

Independent Forest Audit

Provincial Action Plan

-2012-



Algonquin Park Forest, Crossroute Forest,
Hearst Forest, Martel Forest, Nagagami Forest,
Northshore Forest, Pineland Forest,
Romeo Malette Forest, Sapawe Forest

April 1, 2007 – March 31, 2012

Ontario Ministry of Natural Resources



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Submission Page

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Endorsement Page

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¹ Responses to Algonquin Park Recommendations 4 and 7 were revised and approved by Chris Walsh and Leith Hunter in April 2014.

Introduction

Independent Forest Audits (IFAs) covering the period from April 1, 2007 to March 31, 2012 were conducted on the following nine Forest Management Units (FMUs) in Ontario in 2012:

- Algonquin Park Forest
- Crossroute Forest
- Hearst Forest
- Martel Forest
- Nagagami Forest
- Northshore Forest
- Pineland Forest
- Romeo Malette Forest
- Sapawe 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 on Crown lands 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 2012 IFA recommendations directed to corporate/regional

Ministry of Natural Resources (MNR). 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 2012 audits, the last final audit report for the year was accepted by the Forestry Futures Committee on June 28, 2013. Therefore, this Provincial Action Plan is due for submission on August 27, 2013.

The approved provincial action plan will be made available through MNR's public website once the audit reports are 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

Nagagami Forest Recommendation #2

Corporate MNR review Part A, Section 3.4.1 of the FMPM and ensure that its wording is clear that decisions made as a result of the issue resolution process must also meet the requirements of the forest management planning process.

Action

Forests Branch will review the wording in Part A, Section 3.4.1 of the Forest Management Planning Manual (FMPM) during the development of the next version of the FMPM to clarify that decisions made as a result of the issue resolution process are planned and incorporated into the Forest Management Plan (FMP) according to the requirements of the FMPM.

Organization & position responsible

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date

The estimated timeline for a revised Forest Management Planning Manual is 2015.

Method of tracking progress

Completion of the new Forest Management Planning Manual.

Crossroute Forest Recommendation #4

Corporate MNR shall revise the Agreement for the preparation of Aboriginal Background Information Reports and Aboriginal Values Collection to ensure that there is no perceived or real risk of inadvertent disclosure of confidential community information.

Action

Forests Branch will facilitate discussions with appropriate groups (e.g., Aboriginal Policy Branch and Regional Operations Division) regarding the Memoranda's of Understanding and data sharing agreements that are currently used in forest management planning to collect Aboriginal values information. Discussions will determine the tools needed for the collection of sensitive Aboriginal information, how those tools are developed and how their use will be communicated to MNR staff.

Organization & position responsible

MNR Forests Branch, Forest Evaluation and Standards Section, Evaluation and Reporting Unit, Supervisor.

Deadline date

April 2014.

Method of tracking progress

Training messages and tools for the collection of sensitive Aboriginal values information.

Hearst Forest Recommendation #2

Corporate MNR shall engage in on-going efforts with the public and Aboriginal communities in the vicinity of the Forest to i) attempt to establish a positive rapport; ii) provide an improved rationale for the prescribed caribou management approach, and iii) deal explicitly with concerns regarding trade-offs.

Action

Development of caribou conservation policies, such as the Range Management Policy and guidance for habitat protection, will bring greater clarity to the Ministry's approach to managing resource development and this species at risk. MNR has conducted information sessions in Hearst regarding caribou conservation and has shared results of caribou habitat assessments and population surveys. As new policy on caribou conservation is developed, MNR will continue to communicate its caribou range management approach and specifically explain how caribou are considered when making resource development decisions.

Responsibility

Species at Risk Branch, Manager, Caribou Conservation.

Deadline date

March 31, 2014.

Method of tracking progress

Decision Notices posted on the Environmental Registry related to caribou conservation policies.

Principle 3: Forest Management Planning**Algonquin Park Forest Recommendation #2**

Corporate OMNR shall re-evaluate the scheduled implementation of new forest resource inventories so that they are delivered in time to be used for the development of the applicable forest management plans.

Action

The Algonquin Park Forest Resource Inventory (FRI) is currently in the production process. The Algonquin Park FRI is scheduled to be completed in December 2013. No other specific action is required as the FRI update is on target for completion.

