

Independent Forest Audit Provincial Action Plan -2011-

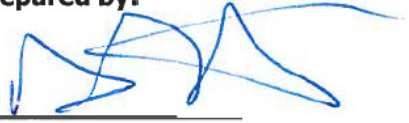


Algoma Forest, Armstrong Forest,
Bancroft-Minden Forest, Black River Forest,
Black Sturgeon Forest, French-Severn Forest,
Lac Seul Forest, Lake Nipigon Forest
Magpie Forest, Nipissing Forest,
Pic River Ojibway Forest, Spruce River Forest,
Sudbury Forest, Temagami Forest

April 1, 2006 – March 31, 2011
Ontario Ministry of Natural Resources

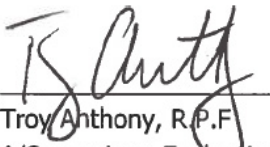


Submission Page

Prepared by:

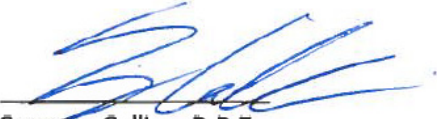
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INTRODUCTION

Independent Forest Audits (IFAs) covering the period from April 1, 2006 to March 31, 2011 were conducted on the following fourteen Forest Management Units (FMUs) in Ontario in 2011:

- Algoma Forest
- Armstrong Forest
- Bancroft - Minden Forest
- Black River Forest
- Black Sturgeon Forest
- French Severn Forest
- Lac Seul Forest
- Lake Nipigon Forest
- Magpie Forest
- Nipissing Forest
- Pic River Ojibway Forest
- Spruce River Forest
- Sudbury Forest
- Temagami Forest

The audits were undertaken according to the Independent Forest Audit Process and Protocol (IFAPP) which meets the requirements of the Crown Forest Sustainability Act (CFSA) and the conditions of MNR's Class Environmental Assessment for Forest Management in Ontario (2003) as amended. It also meets the requirements of Ontario Regulation 160/04 made under the CFSA (governing Independent Forest Audits).

This action plan was developed based on the requirements of the IFAPP (2013). The action plan addresses the 34 Ministry of Natural Resources (MNR) corporate/regional recommendations included in the 2011 IFA's. Sustainable Forest Licence (SFL) extension recommendations are provided at the end of the action plan.

Provincial action plans must be submitted annually for MNR approval within two months of receipt of the last final audit report for the year, unless otherwise directed by the Minister. For 2011 audits, the last final audit report for the year was accepted by the Forestry Futures Committee on November 13, 2012. Therefore, this Provincial Action Plan is due for submission on January 12, 2013.

The approved provincial action plan is available through MNR's public website once the audit reports have been tabled in the Legislature.

The progress towards implementing this action plan will be reported in a separate status report submitted two years following approval of the action plan.

RECOMMENDATIONS

Principle 2: Public Consultation and Aboriginal Involvement

BLACK STURGEON FOREST #3 & SPRUCE RIVER FOREST RECOMMENDATION #3

Recommendation:

Corporate MNR shall improve the administration of Aboriginal Background Information Reports preparation and Aboriginal Values Collection to ensure that there is no perceived or real risk of inadvertent disclosure of confidential community information. These efforts should include a review of the Partner Funding MOU that currently supports the administration of this area.

Action:

- 1) Forests Branch will facilitate discussions with appropriate groups (e.g., Aboriginal Policy Branch and Regional Operations Division) regarding the MOUs and data sharing agreements that are currently used in forest management planning to collect Aboriginal values information to ensure there is no risk of disclosing confidential community information.
- 2) Forests Branch will work with Aboriginal Policy Branch to develop clarification materials to be provided to planning teams to ensure the protection of confidential community information.

Organization & position responsible:

- 1) MNR Forests Branch, Forest Evaluation and Standards Section, Evaluation and Reporting Unit, Supervisor.
- 2) MNR Forests Branch, Forest Management Planning Section, Manager (lead) and MNR Aboriginal Policy Branch, Aboriginal Relationships Policy Section, Manager.

Deadline date:

1 & 2 December 31, 2013.

Method of tracking progress:

1 & 2 Clarification materials.

NIPISSING FOREST RECOMMENDATION #1

Recommendation:

Corporate and Regional Ontario Ministry of Natural Resources shall restrict its issue resolution decisions to those that it can make under the Crown Forest Sustainability Act.

Action:

The MNR's Class EA for Timber Management on Crown Lands in Ontario requires that the Forest Management Planning Manual (FMPM) provide a formal issue resolution process. The FMPM outlines the process to resolve issues regarding specific proposed forest management activities in a Forest Management Plan (FMP). Part A, Section 1.1.8 of the FMPM, 2009 outlines the legislation and documents that provide direction and guidance for decision-making during the preparation and approval of a FMP. The CFSA is one of several sources providing direction and guidance for decision-making.

