



Forest Enhancement  
Society of BC

# FESBC 2025-27 Fibre Utilization Funding Program Guide





## Table of Contents

1.0	Introduction .....	1
2.0	Roles and Responsibilities.....	2
3.0	Application Information and Eligibility .....	3
4.0	Application Process and Requirements .....	6
5.0	Application Assessment .....	8
6.0	Application Review and Timing.....	9
7.0	Project Approval .....	9
8.0	Project Implementation.....	9
9.0	Project Tendering and Direct Awarding Requirements.....	11
10.0	Changes, Extensions & Reporting .....	11
11.0	Additional Information .....	12
	Appendix 1 – IAM 6.11 and CAM 5.11 Guidance.....	13



## 1.0 Introduction

During the 2024-25 budget, the Forest Enhancement Society (FESBC) was provided with \$30 million over the following 3 years to increase the use of low-value or residual fibre throughout the province. This fibre includes trees damaged by recent wildfires and waste left over from harvest that would otherwise be burned in slash piles.

### **FESBC 2025-27 Service Plan states the following:**

**Objective 2.1:** Encourage diversity and innovation by the forest sector to utilize uneconomic waste fibre.

#### **Key Strategies:**

- Fund only the differential between the cost of operations and the market value of the end product,
- Track volumes and calculate the avoided emissions realized from this activity to report out the environmental benefits of the program, and
- Support all secondary manufacturing facilities including pulp mills, cant mills, pellet mills and energy complexes, and small tenure holders and contractors that are eligible for funding, provided the fibre they are producing meets the eligibility criteria including those related costs

FESBC will be accepting applications to fund projects to assist moving uneconomic fibre to non-sawlog processing facilities across the province of British Columbia (BC).

This document provides specific application guidance for proponents seeking funds for projects that will increase the utilization of uneconomic residual fibre with key information related to funding eligibility, application information requirements, selection criteria, the submission and review process and project implementation.

This guide is intended to be used as a companion document to the Forest Enhancement Society of BC Information Management System (FESIMS) “FESIMS Guide for Submitting a Proposal,” available for download from the Additional Information menu on the main landing page of the FESIMS website:

[FESIMS Website](#)

Note: Proponents seeking funds to implement Wildfire Risk Reduction (WRR) activities must visit the FESIMS site and apply through the Forest Enhancement Society of BC Funding Program and refer the [Forest Enhancement Society of BC \(FESBC\) 2025-27 Funding Program Application Guide](#) for specific application requirements.



## 2.0 Roles and Responsibilities

### **Applicant:**

- a. Is responsible for providing a complete, accurate, clear, and concise application with enough information for FESBC to make a funding decision. Incomplete or ambiguous applications may delay the review or disqualify the application.
- b. If required for rehabilitation proposals, applicants must engage with the local Ministry of Forests District staff to ensure their project development aligns with the Land Manager's priorities.
- c. Reach out to FESBC staff when requirements are unclear.

### **FESBC:**

- a. Ops Managers provide guidance to applicants.
- b. Review applications, including land manager input and comments when applicable.
- c. When possible, may conduct site visits of proposed projects, and meet with potential proponents prior to approval.
- d. After review, Ops Managers provide funding recommendations to the FESBC senior management.
- e. FESBC senior management, in consideration of the evaluation criteria, alignment with land manager priorities and with FESBC purposes, makes the final funding decisions and establishes any applicable conditions.
- f. Conduct audits and site visits on approved projects.

### **PricewaterhouseCoopers (PwC):**

- a. Contracted by FESBC staff for implementation of projects and funds on approved projects and proponents.
- b. Check to ensure applicant meets all requirements such as minimum insurance, Safe Company status, standing with WSBC, etc., and subsequently enters into recipient agreement with applicant.
- c. Manages the FESIMS portal, works with proponents to ensure all required info and data is uploaded in timely and satisfactory manner, receives and pays invoices
- d. May conduct audits and site visits on approved projects



### 3.0 Application Information and Eligibility

The online application process will remain open throughout the term of the funding window. FESBC staff are available to explain application requirements and answer any questions during the development of your proposal.

