



Forest Enhancement
Society of BC

FESBC 2026-27 Fibre Utilization Funding Program Guide





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1.0 Introduction

FESBC is accepting applications to fund projects assisting with the movement of uneconomical residual fibre to secondary processing facilities across BC.

This document provides specific application guidance for proponents seeking funds for projects that will increase the utilization of uneconomic 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 Home](#)

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, inaccurate and ambiguous applications and information will delay the review and may disqualify the application. An attestation to the accuracy of the proposal must be completed by a registered member of the Forest Professionals BC (FPBC); and
- b. Should reach out to an FESBC Operations Manager if requirements are unclear.

FESBC:

- a. Will provide guidance to applicants;
- b. Review applications, including all the proposal attachments;
- c. Will conduct site visits of proposed projects, and whenever possible meet, with potential proponents prior to approval;
- d. Will make funding decisions based on the evaluation criteria, the applicant’s ability to deliver and the project’s alignment with FESBC purposes;
- e. Will establish applicable conditions for the funding decisions for each project;
- f. Lead regular meetings with successful applicants to ensure projects meet established conditions, and delivers on time and on budget; and
- g. Will conduct audits and site assessments on approved projects.



PricewaterhouseCoopers (PwC):

- a. Is contracted by FESBC for the implementation of projects and funds on approved projects and proponents;
- b. Checks to ensure applicants meet all the requirements such as minimum insurance, Safe Company status, standing with WSBC, etc.;
- c. Enters into recipient agreement with applicant;
- d. 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; and,
- e. May conduct audits and site visits on approved projects.

3.0 Application Information and Eligibility

The online application portal will remain open throughout the term of the funding window. There will be updates provided via the FESBC social media streams and email distribution lists of deadlines for submissions; the initial deadline will be used to allocate all available funds, and future deadlines will be used when additional funds become available for disbursement. 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 include, but are not 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;
- 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.



Eligible applicants must supply attestations to the accuracy of the application and the submission documents, and review and sign-off on all invoices and reporting documents. These attestations must be completed by a registered member of Forest Professionals BC (FPBC).

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 fibre to non-sawlog facilities;
- c. Not displace or prevent the movement of fibre within the economic radius of the non-sawlog facility where the fibre is being delivered;
- d. 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; and,
- e. Be completed and volume scaled by March 31, 2027 .

3.4 Eligible Activities:

- a. Delivery of uneconomic residual fibre to non-sawlog facilities from cutting authorities harvested primarily for sawlog; or
- b. Delivery of uneconomic fibre to non-sawlog facilities from activities associated with Wildfire Risk Reduction projects; or
- c. 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.

3.5 Ineligible Activities:

- a. Delivery of fibre within the Coast Fibre Recovery Zone, and
- b. Delivery of fibre from BCTS timber sales awarded after December 31, 2022.

3.7 Eligible Incremental Delivery Cost:

- a. For the delivery of uneconomical residual fibre to non-sawlog facilities, FESBC has developed a **NEW Fibre Cost Model** from provincial data that incorporates applicable market rates, incremental costs and phases to its end location.
 - Applicants shall fill out all applicable fields in the Cost Model for each of their cutblocks and corresponding destinations. The Cost Model will calculate the incremental cost for each cutblock and deliverable type, and a total and average



cost for the proposed project. See section 4.1 of this guidebook, and the Instructions tab in the FESBC 2026-27 Cost Model sheet for more detail.

- b. Overstorey removal and/or the delivery of 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
- c. See Appendix 1 for more details. FESBC recommends discussing options with FESBC staff prior to submission.
- d. Project Administration, to a **maximum of 5%**, is available to cover costs required to complete FESBC project planning, monthly invoicing, reporting requirements, quarterly meetings, and coordination and attendance of site visits or audits with FESBC and PwC.
- e. GST, if applicable.

3.9 Ineligible costs:

The New Cost Model only incorporates eligible costs as derived by FESBC from provincial data, and it does not allow for additional or special project costs or considerations. Proponents should not toggle criteria that are not representative of the block they are applying for.

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. The Cost Model and Delivery Schedule sheets must be complete and submitted with the application. If, at the time of submission, all the cutblocks or volume for the fiscal year is unknown, estimated volumes can be used.

4.1 Incremental delivery projects application requirements:

- a. FESBC 2026-27 Fibre Utilization Cost Model – **Cost Calculation worksheet**, must have all applicable cells filled out:
 - i. List proposed cutblocks with corresponding uneconomic fibre volumes;
 - ii. Timber mark and permit status;
 - iii. Deliverable type (pulp logs, hog, cant logs, etc);
 - iv. Cycle time to final delivery site;
 - v. Cutblock average slope >45%; Yes or No
 - from the Cruise Compilation – Block Summary sheet
 - vi. High Utilization
 - Defined as loads containing >20% Gr.6 or Z grade fibre by volume. Must be supported by a recent sample scale. **PULP VOLUME ONLY**