MNR Forests Branch will provide information to MNR District Managers and Regional Directors regarding the sources of direction to be considered when making issue resolution decisions and the parameters of the forest management planning process.

Organization & position responsible:

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date:

Spring 2013 to compliment Draft and Final FMP, and organizing for FMP training sessions.

Method of tracking progress:

Issue resolution information provided to MNR District Managers and Regional Directors.

TEMAGAMI FOREST RECOMMENDATION #6:

Recommendation:

Corporate MNR should advise District MNR on whether or not Timiskaming First Nation of Quebec should be invited as a full participant in the forest management planning process.

Action:

Aboriginal Policy Branch will lead a dialogue with North Bay District to discuss considerations related to involving the Timiskaming First Nation, situated in the province of Quebec, in the Temagami FMP planning process. The purpose of the dialogue is to confirm that the approach taken by North Bay District in its relations

with the Timiskaming First Nation has been appropriate in the circumstances, and/or to advise of other actions the District may take to enhance the approach. The District is looking for reaffirmation that the approach used (enhanced consultation with the Timiskaming First Nation) to develop the 2009 FMP should be continued for Phase 2 planning (2014-19). The dialogue will be supported with a record of the approach that has been taken, to be created by the District, and supplemented with responses and commentary from selected participants, including personnel from the Ministry of Aboriginal Affairs, Legal Services Branch, Aboriginal Policy Branch, Forests Branch (Forest Management Planning Section), Northeast Region and North Bay District.

Organization & position responsible:

MNR Aboriginal Policy Branch, Aboriginal Policy Officer (lead) with support and guidance as required from: MNR Northeast Region, Regional Director and Aboriginal Liaison Officers; MNR Aboriginal Policy Branch, Aboriginal Policy Officer; North Bay District personnel; Forests Branch; Legal Services Branch.

Deadline date:

In time to support the beginning of Phase 2 forest management planning activities for the Temagami FMU. Target date for completion is June 15, 2013.

Method of tracking progress:

Documentation of the dialogue.

Principle 3: Forest Management Planning

ALGOMA FOREST RECOMMENDATION #4:

Recommendation:

Corporate MNR shall encourage planning teams to base the planned harvest level on the forecast industrial wood demand and declare the remaining allowable harvest area as surplus.

Action:

Planning teams consider current wood supply commitments, historic utilization, and forecasts of future fibre demand, when identifying desirable levels of available harvest volume in the development of the Long-Term Management Direction (LTMD) for a FMP. The FMPM (2009) directs the setting of targets for each objective to reflect a balancing of objectives and will consider a balance of social, economic, and environmental considerations. This message is emphasized in FMP training to ensure the achievement of current supply commitments is carefully considered and evaluated with the achievement of long-term wood supply, and non-timber objectives.

The FMPM requires that the planned harvest areas in excess of the projected industrial wood requirements and wood supply commitments to be identified as surplus harvest area and receive full operational planning. This allows for the identification of potential new industrial use opportunities.

The Ontario government completed a wood supply competitive process in 2011. The purpose of the wood supply competition was to put Ontario's unused wood to work by identifying companies who could use the wood. In addition, Ontario is currently modernizing its forest tenure and pricing system. The plan to modernize the forest tenure system aims to open Ontario's forest sector to new opportunities and growth resulting in better utilization of the available harvest area.

Forests Branch will monitor the results of the wood supply competition and forest tenure and pricing system reform and consider this recommendation during the development of the next version of the FMPM.

Organization & position responsible:

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date:

The timelines associated with the completion of the new FMPM. Anticipated in fiscal year 2015.

Method of tracking progress:

Completion of the new FMPM.

ALGOMA FOREST RECOMMENDATION #5:

Recommendation:

Corporate MNR shall revise the FMPM to augment Table AR-4 with information that informs readers of the status of the [Forest Renewal Trust] FRT, specifically FRT revenues generated from the harvest, the minimum balance at March 31st and the required minimum balance.

Action:

Forests Branch will investigate the addition of FRT revenues, the required minimum balance as per the SFL document and actual balance on March 31st, as data requirements in Table AR-4. This recommendation will be considered during the production of the next version of the FMPM.

Organization & position responsible:

MNR Forests Branch, Forest Management Planning Section, Manager and Forest Health and Silviculture Section, Manager.

Deadline date:

The timelines associated with the completion of the new FMPM. Anticipated in fiscal year 2015.

Method of tracking progress:

Completion of the new FMPM.

BANCROFT-MINDEN FOREST RECOMMENDATION #5:**Recommendation:**

OMNR should corporately pursue the use of Section 18 of the Endangered Species Act to allow forest management plans to qualify as instruments of the Act.