Organization & position responsible

MNR Science and Research Branch, Natural Resources Information Section, Forest Resources Inventory Program, Coordinator.

Deadline date

December 2013.

Method of tracking progress

Completion of FRI product for Algonquin Park Forest.

Romeo Malette Forest Recommendation #2

Corporate OMNR should provide a summary of the provincial wildlife monitoring program, describing how wildlife monitoring information is collected provincially and applied to the 2009 Romeo Malette Forest management plan.

Action

This action is most appropriately addressed by the Timmins District in the 2012 Romeo Malette Forest Action Plan. Forests Branch will work with the Northeast Region and Timmins District staff to address the recommendation in the 2012 Romeo Malette Forest Action Plan.

Organization & position responsible

MNR Forests Branch, Forest Evaluation and Standards Section, Evaluation and Reporting Unit, Supervisor.

Deadline date

December 2013.

Method of tracking progress

2012 Romeo Malette Forest Action Plan revised to address recommendation.

Algonquin Park Forest Recommendation #3

Corporate OMNR must ensure that the requirements in the Forest Management Planning Manual define planning objectives that are credible, measurable, and predictable, and that targets associated with each are understandable and feasible. Further, the planning process should also recognize the quality and accuracy of the information supporting each objective.

Action

The 2010 Algonquin Park Forest Management Plan was prepared following direction from the Forest Management Planning Manual (FMPM), 2004. The FMPM was revised in 2009. As part of the revisions, direction for developing objectives, indicators, and targets was improved. The FMPM, 2009 clarified objectives are to have indicators that can demonstrate trends through time. The FMPM, 2009 also emphasizes targets are to be measureable (i.e. specific number, range, or trend) and at a minimum are required for each indicator that is assessed during plan implementation for the first ten-year period.

Forests Branch will review the direction for preparing objectives, indicators and targets during the development of the next version of the FMPM.

Organization & position responsible

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date

The estimated timeline for a revised Forest Management Planning Manual is 2015.

Method of tracking progress

Completion of the new Forest Management Planning Manual.

Algonquin Park Forest Recommendation #4

Corporate OMNR must take responsibility for reviewing the process for development of species-at-risk area of concern prescriptions, including the use of Section 18 of the Endangered Species Act, and provide appropriate guidance to planning teams.

Action

The ESA panel report provided MNR with recommendations regarding implementation of the Endangered Species Act. MNR will respond to some of those recommendations with a closer investigation of the linkages between the Crown Forest Sustainability Act and the Endangered Species Act.

Organization & position responsible

MNR Species at Risk Branch, Manager, Caribou Conservation & MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date

Ongoing.

Method of tracking progress

Progress on these actions will be reported in the 2012 Provincial Action Plan status report.

Algonquin Park Forest Recommendation #6

Corporate OMNR must act to have independent forest audit reports released publicly in a more timely fashion.

Action

MNR Forests Branch is initiating an IFA modernization project in response to the MNR transformation initiative. As part of the modernization project, Forests Branch will pursue opportunities for the timelier release of independent forest audit reports.

Organization & position responsible

MNR Forests Branch, Forest Evaluation & Standards Section, Supervisor.

Deadline date

The estimated timeline for approval of changes from IFA modernization project is August 2014.

Method of tracking progress

Updates to the IFAPP and tracking the timing of the public release of audit reports.

Hearst Forest Recommendation #8

Corporate MNR shall provide clear and stable direction for forest management planners regarding caribou habitat management. This should include prompt release of the Boreal Landscape Guide, ensuring that all the commitments of the CCP are addressed, and prompt clarification of the direction related to caribou management as a regulation under the ESA.

Action

1. As the auditor has noted, proceeding with the Environmental Registry proposal posting for the draft Boreal Landscape Guide is part of a broader consideration of a number of initiatives related to woodland caribou conservation (see Hearst Recommendation 2). MNR will continue to pursue the finalization and release of the Boreal Landscape Guide.
2. Corporate MNR is continuing to work towards meeting our commitments under the Caribou Conservation Plan (CCP). The draft Range Management Policy, draft Guidance for Assessing Impacts of Activities on Woodland Caribou and Their Habitat and the draft Integrated Assessment Protocol for Woodland Caribou Ranges in Ontario are posted on the Environmental Registry requesting public comment.