#### 3.1 Eligible Applicants

Eligible applicants seeking funding consideration are limited to the following:

- a. First Nations (bands, Treaty First Nations and Indigenous Governments with authority for lands and resources) in BC,
- b. Companies owned in full or in part by First Nation governments or Indigenous entrepreneurs,
- c. Small area-based tenures including:
  - Community Forest Agreement holders
  - Woodlot Licensees
- d. Forest tenure holders, fibre suppliers or purchasers of non-sawlog fibre that do not own or control a dimensional softwood lumber manufacturing facility (as determined by Ministry of Forests),
- e. Ministry of Forests and other provincial agencies, or
- f. Local governments (municipalities or regional districts)

Eligible applicants may authorize a third party to submit an application on their behalf and administer approved projects. FESBC requires written authorization to be submitted, from a person with appropriate authority within the organization of the eligible applicant, authorizing the third party to work on their behalf.

#### 3.2 Ineligible Applicants:

Ineligible applicants include the following:

- a. Companies or tenure holders who manufacture dimensional softwood lumber

#### 3.3 Eligible Projects

Eligible projects must:

- a. be located on BC provincial crown land,
- b. deliver uneconomic residual fibre to non-sawlog facilities,
- c. identify current market value of fibre to be delivered and must be acceptable to FESBC,
- d. not displace or prevent the movement of fibre within the economic radius of the non-sawlog facility where the fibre is being delivered,



- e. not originate from areas of overlapping interest between competitors interested in the same fibre unless a mutual agreement exists and the terms acceptable to FESBC,
- f. be completed and scaled by March 31 of the applicable fiscal year, and
- g. align with Ministry of Forests, Provincial, Regional and District priorities, if applicable.

### **3.4 Eligible Activities:**

- a. delivery of uneconomic residual fibre to non-sawlog facilities from cutting authorities harvested primarily for sawlog, or
- b. overstorey removal and/or the delivery of uneconomic fibre to a non-sawlog facility, from fire or insect damaged stands or other stands acceptable to FESBC and Ministry of Forests.

### **3.5 Ineligible Activities:**

- a. delivery of fibre within the Coast Fibre Recovery Zone,
- b. delivery of fibre from BCTS timber sales awarded after December 31, 2022, and
- c. delivery of fibre within the economic reach as identified on the required map of the receiving site(s)

### **3.6 Eligible Funding:**

Funding for the delivery of uneconomic residual (non-sawlog) fibre resulting from commercial timber harvesting or wildfire risk reduction treatments:

- a. Calculation of Incremental Net Costs for the delivery of uneconomic residual fibre outside the economic reach will be as follows:
  - Incremental Net Cost = End Product Market Value – Incremental Delivery Cost
    - End Product Market Value validated by method acceptable to FESBC (e.g., recent log or fibre purchase agreements)
    - Incremental Delivery Costs as per section 3.7 below
    - There may be multiple end products in each setting
- b. For approved projects, the Net Cost may be reviewed semi-annually with the proponent and may be adjusted by FESBC to align with current markets and costs.

### **3.7 Eligible Incremental Delivery Cost:**

- a. Includes the phases required to deliver the uneconomic residual fibre from its end location, after normal operations is complete to the gate of the receiving site. This may vary for different geographic locations, which may be located roadside, landing or dispersed on the setting. Incremental costs may include the following activities:





1. Skidding/forwarding (only if fibre under normal operations is left on the setting),
  2. Processing,
  3. Loading,
  4. Hauling,
  5. Road maintenance fees,
  6. Onsite grinding/chipping (prior to delivery to the end gate),
  7. Stumpage (validated based on recent stratum rates), and
  8. Other (must be acceptable by FESBC).
- b. Overstorey removal and/or the delivery of uneconomic fibre to a non-sawlog facility (from fire or insect damaged stands or other stands acceptable to FESBC and Ministry of Forests) may qualify to include all costs within a cutting permit appraisal under Section 5.11 of the Coast Appraisal Manual and Section 6.11 of the Interior Appraisal Manual
- See Appendix 1 for more details. FESBC recommends discussing options with FESBC staff prior to submission
- c. Detailed delivery cost information will be entered into the FESBC 2025-27 Fibre Utilization Incremental Cost Calculation Template, located in the FESIMS site under the “Additional Information” tab, and submitted with the application.
- d. FESBC will evaluate costs proposed to ensure they align with internal benchmarks, and may provide a maximum incremental net cost by unit or block.