Action:

Section 18 provisions of the Endangered Species Act are currently available to the MNR and can be used in the appropriate circumstances. MNR will take this recommendation into consideration as it moves forward with the implementation of the Endangered Species Act. No further action required.

BLACK STURGEON FOREST RECOMMENDATION #14:**Recommendation:**

Corporate MNR shall revise the FMPM direction for reporting actual harvest results in the Year Ten [annual report] AR so as to enable the reader to clearly distinguish the bridged area in the assessment of accomplishments during the plan period.

Action:

As per the requirements of the FMPM (2009), licensees report on areas of bridging operations planned to be harvested in the Year Ten annual report. This planned bridged area is included with the total area harvested during the current plan, to provide long-term perspective on harvest levels during the planning period. The actual bridging area harvested in year one of the new FMP is reported in the Year One annual report, but is counted against the previous plan's available harvest area. Bridged areas are also identified separately on the operations maps.

Bridging area allows companies to complete harvest operations in blocks they are operating in when the current FMP expires. The FMPM limits the amount of bridging area that can be identified to three months harvest area from the previous FMP and requires the harvest of bridging areas to be completed by March 31, of the first year

of the FMP. The limited amount of bridging area will have minimal effect in the assessment of accomplishments during the plan period.

The Black Sturgeon Forest identified and harvested a non-typical high level of bridging area. This is not the normal bridging situation on the majority of forest management units.

The current requirements and process for reporting bridging area are effective, and as such no further changes to FMPM are warranted.

No further action required.

BLACK STURGEON RECOMMENDATION #6 & SPRUCE RIVER #7

Recommendation:

Corporate MNR shall commit to completing and releasing the Boreal Landscape Guide with scientifically defensible approaches to managing caribou habitat post haste.

Action:

Proceeding with the Environmental Registry proposal posting notice for the draft guide is being considered in the broader context of moving forward with a number of initiatives related to woodland caribou conservation. At this time, a specific date for the posting does not exist, however it is anticipated to occur in the very near future.

Responsibility:

MNR Forests Branch, Forest Policy Section, Supervisor Guides Unit.

Deadline date:

December 31, 2013.

Method of Tracking:

Proposal Notice posted on Environmental Registry requesting public comment on the draft guide; Decision notice posted on the Environmental Registry indicating approval of the final guide.

BLACK STURGEON RECOMMENDATION #7 & SPRUCE RIVER #8

Recommendation:

Corporate MNR shall develop habitat projection models for songbirds recognized as Species at Risk (SAR) which use forested habitat into forest projection models used in management planning and ensure that those models are used in forest management planning across the species' ranges in Ontario.

Actions Required:

MNR will evaluate the need and feasibility of refining existing, or developing new habitat models for forest management planning purposes for forest-related songbirds recognized as SAR.

Deadline date:

Completed by March 31, 2015.

Organization and Position Responsible:

MNR Forests Branch, Forest Management Planning Section, Manager (lead), supported by; MNR Forests Branch, Forest Policy Section, Manager; MNR Species at Risk Branch, Protection Section, Manager; MNR Applied Research & Development Branch, Centre for Northern Ecosystem Research (CNFER), Manager; and MNR Science & Information Branch, North East Science & Information Section, Manager, Southern Science & Information Section, Manager and North West Science & Information Section, Manager.

Method of Tracking Progress:

Evaluation and feasibility review completed.

BLACK STURGEON RECOMMENDATION #12 & SPRUCE RIVER #13**Recommendation:**

Corporate MNR shall review the means by which silvicultural success is measured and portrayed in annual reports in order to seek improvements to the way in which renewal and forest development is monitored

Action:

Forest Health & Silviculture Section (FHSS) has commenced a Silviculture Enhancement Initiative with the purpose of evaluating the effectiveness of renewal and maintenance efforts and making improvements where required. Through this initiative FHSS will review the measurement and reporting of silviculture success and seek improvements as necessary.

Responsibility:

MNR Forests Branch, Forest Health and Silviculture Section, Manager and Forest Health and Silviculture Section, Silviculture Program Specialist.

Deadline date:

Completion by June 2013.

Method of Tracking:

Project report.

LAC SEUL FOREST RECOMMENDATION #1

Recommendation:

Corporate MNR should provide sufficient resources to conduct additional inventory and monitoring of forest-dependent species at risk to adequately support forest management planning on the Lac Seul Forest.

Action:

During the forest management planning process MNR employs a “coarse and fine filter” approach to manage for the diversity found in Ontario’s forests. Planning is conducted to ensure the right mix of forest types and conditions are present on the land base (coarse filter) in conjunction with stand and site specific protection of known values through area of concern (AOC) prescriptions and conditions on regular operations (fine filter).

