

## BUILDING A VALUE-ADDED INVESTMENT CLIMATE

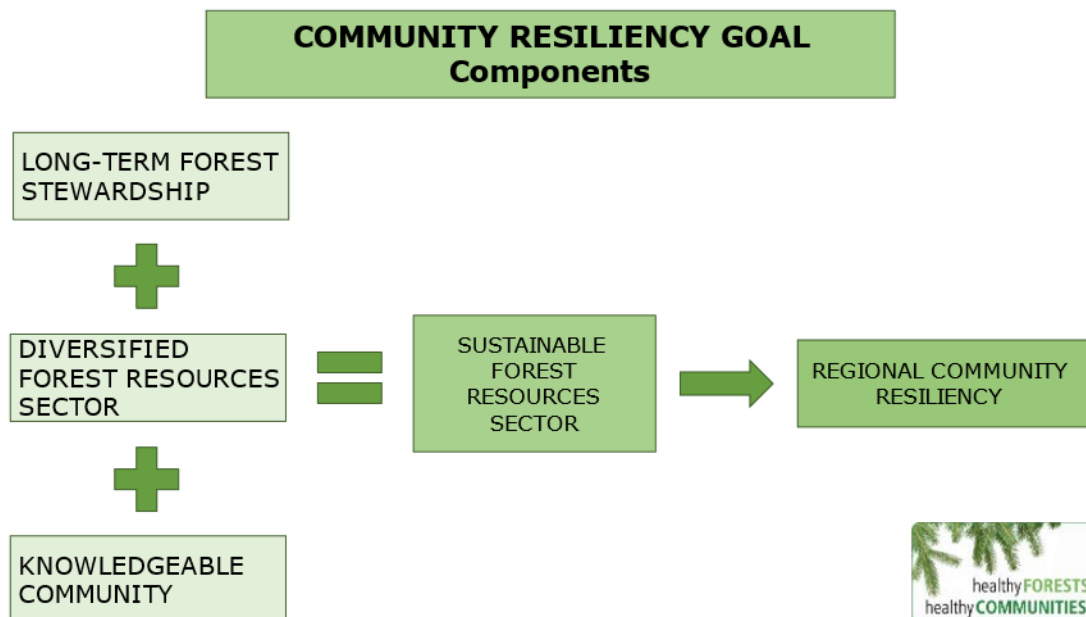
### Importance of Long-term Forest Stewardship

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**April 2022**

Improving the secondary (value-added) wood manufacturing investment climate requires a clear vision for the sector, a strategic framework, long-term forest stewardship plans and an appropriate forest resource inventory database upon which to base decisions.

Government has mentioned the *Modernization of Forest Policy* will include moving toward resilient communities as discussed in *Moving toward community resiliency*.<sup>1</sup> To achieve this goal, there are three (3) major components of which forest stewardship and creation of a secondary wood manufacturing sector are critical. These are connected to providing investors with fibre security assurance, a key factor in wood manufacturing investment decision-making.



<sup>1</sup> <https://www.bcforestconversation.com/moving-toward-community-resiliency/>

Achieving sustainable long-term forest stewardship and the creation of a sustainable wood manufacturing sector at the local/regional level will require both a vision and strategy for each. Unfortunately, Government has provided neither even though stating the objective is to increase secondary wood manufacturing and ensuring the “right log gets to the right mill,” which is **not a new focus**. It has been talked about, and policies and projects initiated for over 40 years on this topic. The fact we are still talking about it as a priority says a lot about the lack of success in the application of the model.

“They [government] appear to have just loose concepts” ... “Clearly, the government is working with ideas and not business concepts, facts or economics.” Russ Taylor, Russ Taylor Global, The Working Forest, 2021 Winter #2 pp12.

“We have been talking about value-added for decades.” Premier Horgan, at the New economic plan announcement, February 17, 2022

In developing the guidance documents for the *Modernization of Forest Policy*, Government has chosen to move forward in the traditional BC way which includes embarking on a new or modified initiative without clearly considering how it will fit into an overall BC Forest Asset framework, such as outlined in the HFHC forest renewal

Vision Framework.<sup>2</sup> Secondary wood manufacturers and Government have traditionally separated forest management from wood manufacturing, but the approach has not focused on the proposed overall goal of moving toward community resilience which is needed for the 21<sup>st</sup> Century Forest Sector.