### **3.8 Other Eligible Costs:**

- a. Project Administration, primarily for costs required to complete FESBC project planning and reporting requirements,
- b. GST, if applicable.

### **3.9 Ineligible costs:**

- a. Any costs associated with the delivery of fibre where the end destination is a dimensional lumber or other higher value primary forest products manufacturing facility,
- b. Costs for activities that are a tenure obligation or considered part of the appraisal (stumpage) cost estimates,
- c. Expenses or costs paid or committed to by other funding sources,
- d. Costs for activities/phases outside the intent of this funding,
- e. Costs incurred beyond the gate of the receiving site, and
- f. Silviculture costs.



## 4.0 Application Process and Requirements

To facilitate an effective and timely review of your application it is important that proponents provide clear and concise information. Operational and market information must be presented on the FESBC 2025-27 Fibre Utilization Incremental Cost Calculation Template accurately. The sheet must be uploaded and submitted with the application. Preference may be given to submissions that provide backup information that shows cost build up and assumptions used to develop the Incremental Delivery Cost. It is the expectation from FESBC that these submissions are accurate and fields in the sheet cannot be altered unless approved by FESBC.

### 4.1 Incremental delivery projects application requirements:

- a. FESBC 2025-27 Fibre Utilization Incremental Cost Calculation Template (Cost Calculation and Delivery Schedule Worksheets), which will include the:
  - i. list of proposed blocks with uneconomic residual fibre,
    - cutting permit, timber mark and geographic location
    - if blocks are unknown, provide volume estimates for the specific geographic area(s). Actual blocks when identified will require FESBC approval.
  - ii. cost information,
  - iii. market value of deliverable,
  - iv. deliverable type (pulp logs, bio-logs, hog, chips), and
  - v. delivery schedule of proposed activities including:
    - geographic location of blocks,
    - target date when fibre will be delivered (by month) and,
    - proposed funds requested by block.
- b. Map(s) at a scale and quality in a pdf format that meets or exceeds industry standard that illustrates the following:
  - i. location of proposed blocks listed in FESBC 2025-27 Fibre Utilization Incremental Cost Calculation Template; exceptions may be accepted:
    - if harvesting plans change, alternative blocks can be substituted subject to FESBC approval, or
    - if actual blocks are unknown at time of application, identify area(s) where blocks may be located. If approved, actual blocks and unit costs will require FESBC approval to be included in project plans.
  - ii. overlapping areas of interest with others fibre users
  - iii. location of areas for potential stand rehabilitation or wildfire salvage
  - iv. Kml or kmz files for all the above.
- c. FESBC requires that fibre is not displaced within the economic radius due to FESBC funded projects. Provide verification that all available fibre will be utilized within the economic radius.





- d. Status of cutting authorities; Issued, submitted or planned.
  - i. FESBC requires this information to assess the timing of when fibre can be delivered.
  - ii. Quarterly updates of cutting authority status' will be requested to ensure delivery timelines can be met. If it becomes apparent that funds will not be utilized within the fiscal window, funds will be reverse allocated to fund other FESBC proposals.

#### **4.2 Projects for overstorey removal and/or the delivery of uneconomic fibre to a non-sawlog facility, from fire or insect damaged stands or other stands.**

- a. Provide a table that identifies the following:
  - i. area for proposed for stand rehabilitation or wildfire salvage (treatment area),
  - ii. estimate of sawlog and non-sawlog volume to be utilized including delivery location and date, and
  - iii. funding request with detailed cost information for all phases.
- b. Map(s) at a scale and quality in a pdf format that meets or exceeds industry standard that illustrates the following:
  - i. location of proposed treatment area(s),
  - ii. location(s) of fibre delivery site(s),
  - iii. recent fire perimeter boundaries, and
  - iv. kml or kmz files for all the above.
- c. Describe how you will address any fibre displacement instances.
- d. Confirmation of the required authorizations are issued or provide expected timing of authorizations to complete project.
- e. Confirmation that the proponent has engaged in conversations with the appropriate area pricing staff,
- f. Written support from the Ministry of Forests for project.