The “Draft” Forest Management Guide for Boreal Landscapes provides direction on how to conserve biodiversity through landscape level approaches. It identifies and helps inform goals and targets for forest composition (forest tree species units and age classes) and pattern (arrangement of forest patches across the landscape) in FMPs while recognizing the importance of the natural variability of landscapes.

The Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales provides direction on how to conserve biodiversity at the stand and site level through the application of fine filters to ensure that habitat requirements for forest dependent species are satisfied. Values such as forest structure, functional variability and site-specific features (e.g., stick nests and denning sites) providing wildlife habitat are maintained.

Values information is assembled and updated during the production and implementation of the FMP. Appropriate AOC prescriptions for known values are approved in the FMP and implemented during forest operations. Funding for values collection/confirmation specifically for the purposes of forest management planning is distributed through divisional funding to Regional Operations Division. Funding is allocated through the MNR Regions to the MNR Districts subject to the annual budgeting and priority setting process.

In addition, the FMPM and the Forest Information Manual (FIM) outline the requirements for addressing previously unidentified values and incorrectly mapped values.

A number of studies are underway to increase our understanding of habitat requirements for forest-dependent species at risk in Ontario. In the case of woodland caribou, Ontario’s Caribou Conservation Plan identifies a commitment to caribou

research and a Range Management Approach which both contribute to adaptive management of caribou and their habitat in Ontario. The *Range Assessment Approach* requires an Integrated Range Assessment (IRA) to be conducted periodically.

The caribou research project, through findings from the Pickle Lake study area, will investigate habitat, predators, population dynamics and human activities in a land area largely representative of that found within the Lac Seul Forest. Findings from that research project will inform improvements to all aspects of caribou conservation and management in Ontario.

An IRA for the Churchill Range, which encompasses most of the Lac Seul Forest, was initiated in 2011/12. IRAs provide the primary means for monitoring and assessing the amount of disturbance, habitat condition, and woodland caribou population size and trend within a each range. As part of IRA, aerial distribution and recruitment surveys were conducted in February 2012, 20 female caribou were fitted with GPS satellite collars, and the landscape was assessed for habitat amount and arrangement and cumulative disturbance to habitat. The draft Integrated Range Assessment Report (IRAR) is currently being prepared and will document the distribution, abundance, and habitat use of woodland caribou, current understanding of caribou ecology within the range and provide a determination of overall range condition. Recommendations from the IRAR may be used as guidance to inform objectives for future planning activities and management decisions within the range including forest management planning. A draft IRAR should be completed by Dec 31, 2013.

Responsibility:

MNR Science & Information Branch, North West Science & Information Section, Manager.

Deadline date:

Completed by December 31, 2013.

Method of Tracking:

Integrated Range Assessment Report.

LAC SEUL FOREST RECOMMENDATION #3

Recommendation:

Corporate MNR should place a high priority on the completion of the new Forest Resource Inventory (FRI) for the Lac Seul Forest, so that it will be available for the preparatory work and input to the forest management update in 2016.

Action:

The Lac Seul Forest FRI is currently scheduled in the update process. No other specific action is required as this update is on target for completion. However, inventory schedules can change due to management unit amalgamations and other unforeseen planning circumstances.

Responsibility:

MNR Science and Information Branch, Inventory Monitoring and Assessment Section, Forest Resources Inventory Program, Coordinator.

Deadline date:

Production for the Lac Seul Forest FRI is currently scheduled for the following dates:

- Imagery Acquisition - Imagery acquisition was completed over three summers; 2009, 2010, 2011. All products have passed quality inspection and have been processed.
- Calibration Plots - Field sampling to support air photo interpretation is scheduled to commence in the spring of 2014.
- Imagery Classification - Photo interpretation is scheduled to begin in the fall of 2014 and should take approximately two years.

The enhanced FRI is scheduled for completion by December 2016.

Method of Tracking:

Completion of FRI product for Lac Seul Forest.

NIPISSING FOREST RECOMMENDATION #2

Recommendation:

Corporate MNR must ensure that a new Forest Resource Inventory is delivered and implemented to replace the current inventory so that future forest management plans are not developed with such aged and inaccurate data.

Action:

The Nipissing Forest FRI is currently scheduled in the update process. No other specific action is required as this update is on target for completion. However, inventory schedules can change due to management unit amalgamations and other unforeseen planning circumstances.

Responsibility:

MNR Science and Information Branch, Inventory Monitoring and Assessment Section, Forest Resources Inventory Program, Coordinator.

Deadline date:

Production for the Nipissing Forest FRI is currently scheduled for the following dates:

- Imagery Acquisition - Imagery acquisition was completed over two summers; 2008 and 2009. All products have passed quality inspection and have been processed.
- Calibration Plots - Field sampling to support air photo interpretation is scheduled to commence in the fall of 2012 with completion of all plots during the spring and summer of 2013.
- Photo Interpretation- scheduled to commence December 2012

The enhanced FRI is scheduled for completion in 2014.

