agreement holder, is described under each entity. A photocopy of the documents is required to be submitted with the Applicant's application and if further requested, certified copies must be submitted:

(a) A Band as defined in the *Indian Act* (Canada);

- i. the Band Council resolution authorizing the band to enter into the CFA;
- ii. the names and addresses of the Chief and the Band Councillors; and
- iii. the address of the Band office.

(b) A Society incorporated under the *Society Act*;

- i. a copy of the certificate of incorporation of the society issued by the Registrar of Companies under Section 3 of the *Society Act*, and a current (issued within 60 days) Certificate of Good Standing issued by the Registrar;
- ii. a copy of the constitution and by-laws of the society, and any amendments thereto, certified as having been registered by the Registrar of Companies pursuant to the *Society Act*;
- iii. a list of the names and addresses of the individuals who are the current directors of the society, as of the date that the application for the CFA is submitted by the Applicant;
- iv. the address of the office of the society; and
- v. a copy of the last annual report filed with the Registrar of Companies.

(c) An Association incorporated under the *Cooperative Association Act*;

- i. a copy of the certificate of incorporation of the cooperative issued by the Registrar of Companies under Section 15 of the *Cooperative Association Act*, and a current Certificate of Good Standing issued by the Registrar (issued within 60 days);
- ii. the memorandum and rules adopted by the subscribers of the cooperative and all amendments thereto required to be filed by the subscribers or members with the Registrar under the *Cooperative Association Act*;
- iii. a list of the names and addresses of the individuals who are the current directors of the cooperative, as of the date that the application for the PCFA is submitted by the Applicant;
- iv. the address of the office of the cooperative; and
- v. a copy of the last annual report filed with the Registrar of Companies.

(d) A Corporation incorporated or registered under the *B.C. Business Corporations Act*;

- i. for corporations incorporated in British Columbia:
 - 1) the notice of articles and articles (as defined in Section 1 of the *Business Corporations Act*), and all amendments thereto, and required under Sections 11 and 12 of the *Business Corporations Act*;
 - 2) the certificate of incorporation of the company issued by the B.C. Registrar of Companies under Section 13 of the *Business Corporations Act*; and
 - 3) any certificates of amalgamation issued by the Registrar in relation to the company;
- ii. for corporations extraprovincially registered in British Columbia:
 - 1) any articles of incorporation, memorandum of incorporation, charter, bylaws or other form of formation or constating documents, and all amendments thereto;
 - 2) the certificate of extraprovincial registration in B.C. issued by the Registrar of Companies; and
 - 3) any notices of amalgamation of an extraprovincial corporation filed with the Registrar;
- iii. a list of the names and addresses of the individuals who are the current directors of the company, as of the date that the application for the PCFA is submitted by the Applicant;
- iv. the most recent annual report of the company required to be filed with the Registrar of Companies under Sections 51 or 380 of the *Business Corporations Act*; and
- v. certificate of continuation of the corporation, if any.
- vi. Describe the reporting relationship between the shareholders and the directors of the corporation.

(e) A Partnership registered under the *Partnership Act*.

- i. for general partnerships:
 - 1) the registration statement of the partnership filed with the Registrar of Companies under the *Partnership Act*;
 - 2) a copy of the written partnership agreement, if any, and all amendments thereto, signed by all of the partners in the partnership;
 - 3) the address of the office of the partnership in British Columbia;
- ii. for limited partnerships formed in British Columbia:
 - 1) the certificate of limited partnership and all amendments thereto filed with the Registrar of Companies under the *Partnership Act*;
 - 2) a copy of the written partnership agreement and all amendments thereto, signed by all of the partners in the partnership; and
 - 3) the address of the registered office of the partnership in British Columbia;
- iii. for limited liability partnerships formed in British Columbia:
 - 1) the registration statement for the limited liability partnership filed with the Registrar of Companies under section 96 of the *Partnership Act* and evidence of such registration by the Registrar;
 - 2) a copy of the written partnership agreement and all amendments thereto, signed by all of the partners in the partnership;
 - 3) the most recent annual report of the partnership required to be filed with the Registrar of Companies under Section 110 of the *Partnership Act*; and
 - 4) the address of the registered office of the partnership in British Columbia;

- iv. for limited partnerships formed outside of British Columbia:
 - 1) the declaration of partnership filed with the Registrar of Companies under section 80 of the *Partnership Act*;
 - 2) a true copy of the original certificate of limited partnership or equivalent document and of all amendments to it verified by the proper authority of the jurisdiction in which the limited partnership was formed;
 - 3) evidence that the limited partnership still exists as a limited partnership in the jurisdiction where it was formed;
 - 4) the full names and residential addresses of the general partners;
 - 5) the address of the registered office of the partnership in British Columbia; and
 - 6) a copy of the written partnership agreement and all amendments thereto, signed by all of the partners in the partnership;
 - 7)