It is my understanding Government staff have been directed to be bold in bringing forward new ideas to achieve the *Modernization of Forest Policy*. Traditionally the top secondary wood manufacturing sector priorities centre around:

- 1) Providing tenure for secondary wood manufacturers as a means of achieving fibre security, and
- 2) Modifying regulatory requirements to improve secondary wood manufacture sector performance.

Although these are important, if BC wants to increase secondary wood manufacturing, the discussion must be more holistic. The following is a description of relationships of key priorities in achieving this goal, specifically:

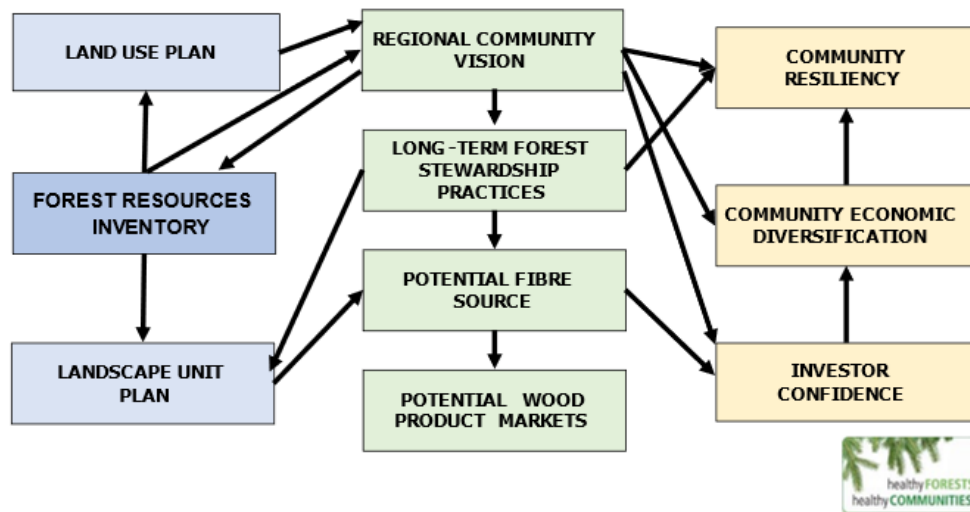
- 1) The two priorities mentioned above cannot be separated from the community vision, which is dependent upon a positive local/regional secondary wood manufacturing sector investment climate which in-turn requires dependable fibre security.
- 2) The fibre available will be based on the long-term forest stewardship identified through Landscape Unit Plans, which define the level of sustainable fibre supply projected for 250 years to meet the community vision.

<sup>2</sup> <https://www.bcforestconversation.com/bc-forest-renewal-vision-framework-update/>

- 3) Landscape Unit Plans are only as good as the forest resource inventory.<sup>3</sup> An enhanced forest resource inventory has been suggested to Minister Conroy to move forward on this foundation.<sup>4</sup>

If decision-makers integrate a community wood manufacturing vision with a long-term forest stewardship vision that guides development of Landscape Unit Plans, based on an enhanced forest resources inventory, a sustainable fibre supply will emerge to create fibre security for investor decision-making. The following graphic outlines the relationships among components in achieving a positive investment climate for secondary wood manufacturing investors and the contribution to community resiliency.

#### COMPONENT RELATIONSHIPS TO ACHIEVE VISIONS



Developing and integrating each of these components will be critical to attracting secondary wood manufacturing investments. Ministry staff need to take the necessary steps to think holistically and integrate the fibre available within long-term stewardship and the actions necessary for a sustainable secondary wood sector at the local/regional level. This will have a much greater chance of increasing secondary manufacturing than just changing tenure and “tweaking” regulations as has been the traditional response to this goal in the past. **The philosophy of decision-makers needs to focus on being bold and meeting the challenges based on innovation, professional and operations knowledge, and dialogue!**

<sup>3</sup> <https://www.bcforestconversation.com/wp-content/uploads/Forest-inventory-foundation-for-community-resiliency.pdf>

<sup>4</sup> <https://www.bcforestconversation.com/wp-content/uploads/2022/03/Letter-Minister-Conroy-re-Enhanced-Forest-Inventory.pdf>