Method of Tracking:

Completion of FRI product for the Nipissing Forest.

NIPISSING FOREST RECOMMENDATION #5

Recommendation:

Ontario Ministry of Natural Resources must ensure that all required alterations to forest management plans requested by the Crown are within the purview and scope of the Crown Forest Sustainability Act.

Action:

Part A, Section 1.1.8 of the FMPM (2009) outlines the legislation and documents that provide direction and guidance for decision-making during the preparation and approval of a FMP. The CFSA is one of many sources that provide direction and guidance when preparing a FMP.

The Draft and Final FMP training session provides direction to MNR FMP reviewers on what to consider before administering a required alteration to a FMP. The Draft and Final FMP training session specifically states required alterations should be supported by the FMPM, policy, and/or guidelines. Examples of good and bad required alterations are also provided to MNR reviewers. MNR Forests Branch will continue to provide training on administering required alterations to MNR FMP reviewers.

Organization & position responsible:

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date:

Forests Branch will continue Draft and Final FMP training to MNR FMP reviewers as per the FMP training schedule.

Method of tracking progress:

Draft and Final FMP training records.

SPRUCE RIVER RECOMMENDATION #10

Recommendation:

Corporate MNR will review the bridging procedures and requirements specified in the FMPM to ensure that they continue to be seen as appropriate for a wide range of possible circumstances.

Background:

There may be situations where harvest operations from the current approved FMP are not completed before expiry of the plan. Provisions in the FMPM (2009) for bridging operations, allow for harvest of these areas in the new FMP but limits the area to three months of harvest area from the current plan. Limiting the area to three months is necessary to prevent significant over harvesting. In situations where the bridging area exceeds three months, the extra area should be swapped with planned new area to balance the allowable harvest of the new plan. Also by limiting the area, the effect on the harvest area and volume statistics for each plan term will not be as significant.

The purpose of bridging area is to allow for the completion of harvest areas from the current FMP that were being harvested when the plan term expired. The timeframe for completing the harvest of bridging area was extended from three months to one year in the FMPM (2009). The one-year timeframe allows for completion of winter harvest areas and provides flexibility for completing the remaining bridging area. The three months harvest area limits the effect on the Year Ten Annual Report harvest numbers.

For areas managed using the clearcut silvicultural system, harvest may have been planned in two passes. In circumstances where only the first pass is completed before the expiry of the current approved FMP, the areas planned for second-pass harvest are to be identified in the new FMP to allow for completion of harvest operations.

Action:

The provisions in the FMPM (2009) for bridging area and second-pass harvest operations are appropriate for addressing a wide range of circumstances.

No specific action required, however MNR will continue to monitor the application and use of bridging processes in FMPs.

Responsibility:

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date:

Ongoing.

Method of Tracking:

Sustainable Forest Licence Annual Reports: reporting of bridging areas.

Principle 4: Plan Assessment and Implementation**ARMSTRONG RECOMMENDATION #8:****Recommendation:**

Corporate MNR must conduct a review of the Collins Road project to account for the expenditure of all public funds, and assess the appropriateness of the financial management afforded to this project.

Background:

The Provincial Forest Access Roads Funding Program, initiated in 2005, supports the construction and maintenance of the forest access road infrastructure that is used by the forest industry and many other resource users. Reimbursements are made for costs incurred on the construction and maintenance of eligible primary and branch roads that are identified in the approved FMP, located on Crown land and not limited to forest industry use.

Beginning in 2008/09, the annual Road Construction and Maintenance Agreements were entered into with the Forest Resource Licence (FRL) holder on the Armstrong Crown Management Unit.

Total Reimbursements by Year and Company:

Year	FRL Holder	Reimbursement
2008/09	Buchanan Forest Products Limited	\$1,179,874
2009/10	Whitesand Forestry	\$787,908
2010/11	Whitesand Forestry	\$559,528

Construction of the Collins Road took place during all three years.

Action:

MNR Business Development Branch, Forestry Division will lead a review of the costs and activities relating to the Collins Roads project. Both Buchanan Forest Products

Limited and Whitesand Forestry will supply all information to support this review as per the Road Construction and Maintenance Agreement.

Organization & position responsible:

MNR Business Development Branch, Forest Industry Liaison Officer (lead), with support and guidance as required from MNR Thunder Bay District staff.

Deadline date:

Review completed in July 2012. Report currently in draft form.

Method of tracking progress:

Confirmation by the Director, Business Development Branch, that the review has been conducted and documented.