#### **4.3 How to Apply**

Prior to commencing an application, it is critical that proponents review all application requirements well in advance. Contact FESBC to obtain any needed clarity on application requirements.

Applications are to be submitted using the FESBC online application portal [Forest Enhancement Society Information Management \(FESIMS\)](#). The portal has specific sections that need to be completed and sections requiring additional documents to be attached including the objectives of the project, the area to be treated, maps, a well-defined cost estimate, projected timelines and intended results.

In addition to this guide, there is a companion document (FESBC Information Management System (FESIMS) [FESIMS Guide for Submitting a Proposal](#)). This document will provide additional information to assist with the application submission in FESIMS.



FESBC and PwC conducted an information webinar on June 25, 2024, to provide guidance on how to use FESIMS and go over the application requirement. The link to the recorded webinar is on the [FESBC Funding Application page](#).

### Important Application Information:

- All applicants must be a registered user or create an account in FESIMS.
- Business entities or individuals may submit applications on behalf of an eligible applicant **ONLY** if appropriate authorization in writing is provided from the applicant.
- FESIMS will be open for applications commencing on June 28, 2024 for the 2025-26 and 2026-27 fiscal years.
- If required, any amendments to the information in this guide will be posted on the [FESBC website](#). If you have commenced an application, you will be notified of any changes by email.

## 5.0 Application Assessment

### 5.1 FESBC Project Evaluation Criteria and Considerations:

- a. Project evaluation will initially be adjudicated against key selection criteria that include the following elements:
  - i. Cost effectiveness (\$/m<sup>3</sup>),
  - ii. First Nations involvement,
  - iii. Utilization of uneconomic fibre from fire and insect damaged stands,
  - iv. Innovative end products or methods or equipment used to improve delivery efficiency,
  - v. The quality of the application and adherence to application requirements,
  - vi. Previous experience delivering FESBC funded projects or similar type projects with other parties within approved timelines, and
  - vii. Preference may be given to applicants who deliver fibre.
- b. Applications that best demonstrate that they meet the evaluation criteria will be prioritized for funding, meeting the evaluation criteria does not guarantee that funding will be provided.
- c. Applicants should provide sufficient information to support a thorough assessment of their project, including identification of measurable benefits. Including the following:
  - i. Alignment with FESBC purposes - the FESBC will strive to ensure that funding is directed to the highest priority projects available with the greatest value for money that fall within the purposes of the Society,
    - Preventing and mitigating the impact of wildfires,
    - Improving damage or low value stands (stand rehabilitation),
    - Improving habitat for wildlife,



- Supporting the use of fibre from damaged and low value forests (fibre utilization), and
  - Treating forests to improve the management of greenhouse gases.
- d. Employment in the forest sector.
- e. Increase operational efficiencies to reduce unit costs over time.

## 6.0 Application Review and Timing

Eligible applications will be subject to a comprehensive review and assessment process by FESBC and ranked against selection criteria. If additional information is required to support the review and assessment, applicants may be contacted for additional information. The selection process will be objective and unbiased.

- a. Application reviews will commence in August 2024.
- b. Applicants will not be notified of the ongoing status of their application during the review and assessment process.
- c. FESBC targets to have funding approvals commence in September 2024.
- d. All funding decisions are final; however, applications that are not funded in one approval period, may be re-considered in a future approval period.
- e. All approved funds must be expended within the designated fiscal year.
- f. Applications will continue to be accepted and evaluated if funds throughout the term of the program.

## 7.0 Project Approval

- a. FESBC staff will provide verbal and written notification of FESBC senior management funding approvals.
  - The written notifications may include funding terms and/or conditions.
  - For multi-year projects FESBC Ops Managers will assess and approve updated cost models based on current market conditions.
- b. Unsuccessful applicants will be notified by telephone.
- c. FESBC staff will notify PricewaterhouseCoopers (PwC), FESBC funding delivery partner, responsible for the oversight of the project implementation.
- d. FESBC funding approval does not convey approval for works to commence.