Organization & position responsible

1. MNR Forests Branch, Forest Policy Section, Guides Unit, Supervisor.
2. MNR Species at Risk Branch, Caribou Conservation Section, Manager.

Deadline date

1. March 31, 2014.
2. Ongoing.

Method of tracking progress

1. Follow the Proposal Notice posted on the Environmental Registry requesting public comment on the draft Boreal Landscape Guide; the Decision Notice posted on the Environmental Registry indicating approval of the final guide.
2. Following Proposal Notices posted on the Environmental Registry requesting public comment on Woodland caribou related documents and the Decision

Notices posted on the Environmental Registry indicating approval of the final documents.

Hearst Forest Recommendation #5

Corporate MNR shall resolve the scheduling conflicts between the Year 3 AR and the Phase II operating plan production schedule, and clarify the timing of the RSA and aboriginal notifications for the Phase II operating plan.

Action

MNR Forests Branch is aware of the scheduling conflicts between the Year 3 Annual Report and the Phase II operating plan production schedule. Condition 26 (c) of Declaration Order MNR-71, as amended by MNR-71/2 requires the MNR Regional Director to endorse the Year 3 Annual Report prior to the commencement of Phase II planning. Declaration Order MNR-71 also requires the Forest Management Planning Manual to incorporate Conditions 1 to 26 of the Declaration Order.

MNR Forests Branch has submitted a Request for Amendment to the Ministry of the Environment (MOE) to amend MNR-71. The Amendment will address the scheduling conflicts between the Year 3 AR and the Phase II operating plan production schedule. If the Lieutenant-Governor-in-Council approves a revised Declaration Order the Forest Management Planning Manual will be revised to incorporate the new forest management planning requirements.

Organization & position responsible

MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date

The estimated timeline for approval of a new Declaration Order is 2014. The estimated timeline for a revised Forest Management Planning Manual is 2015.

Method of tracking progress

Approval of a new Declaration Order and a revised Forest Management Planning Manual.

Crossroute Forest Recommendation #5

Corporate MNR shall evaluate the training and information methods used for Phase II FMP training, revise them as necessary, and ensure that appropriate levels of high quality training are delivered to Planning Teams that are embarking on Phase II planning exercises.

Action

The MNR Forests Branch Training Coordinator collects feedback from participants at all FMP training sessions. Phase II FMP training was first delivered in 2010 to a cohort which included the Crossroute Forest Management Planning Team and consisted of three modules (Start-up, Planned Operations and Draft and Final FMP). Based on

feedback received from this initial delivery, additional elements were added the following year. These included three e-learning modules (SGRs, Parks and Protected Areas, Selection of Areas of Operations), a library of relevant documents for all participants and inclusion of a "lessons learned" component in the start-up call. Feedback from subsequent delivery of the training has identified additional elements which have since been incorporated. Ongoing collection of feedback and adjustment of training material continues in the delivery of FMP training.

Organization & position responsible

MNR Forests Branch, Forestry Skills Assurance and Education Unit, Supervisor.

Deadline date

Ongoing.

Method of tracking progress

Ongoing collection of feedback from training delivery that will enable continual improvement of future course delivery.

Crossroute Forest Recommendation #6

Corporate MNR shall examine its procedures for reviewing, approving, and posting Registration Information Notices on the provincial Environmental Registry that publicize FMP public consultation opportunities, with the aim of streamlining the process so that it better serves the needs of the field offices.

Action

MNR continues to work with all staff to ensure their understanding of the Environmental Registry process. MNR staff are encouraged to work with the environmental registry planner, regional/district planners and issues coordinators who are well versed in the process.

No further action required.

Hearst Forest Recommendation #11

Corporate and Local MNR shall work in concert to ensure that adequate levels of values collection activity occur at appropriate times through the forest management planning cycle. Local MNR shall track its activities related to values information collection to demonstrate the full extent of its efforts to collect values information related to forest management.

Action

1. MNR Northeast Region to provide funding for values collection annually. Based on feedback from the Forestry Forum, all management units receive annual funding for values collection and additional funds are provided when management units are undergoing forest management planning.