Lake Nipigon Forest & Armstrong Forest Recommendation #5

Recommendation:

Corporate MNR should investigate the possibility of modifying the current socio-economic analysis requirements of the FMPM to enable it to be used as a decision support tool to assist in the scoping analyses to help determine the LTMD decision.

Action Required:

Forests Branch will review the socio-economic aspects of the LTMD scoping and analysis process that is currently prescribed by the FMPM to guide direction during the development of the next version of the FMPM.

Organization & Position Responsible:

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date:

The timelines associated with the completion of the new FMPM anticipated for fiscal year 2015.

Method of Tracking Progress:

Completion of the new FMPM.

Principle 6: Monitoring

FRENCH-SEVERN FOREST RECOMMENDATION #4:

Recommendation:

Corporate MNR should review the process that permits exceptions to guide direction to ensure that forest management plans set out clear objectives in addition to a rationale, that exceptions monitoring programs are rigorous and that the results of implementing exceptions contribute meaningfully to the knowledge base of forestry.

Action Required:

Forests Branch will review the requirements of monitoring programs for exceptions to guide direction during the development of the next version of the FMPM.

Organization & Position Responsible:

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date:

The timelines associated with the completion of the new FMPM anticipated for fiscal year 2015.

Method of Tracking Progress:

Completion of the new FMPM.

BLACK STURGEON FOREST RECOMMENDATION #4 & SPRUCE RIVER FOREST #4:

Recommendation:

Corporate MNR shall reinforce the training to planning teams regarding the revised letter response requirements in the FMPM (2009) related to the preparation of written responses during Stage 5 (Phase I) and Stage 3 (Phase II) of the forest management planning process.

Action Required:

MNR will reinforce the instructions provided to planning teams during training concerning the requirements for the District Manager to provide written responses to any person who has requested a change to the FMP and to any person known to be directly affected. The next training session that will incorporate this message will be for the Draft/Final Stage for the 2009 planning teams preparing their 2014 Phase II planned operations. This training session will take place via WebEx and is scheduled for April, 2013.

Organization & Position Responsible:

MNR Forests Branch, Forest Evaluation and Standards Section, Training Coordinator.

Deadline date:

Completion by April 2013.

Method of Tracking Progress:

Training session will be conducted via WebEx and will be recorded to allow others to listen to the training at a later date. Content of the training session (i.e., PowerPoint slide decks and supporting materials) is also posted on the "Learning Compass" which is a Learning Management System that tracks training attendance and houses archived training materials.

NIPISSING FOREST RECOMMENDATION #10:**Recommendation:**

Corporate MNR shall arrange to provide additional training to all individuals involved with the compliance monitoring programs on the Nipissing Forest with regard to the use of the Forest Operations Inspection Program in light of the procedural and policy changes adopted in the Forest Compliance Handbook (2010).

Action Required:

Corporate MNR provided Forest Compliance Handbook refresher training sessions in various locations across Ontario (Timmins, North Bay, Dryden, Thunder Bay, Bancroft, and Sault Ste. Marie) in March 2012. The refresher training was available to both forest industry and MNR staff, and covered a wide range of topics including updates to forest operation inspections monitoring and reporting. Specifically, Nipissing Forest SFL and MNR staff attended the Forest Compliance Handbook refresher training session in North Bay on March 7, 2012.

Organization & Position Responsible:

MNR Forests Branch, Forest Evaluation and Standards Section, Senior Compliance Specialist.

Deadline date:

Completed March 7, 2012 as per above.

Method of Tracking Progress:

Corporate MNR maintains attendance sheets for training sessions.

Principle 7: Achievement of Management Objectives and Forest Sustainability

MAGPIE FOREST RECOMMENDATION #10**Recommendation:**

Corporate MNR must work with the Wawa District and Dubreuil Forest Products Ltd. (DFPL) to find a way to fund the outstanding silviculture treatments. Once funding is made available, DFPL must expediently address the silviculture liabilities on the Magpie Forest

Action Required:

- 1) The purpose of the minimum balance is to provide funding for one year of silviculture in the event of bankruptcy of the SFL holder. The SFL surrender extinguishes the requirement to maintain the minimum balance. Funds to address outstanding silviculture treatments are then available from the Forest Renewal Trust account for the forest. A letter outlining these requirements will be issued to the District Manager and Regional Director.
- 2) MNR Northeast Region and Wawa District staff will develop a strategy in 2013 to ensure that the silviculture program backlog on the Magpie Forest is addressed (target of 2014-15). Given the sequential nature of the renewal activities, the program may extend beyond 2014-15. The strategy will consider the possibility of a SFL extension and/or transfer.

Organization & Position Responsible:

- 1) Forest Branch, Forest Health and Silviculture Section, Forest Trust Specialist/ Provincial Silviculture Specialist.
- 2) MNR Northeast Region, Regional Director (lead).