## 8.0 Project Implementation

### 8.1 Recipient Agreement Requirements:

- a. All applicants or their designate must be able to enter a FESBC Recipient Agreement with PwC to deliver an approved FESBC project.
- b. Projects to be administered by a Provincial Ministry may be exempt from this requirement.



- c. Other parties may be exempted from this requirement for extenuating circumstances.
  - i. For applicants unable to enter a Recipient Agreement with PwC (due to conflict of interest reasons), Project Plans may be managed by FESBC.
- d. Applicants should carefully review the entire Recipient Agreement and ensure that the terms of the Agreement can be met prior to submitting their application. An example can be found in the FESIMS portal on the home screen under:  
*Template – Proponent – PwC Recipient Agreement-FESBC-2017*  
Particular attention should be focused on the following sections:
  - 5.0 Duties of the Recipient,
  - 7.0 Subcontracting, Tendering, Assignment and Pooling,
  - 9.0 Audits and Financial Statements, and
  - 10.0 Indemnification and Insurance.
- e. Recipient must be safe certified or have a safety plan acceptable to FESBC and PwC.

## 8.2 Provincial Government Delivered Proposals

The following apply to Ministry delivered projects:

- a. Provincial Government agencies are eligible to apply for funding as lead proponents.
- b. Provincial proposals will be reviewed within the same framework as all other proposals received during the call.
- c. Approval letters will specify funding amounts. Project Plans will be managed by FESBC, and project plans will be administered by lead Ministry staff.
- d. Provincial Government proposals that are approved or approved in principle will require FESBC Investment Schedules. Subsequently, the Ministry lead will be required to prepare and submit specific project plans with mutually agreed upon milestones in FESIMS.
- e. Ministry leads will initiate and submit project amendments required by FESBC.
- f. FESBC will pay the Ministry on approved project plan milestones on claims submitted.
- g. Project implementation of approved project plans will be the full responsibility of Ministry staff.
- h. Ministry may name a recipient to deliver the project on their behalf.

## 8.3 Project Plans

- a. Recipients are required to submit Project Plans (PP) into FESIMS
- b. Project Plans must identify milestones that describe the activities, costs and the timing of the works to be completed.
- c. Funding for any activities are not approved until PwC or FESBC approves the Project Plan. Any activities that commence prior to Project Plan approval is not eligible for reimbursement.
- d. Activities will follow established Provincial work standards. For activities where there are no established work standards, a detailed work plan describing the implementation of the project must be provided for review and approval by PwC.



## 8.4 Land Manager Authorization

- a. No activities are to commence prior to obtaining the required authorization(s) from the applicable statutory decision maker on crown land.
- b. First Nations information sharing, and stakeholder referral processes must be completed as required by the Land Manager if authorizations are required.
- c. FESBC will not waive or assume any legal obligation for any activities.

## 9.0 Project Tendering and Direct Awarding Requirements

- a. FESBC Contract Tendering and Cost Guidelines are to be followed for project implementation. Copy available under the Information Tab in FESIMS.
- b. FESBC senior management may specify direct award limits or special requirements.
- c. FESBC may waive the above tender requirements as part of the FESBC's approval process or during project implementation. A rationale must be provided, which may include but is not limited to the following:
  - i. existence of a comparable contract,
  - ii. applicant has existing contractors established through their own internal selection process,
  - iii. limited capacity of skilled contractors or professionals,
  - iv. operating areas where beneficial to use or build local expertise, or
  - v. use of local First Nation contractors.

## 10.0 Changes, Extensions & Reporting

### 10.1 Proposal Changes and Extensions

Approved proposal funding is specific to the project as proposed in the application. Funds are not transferable to other proposals. Any significant variation from the approved proposal will need to be reviewed and approved with PwC and FESBC prior to being implemented.

All approved activities are to be completed within the term specified in the original proposal approval.