- vii. Low value stand; Yes or No
 - Defined as 0.2m^3 Net Merch Volume per Tree from the Cruise Compilation - Block Summary sheet, or
 - Defined as $125\text{m}^3/\text{ha}$ Net Merch Volume (interior) or $300\text{m}^3/\text{ha}$ Net Merch Volume (coast) from the Cruise Compilation – Block Summary sheet
 - **For primary harvest activities only**
 - viii. Remote operation; Yes or No
 - Defined as from Haida Gwaii, from a determined Camp situations (float or land camps for crews) or any cutblock delivered from beyond Meziadin Junction
 - ix. Damaged stand; Yes or No
 - Defined as any stand with >50% damage, a combined Blowdown %, Insect Damage % and Burn Affected % from the Cruise Compilation - Extended Block Summary sheet
 - **For primary harvest activities only**
 - x. Intermediate Delivery Site; Yes or No
 - When delivering to a site that is not the end user (i.e. 3rd party chipping facility)
 - xi. Override
 - This cost model is a reflection average costs across the province. With unit costs being a driver of the proposal evaluations, if the required unit cost of a select timbermark is believed to be lower than what the model is stating, the proponent has the option to enter a lower rate to override the model's rate. This does not allow a higher rate to be entered.
 - *Note- if the override function is used in an application, this will be considered when making funding determinations*
- b. FESBC 2026-27 Fibre Utilization Cost Model – **Fibre Delivery Schedule worksheet**, must have all applicable cells filled out:
- i. Number of estimated production days per month; and,
 - ii. Volume (m³) delivered by month by cutblock. Total delivered volume on this worksheet must match the Cost Calculation worksheet
- c. Cycle Time worksheet or calculator
- i. Must use accepted district methodology for calculating cycle times from each cutblock to the final destination;
 - A sample of calculated cycle times must be included with the submission
 - ii. When a product will be shipped to an 'intermediate site' before making its way to its final destination



- Discuss these situations with a FESBC Operations Manager prior to submission
- d. 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 2026-27 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. KML or KMZ files for all the above.

4.2 How to Apply

Prior to commencing an application, it is critical that proponents review all application requirements in advance. Contact a FESBC Operations Manager for clarification on application requirements.

Applications are to be submitted using the FESBC online application portal: [FESIMS Home](#)

In addition to this guide, there is a companion document located on the home page. This document will provide additional information to assist with the application submission in FESIMS.

The Forest Enhancement Society of BC - Apply for Funding
This website, Forest Enhancement Information Management System (FESIMS), is the online portal used for submitting applications to FESBC and for management of funded projects.
To find out more about the FESBC purposes, please see the FESBC website, here.
For any questions regarding your project or technical support with this FESIMS system, please contact grantmanagersupport@fesbc.ca.

Useful Websites >
Additional Information v
Fibre Utilization Incremental Cost Model
Wildfire Risk Reduction Cost Model
Guide to Submitting a Fibre Utilization Proposal
Guide to Submitting a WFR Proposal
Residual Fibre Utilization Project Administration
Cost Guidelines
Contract Tendering Policy
Funding Code for RESULTS Entries
Tender Opportunities

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.



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 (\$/m³),
 - ii. Utilization of uneconomic fibre from fire and insect damaged stands,
 - iii. Innovative end products or methods or equipment used to improve delivery efficiency,
 - iv. Supporting of additional forest values (biodiversity, wildfire risk reduction, etc),
 - 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
- b. Applications that best demonstrate that they meet the evaluation criteria will be prioritized for funding, but 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 damaged 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.
- f. The scale of the estimated CO₂e emissions that will be avoided by implementing the project.

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.

- a. Application reviews will commence as soon as they are received



- b. Applicants will not be notified of the ongoing status of their application during the review and assessment process.
- c. All funding decisions are final; however, applications that are not funded in one approval period, may be re-considered in a future approval period. Applications will continue to be accepted throughout the term of the program
- d. All approved funds must be expended within the 2026-27 fiscal year (April 1 to March 31st)

7.0 Project Approval

- a. FESBC staff will provide verbal and written notification of FESBC senior management funding approvals.
 - The written notifications will include funding terms and/or 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 designates must be able to enter a FESBC Recipient Agreement with PwC to deliver an approved FESBC project
- b. Certain applicants 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 will be managed by FESBC.
- c. 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.
- d. Recipient must be safe certified or have a safety plan acceptable to FESBC and PwC.



8.2 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 of any activities is not approved until PwC or FESBC approves the Project Plan. Any activities that commence prior to Project Plan approval may not be 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 and/or FESBC.

8.3 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. Where the Concurrent Residual Harvest System (CRHS) alternate scaling method is being used, proponents must follow the requirements in the CRHS guidance documents:
[CRHS - Coast](#)
[CRHS - Interior](#)
- d. FESBC will not waive or assume any legal obligation for any activities.

9.0 Changes, Extensions & Reporting

9.1 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 by 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 made by the proponent, timely communications with FESBC staff should take place, and an updated delivery schedule must be provided for approval.



9.2 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.

10.0 Additional Information

10.1 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.

10.2 Events and Communications

The funding agreement may require the following:

- a. The Forest Enhancement Society of BC and, as appropriate, the Government of Canada, to 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).

10.3 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.

10.4 Application Support

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

Further support is available from FESBC staff: office@fesbc.ca



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 FOR 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 FOR 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 February 1, 2026

District	Indicated Rate Threshold
100 Mile House	-\$45.00
Cariboo-Chilcotin	-\$50.00
Quesnel	-\$45.00
Rocky Mountain	-\$50.00
Selkirk	-\$60.00
Peace	-\$60.00
Mackenzie	-\$60.00
Prince George	-\$55.00
Stuart Nechako	-\$60.00
Coast Mountains	-\$60.00
Nadina	-\$60.00
Skeena Stikine	-\$50.00
Cascades	-\$60.00
Okanagan Shuswap	-\$60.00
Thompson Rivers	-\$40.00
Campbell River	-\$30.00
Haida Gwaii	-\$60.00
North Island - Central Coast	-\$40.00
South Island	-\$30.00
Chilliwack	-\$60.00
Sea to Sky	-\$50.00
Sunshine Coast	-\$60.00



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 (Currently underway) 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.