Deadline date:

- 1) Prior to March 31, 2013.
- 2) December 31, 2013 for development of strategy and ongoing annually as required for silvicultural treatments.

Method of Tracking Progress:

- 1) Letter on file.
- 2) Scheduling of silvicultural treatments in annual work schedules and reporting in annual reports.

Principle 8: Contractual Obligations

ALGOMA FOREST RECOMMENDATION #15 & #16:

Recommendation 15:

Corporate MNR shall provide monthly statements of Crown charges account status to Agents of the Crown.

Recommendation 16:

Corporate MNR shall integrate the identification of records in the iTrees and RBC Dexia accounting and reporting systems to facilitate reconciliation of entries in the two systems.

Background:

Mill facilities that are Agents of the Crown collect delivery data (approval#, bol# and volume information) on a daily basis and provide detailed and summary reports monthly to MNR. MNR provides approval data, stumpage, and renewal rates by licensee. This information is used by the Agent of the Crown facility to submit applicable stumpage and trust payments to the Ministry of Finance and RBC Dexia respectively. MNR staff will continue to work collaboratively with Agent of the Crown representatives to ensure accuracy and timeliness in regards to data flow and account status.

Action:

- 1) MNR Operations Branch will undertake a comprehensive review of the current Agent of the Crown, SFL, MNR, Licensee arrangements in regards to stumpage and renewal. The review will include an examination of the flow of data, communications, reporting, and accounting functions.
- 2) MNR will setup a meeting with Clergue Forest Management Inc. to review the current status of stumpage and trust payments for the Algoma Forest.

Organization & position responsible:

1 & 2 MNR Operations Branch, Wood Allocation and Measurement Section, Wood Measurement Unit, Supervisor in conjunction with MNR Operations Branch, Forest Business And Economics Section, Manager.

Deadline date:

- 1) Completed by April 1, 2013.
- 2) Completed by April 1, 2013.

Method of tracking progress:

- 1) Stumpage & renewal review report and implementation plan.
- 2) Minutes from MNR & Clergue Forest Management Inc. meeting.

SPRUCE RIVER RECOMMENDATION #15 AND BLACK STURGEON #18:

Recommendation:

Corporate MNR shall develop and implement a schedule, allowing for the company review of draft documents, so that a Sustainable Forest Licence for the Black Spruce Forest can be in place by June 1, 2012.

Action:

Consent has been received from the SFL holder to move forward with the amalgamation of the Black Sturgeon and Spruce River SFLs to form the new Black Spruce SFL. Briefing material will be prepared and forwarded to request the Minister's signature on the Black Sturgeon surrender document and the new Black Spruce SFL.

Organization and position responsible:

MNR Operations Branch, Timber Allocation and Licensing Section, Sustainable Forest Licensing Specialist.

Deadline date:

Completed – the Spruce River Forest SFL was amended to include the Black Sturgeon SFL and renamed as the Black Spruce Forest SFL. The amendment was signed by the Minister December 19, 2012.

Method for tracking progress:

Briefing material prepared to request the Minister's signature on amendments to the Spruce River Forest SFL.

BLACK STURGEON RECOMMENDATION #16 & PIC RIVER OJIBWAY #8:

Recommendation #16:

Corporate MNR should revise the schedule for submission of the action plans which identify how audit's recommendations are to be addressed. Corporate MNR should consider a submission due date for action plans of four to six months following submission of the Final Audit Report.

Recommendation #8:

Corporate MNR should engage SFL representatives and review the process associated with IFA Action Plan and Action Plan Status Report development to determine if there are more effective ways to deal with reporting timelines and report development.

Action:

The Office of the Auditor General of Ontario (OAGO) conducted a review of the MNR's Forest Management Program in 2011. The OAGO's report included a recommendation regarding the timely submission of action plans and status reports. In response to the OAGO's recommendation, staff from MNR Regional Operations Division have begun

developing schedules outlining dates and responsibilities required to ensure action plans and status reports are submitted on time. The approach was effective in 2011. Forests Branch will encourage Regional Operations Division to continue with this approach to ensure the timely submission of action plans and status reports.

Organization and position responsible:

MNR Forests Branch, Forest Evaluation & Standards Section, Provincial Forest Evaluation and Reporting Forester.

Deadline date:

Ongoing.

Method for tracking progress:

Action plan and status report submission dates.

LAKE NIPIGON FOREST RECOMMENDATION #14:

Recommendation:

Corporate MNR shall immediately evaluate whether the retention of SFL# 550412 by Lake Nipigon Forest Management Inc. (LNFMI) is consistent with the purposes of the CFSA and take appropriate action.

Action:

MNR will undertake a comprehensive review of LNFMI's performance in regards to undertaking the obligations and responsibilities of the Lake Nipigon SFL, consistent with the principles and purposes of the CFSA. The review will consider specific deficiencies outlined in the 2011 IFA for the Lake Nipigon Forest. The review will support a MNR recommendation regarding whether the SFL should be retained by LNFMI.