 - v. for limited liability partnerships formed outside of British Columbia:
 - 1) the registration statement for the limited liability partnership filed with the Registrar of Companies under section 115 of the *Partnership Act* and evidence of such registration by the Registrar;
 - 2) if the partnership has a registered office in British Columbia, the address of the office of the partnership in British Columbia;
 - 3) if the partnership does not have a registered office in British Columbia, the name and address of the attorney for the partnership;
 - 4) the most recent annual report of the partnership required to be filed with the Registrar of Companies under Section 124 of the *Partnership Act*; and
 - 5) a copy of the written partnership agreement and all amendments thereto, signed by all of the partners in the partnership.
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ATTACHMENT B:

Evaluation Checklist– (Applications will be evaluated using the following criteria)

Section	Criteria	Y/N/NA	Actions Required
1. Title Page	Included?		
2. Letter of Introduction	Included?		
	Signed Appropriately		
	Provisions accepted		
3. Table of Contents	Included?		
4. Executive Summary	Included?		
	Key points included?		
	Indication of location of supporting information included?		
5. District Documentation	Letter from DM included?		
	Letter confirms area appropriate for a CFA?		
	Letter confirms AAC appropriate for area?		
6. Legal Entity	Type of Entity?		
	Required Documentation?		
7. CFA Area Overview			
7.a. Map	Map included?		
	Appropriate scale?		
	Sufficient detail/layers?		
7.b. Area Use	Describes historical use?		
	Describes CFA use?		
7.c. Area Description	Describes ownership and existing tenures?		
	Describes state of land?		
	Environmental considerations?		
	Describes cultural considerations		
	Identifies issues, potential conflict?		

Section	Criteria	Y/N/NA	Actions Required
8. Management Plan			
Management Objectives	Included?		
	Describes resource specific objectives?		
	Potential for overlap/conflict with FRPA?		
	Includes management objectives for harvesting, management of, and the charging fees for botanical forest products?		
Other MP requirements	Includes inventories for timber?		
	Commits to further inventories?		
	Includes inventories for botanical forest products being utilised?		
	Includes other inventories required for management of the area?		
Proposed AAC	Included?		
	AAC generated by FLNR?		
	Rationale Included?		
Consultation with other users	Specifies measures taken to identify and consult with persons using the area for purposes other than timber or botanical use?		
Provincial CFA Goals	Linkages between Agreement Goals and Provincial Program Goals		
Guiding principles	Guiding principles and values?		
Resource Management Goals	Statement of social, economic, & broad resource management goals for the CFA?		
Annual reporting	Strategy for annual reporting out to the community		

Section	Criteria	Y/N/NA	Actions Required
Plan Signatures	Signed and Sealed by RPF?		
	Signed by Licensee Rep?		
9. Community Awareness, Support and Involvement	Describes level of support, awareness and commitment of community?		
	Contains proof of high level of community awareness?		
	Contains proof of strong support?		
9.1. Letters of Support	Included and range demonstrated?		
	Still Valid?		
9.2. Report of Public Events	At least one event held - date?		
	Public given opportunity to provide written/oral comments?		
	Event adequately advertised?		
	Adequate notice given to DM in requested format?		
	Report on event includes all comments raised and actions to address?		
9.3. Process for Public Involvement and Consultation	Included?		
	Will process be effective in involving public in CFA planning and operation?		
9.4. Consultation with Stakeholders and First Nations	Efforts documented?		
	Efforts diligent?		

Section	Criteria	Y/N/NA	Comments/Actions Required
10. Administrative Authority and Structure			
10.1.	Mission Statement included?		
	CFA holder history included?		
	Intended governance structure included?		
	Representation, appointment procedures documented? Detail sufficient?		
	How board will be accessible to the public outlined? Detail sufficient?		
	Process for decision making and resource allocation outlined? Detail sufficient?		
	Monitoring and reporting processes outlined? Detail sufficient?		
	Conflict resolution process outlined? Detail sufficient?		
10.2.	Role of CFA holder and other entities identified? Detail sufficient?		
	Key personnel, role and qualification identified? Detail sufficient?		
11. Business Plan	Included?		
11.1	Disclosure statement included? All required info included?		
	Short, medium and long-term objectives included? Objectives consistent with other parts of business plan?		
	Products and services produced outlined? Key success factors outlined? Detail sufficient?		
12. Not for public disclosure	Included?		
13. Attachments	Relevant information included?		