**Funds that are not spent in the projected timing windows of the schedule provided in the original proposal may be reverse allocated (taken away and used for another proposal). When significant changes to delivery plans are encountered by the proponent, timely communications with FESBC staff should take place, and an updated delivery schedule must be provided for approval.**



## 10.2 Project Reporting Requirements

Complete all reporting as required by FESBC and PwC, including the following:

- a. Milestone claims.
  - Volume delivered by end product type,
  - Invoice with supporting documentation (scale data),
  - Proof of milestone completion when applicable, and
  - Map of completed works, when applicable.
- b. RESULTS submission when required.
- c. Certificate of Project Completion (Administrative, Financial and Technical sign off)
- d. Other reports may be identified by FESBC and PwC prior to Project Plan approval.

## 11.0 Additional Information

### 11.1 Audits and Site Visits

Funding recipients may be subject to audit or site inspections at any time during the term of the funding agreement, and for up to three years following the distribution of Society funds to the recipient. Audits and site inspections enable FESBC to examine project progress and confirm documentation. FESBC or PwC staff may conduct site visits during, or post-operations as part of an overall proposal coordination and effectiveness evaluation.

### 11.2 Events and Communications

The funding agreement may require the following:

- a. The Forest Enhancement Society of BC and, as appropriate, the Government of B.C. be acknowledged in project communications, events and signage; and
- b. Consent for FESBC to publish project details in reports and in promotion of the Society (on websites and in public materials).

### 11.3 Confidentiality

All documents received by the Society will be treated as confidential; however, FESBC is subject to the requirements under the Freedom of Information and Protection of Privacy Act.

### 11.4 Application Support

If you have any questions about preparing your application, contact an FESBC Operations Manager. [FESBC Staff Contact Information](#)

Further support is available from FESBC staff: [office@fesbc.ca](mailto:office@fesbc.ca)  
Phone: 1.877.225.2010 or 778.765.0980





## Appendix 1 – IAM 6.11 and CAM 5.11 Guidance

### **FESBC Info for Rehab/Overstorey Removal on Uneconomic Stands Appraised with Section 6.11 of the Interior Appraisal Manual and Section 5.11 of the Coast Appraisal Manual**

For applicants wishing to apply for funding to assist in the overstorey removal and/or the delivery of uneconomic fibre to a non-sawlog facility, from fire or insect damaged stands or other stands acceptable to FESBC, the following may apply:

#### **Rehabilitation of fire, insect damaged or other low value stands.**

1. Full stand harvest or partial cut harvesting and fibre utilization
  - Harvested under a cutting authority as described in the BC Interior Appraisal Manual in section 6.11.
  - Requires meeting an uneconomic threshold as defined by FESBC and requires the licensee to sell the sawlog volume in a competitive arms-length manner.
  - This opportunity is available to forest tenure holders who do not own primary log break-down facilities such as sawmills, plywood/veneer plants, etc., but whole log chippers/grinders are eligible to apply.

#### **General Explanation of Process:**

1. The proponent (who has AAC and a license) engages with FLNRORD District Manager to determine if the stands of interest are a priority for rehabilitation prior to preparing a submission with FESBC. Rehabilitation opportunities need to be consistent with the Integrated Investment Plans of each area.
2. A proponent requests a project with FESBC funding. This can be a proposal during an intake or a separate request but will require ED/Board approval.
3. Projects proposing to rehabilitate forests must be demonstrated to be “deeply” uneconomic. An economic test is applied to make that determination. This requires the proponent to create a “mock” appraisal for the planned Cutting permit. The information for the “mock” appraisal is entered into an appraisal software package (eg. IFS etc.) to calculate an estimated indicated rate.  
**NOTE: Projects that are economically viable will not be funded through FESBC**
4. Information to help calculate the estimated stumpage rate can be gathered from several different sources. The intent is to limit the cost of collecting this information to the proponent. The following sources can be used:



- When available, existing cruise information for the project area must be used.
  - Where no cruise data is available, VRI data can be used to estimate species composition and stand volume. A walkthrough must then be conducted to estimate mortality, tree quality, confirm species composition and determine road/trail construction needs.
  - The information used to estimate the appraisal rate must be signed and sealed by a professional. This is consistent with the current requirement for appraisal information.
5. If the mock appraisal has an indicated rate more negative than the current economic threshold for the region, as per the following table, then the proponent can proceed with an FESBC project plan and commence normal work in creating the CP.
6. FESBC and FLNRORD Timber Pricing have agreed on Indicated Rate thresholds (see table below) by districts which will establish the threshold for eligibility:

TABLE of Current Economic Threshold – Applicable April 1, 2024

District	Indicated Rate Threshold
100 Mile House	-\$50.00
Cariboo-Chilcotin	-\$25.00
Quesnel	-\$55.00
Rocky Mountain	-\$35.00
Selkirk	-\$55.00
Peace	-\$45.00
Mackenzie	-\$55.00
Prince George	-\$45.00
Stuart Nechako	-\$45.00
Coast Mountains	-\$70.00
Nadina	-\$35.00
Skeena Stikine	-\$55.00
Cascades	-\$55.00
Okanagan Shuswap	-\$55.00
Thompson Rivers	\$30.00
Campbell River	-\$25.00
Haida Gwaii	-\$25.00
North Island - Central Coast	-\$50.00
South Island	-\$35.00
Chilliwack	-\$35.00
Sea to Sky	-\$35.00
Sunshine Coast	\$40.00



NOTE: These thresholds are set at the first indicated rate class where 98% of active permits, at time of assessment, are above that indicated above. These thresholds are assessed periodically (Annually at this time) as market conditions and harvesting profiles change. Projects with an estimated indicated rate greater than these values are not eligible for FESBC funding.

7. A negotiated process occurs between FESBC (PwC) and the proponent to determine the costs and activities that meet our purposes. The workplan which is the result of this has 2 parts. It identifies the activities that are recognized in the appraisal and those that are not. FESBC will determine to what extent it is prepared to cover costs associated with both the recognized and non-recognized activities but of course the appraisal process makes sure that recognized costs are backed out.
8. During the ECAS submission and preparation of the CP, the proponent must submit a TOA for the sum of the “recognized” costs.
9. The proponent completes the FESIMS milestones associated with this project plan and implements the CP.
10. There is a second condition besides the economic test, and that is that the sawlog component must be sold in a manner satisfactory to FESBC.
  - Many prospective projects will yield low grade fibre that will be utilized by the licensee. However, in some cases timber may be merchandized into sawlogs (or better). These logs must be sold in a transparent and competitive manner.
  - The proportion of sawlogs to other fibre, distance to suitable markets, operating costs, etc. will vary from project to project. FESBC requires strong evidence of transparent and competitive sale of sawlogs, however, depending on local conditions, this may be satisfied in several ways, from formal sawlog auctions to less formal offers of sale, offers of purchase and letters of award.

## Interior Appraisal Manual Reference

### Section 6.11 Forest Enhancement Society of BC (FESBC)

1. Notwithstanding any other section of this chapter, a cutting authority issued with projects funded by the FESBC for the purpose of stand restoration and/or rehabilitation must have the stumpage rate determined by a full appraisal (“fully appraised”) in accordance with chapters 1, 2, 3, 4 and 5. Stand restoration and/or rehabilitation means the harvesting and reforestation of uneconomic stands of timber.
2. The person determining the stumpage rate must ensure all project costs incurred for development, harvesting, transportation or other tenure obligations costs funded by FESBC are excluded (or “backed out”) from the appraisal.



3. The licensee representative must submit a detailed list of the projects and cost estimates approved for funding.
4. Development project costs used in the FESBC economic test (to assess FESBC funding eligibility) for a cutting authority are not eligible for amortization agreements and cannot be used by the licensee in an appraisal for another cutting authority.

## **Coast Appraisal Manual**

### **Section 5.1.1 Forest Enhancement Society of BC (FESBC)**

1. For the purposes of this subsection, “stand restoration and/or rehabilitation” means the harvesting and/or reforestation of uneconomic stands of timber.
2. A cutting authority issued with projects funded by the FESBC for the purpose of stand restoration and/or rehabilitation must have the stumpage rate determined by a full appraisal in accordance with this manual.
3. The person determining the stumpage rate must ensure that all estimated and or incurred project costs for development, harvesting, transportation or other tenure obligations costs funded by the FESBC are excluded (or “backed out”) from the appraisal or reappraisal of a cutting authority area.
4. The licensee must submit within the appraisal data submission a detailed list of the projects and estimated and or incurred costs approved for funding.