Organization & position responsible:

MNR Operations Branch, Timber Allocation and Licensing Section, Manager (lead), supported by; MNR Forest Tenure & Economics Branch, Forest Tenure Section, Manager and MNR Forests Branch, Forest Evaluation and Standards Section, Manager.

Deadline date:

Completed by August 31, 2013.

Method of tracking progress:

Completed review of LNFMI's SFL.

LICENCE EXTENSION

This section describes the licence extension recommendations made by the applicable auditors in 2011. The Temagami Management Unit, Armstrong Forests, and Lac Seul Forests are managed by the Crown and are therefore not included in the list below.

ALGOMA FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Algoma Forest was generally in compliance with the legislation, regulations, and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Clergue Forest Management Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542257 for a further five years.

BANCROFT-MINDEN FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Bancroft-Minden Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Bancroft-Minden Forest Company. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542585 for a further five years.

BLACK RIVER FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Black River Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Great West Timber Ltd. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. Had the SFL holder not been in receivership, the audit team would have recommended that the Minister extend the term of Sustainable Forest Licence #542002 for a further five years.

FRENCH-SEVERN FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the French-Severn Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Westwind Forest Management Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542411 for a further five years.

LAKE NIPIGON FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that the management of the Lake Nipigon Forest was not in compliance with legislation, regulations and policies that were in effect during the term covered by the audit and the Forest was not managed in compliance with terms and conditions of the Sustainable Forest Licence held by Lake Nipigon Forest Management Inc. Long term forest sustainability is potentially at risk as assessed through the Independent Forest Audit Process and Protocol. Therefore, the audit team recommends the Minister not extend the term of Sustainable Licence #550412 for a further five years, for the following reasons;

- LNFMI has been unable meet many of its SFL obligations and responsibilities including:
 - The requirement to monitor and report on the status of the forest resource.
 - The requirement to address outstanding silvicultural liabilities.
 - The requirement to ensure adequate funding for forest management planning and silviculture.
 - The requirement to provide adequate compliance oversight of forest operations.
- The audit team further recommends (Recommendation #13, Appendix 1) that Corporate MNR immediately evaluate whether the retention of SFL # 550412 by LNFMI is consistent with the purposes of the CFSA and take appropriate action.

MAGPIE FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that, with the *critical exception* noted below, management of the Magpie Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Dubreuil Forest Products Limited. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The critical exception is as follows:

- Planned silvicultural activities remain uncompleted on select sites.

Therefore, the audit team recommends the Minister extend the term of the Sustainable Forest Licence # 542003 for a further five years, only on confirmation that the following conditions have been satisfied:

- Planned silviculture must be completed on outstanding sites by September 15, 2014.

NIPISSING FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Nipissing Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Nipissing Forest Resource Management. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542053 for a further five years.

PIC RIVER OJIBWAY FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Pic River Ojibway Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Great West Timber Ltd. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. Had the SFL holder not been in receivership, the audit team would have recommended that the Minister extend the term of Sustainable Forest Licence #542440 for a further five years.

SPRUCE RIVER FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Spruce River Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by AbiBow Canada Inc. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. Because similar positive conclusions were also reached in the concurrent Independent Forest Audit of the Black Sturgeon Forest, the audit team recommends that the new Sustainable Forest Licence being developed for the Black Spruce Forest be issued to AbiBow Canada Inc. with a full term of twenty years.

SUDBURY FOREST RECOMMENDATION ON LICENCE EXTENSION

The audit team concludes that management of the Sudbury Forest was generally in compliance with the legislation, regulations and policies that were in effect during the term covered by the audit, and the Forest was managed in compliance with the terms and conditions of the Sustainable Forest Licence held by Vermilion Forest Management. Forest sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends the Minister extend the term of Sustainable Forest Licence #542442 for a further five years.

LICENCE REVIEW

MNR will undertake a review of the Sustainable Forest Licences to ensure the terms and conditions of the licence have been achieved by the licensee. The following outlines the planned details of this review program.

Actions required:

- 1) A review of the applicable SFLs for the above forests will be conducted to ensure the licensees have complied with the terms and conditions of the licence. As part of the review, IFA recommendations will be considered in accordance with Section 9 of the SFL.
- 2) Results of the review will be evaluated and if satisfactory, will be advanced to the Minister for his consideration.

Organization & position responsible:

1 & 2 Forestry Division, Operations Branch, Wood Allocation and Licensing Section, Manager.

Deadline date:

- 1) Review completed by April 31, 2014.
- 2) Results will be provided within six months of completing the review.

Method of tracking progress:

Review completed. Briefing material forwarded to the Minister if review satisfactory.