2. This action is most appropriately addressed by the Hearst District in the 2012 Hearst Forest Action Plan. Forests Branch will work with the Northeast Region and Hearst District staff to address the recommendation in the 2012 Hearst Forest Action Plan.

Organization & position responsible

1. MNR, Northeast Region Planning Resources Supervisor
2. MNR Forests Branch, Forest Evaluation and Standards Section, Evaluation and Reporting Unit, Supervisor.

Deadline date

1. Ongoing.
2. December 2013.

Method of tracking progress

1. Documentation of funds provided to the district.
2. 2012 Hearst Forest Action Plan revised to address recommendation.

Principle 4: Plan Assessment and Implementation

Algonquin Park Forest Recommendation #7

Corporate OMNR must develop a plan for coordinated long term monitoring of specific risk benefit analysis projects for species-at-risk in Algonquin Provincial Park.

Action

The ESA panel report provided MNR with recommendations regarding implementation of the Endangered Species Act. MNR will respond to some of those recommendations with a closer investigation of the linkages between the Crown Forest Sustainability Act and the Endangered Species Act.

Organization & position responsible

MNR Species at Risk Branch, Manager, Caribou Conservation & MNR Forests Branch, Forest Management Planning Section, Manager.

Deadline date

Ongoing.

Method of tracking progress

Progress on these actions will reported in the 2012 Provincial Action Plan status report.

Algonquin Park Forest Recommendation #9

Corporate OMNR shall review the process for issuing Authority to Haul permits to ensure they meet the demands of the current timber markets.

Action

A meeting with the Algonquin Forestry Authority (AFA) must be undertaken to determine exactly where the cited lack of responsiveness occurs within the process as this was not clearly identified in the audit report. The Regional Coordinator, Wood Measurement Unit, Southern Region will conduct the meeting with the relevant Park staff and the AFA to discuss the elements of the process which are causing the difficulties. A report will be prepared to capture the details of the meeting with AFA and any proposed solutions.

Organization & position responsible

MNR Operations Branch, Wood Measurement Section, Manager.

Deadline date

September 15, 2013.

Method of tracking progress

A report will be prepared by the Regional Coordinator, Wood Measurement Unit, Southern Region, MNR.

Crossroute Forest Recommendation #12:

Corporate MNR shall work with industry to modify the approach that is being taken to collect and store the data regarding small residual patches so that it is more efficient.

Action

Since the application of Forest Management Planning Manual 2009 and the Forest Information Manual 2009 Annual Report Technical Specification there has not been a requirement to report residual areas.

The harvest layer identifies the harvested areas and its spatial layer can then be compared with the planned harvest layer from the Forest Management Plan in order to determine any unharvested areas which may be residual. This GIS exercise is only for information purposes and will never be used for compliance as the compliance is intended to occur on the ground at the stand level and not by using spatial layers.

The Annual Report Technical Specification does not specify the resolution that the data should be captured for operational requirements outlined in the guides and written in the Forest Management Plan. Forest Industry has the discretion to choose to capture the information at an appropriate resolution and use it for their planning and reporting. The use of a minimum polygon size is only present in the Forest Resource Inventory Technical Specifications as this applies to a new raw inventory that is the basis for

strategic planning. It is recognized that the operational planning and reporting will generate smaller areas.

No further action required.

Pineland Forest Recommendation #3

Corporate MNR must review the recommended practice of regenerating black spruce through advanced growth in rich swamps.

Action

MNR is in the process of revising and amalgamating the silvicultural guides. All practices, including the regeneration of black spruce through advanced growth in rich swamps, are being reviewed as part of the revision. The revised silviculture guide will include an updated position (i.e. recommended or not) based on the best available information. This is expected to include a reconciling of the current difference in direction between east and west regions.

Organization and position responsible

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

Deadline Date

The estimated timeline for a draft of the revised guide is fall of 2013. The estimated timeline for the final version is contingent on the nature of the comments received during review of the draft but is expected in 2014.

Method of tracking progress

Approval of the revised silviculture guide.

Principle 6: Monitoring

Romeo Malette Forest Recommendation #10

Corporate OMNR shall review compliance reporting requirements to provide guidance regarding the level of detail that inspectors should include with the compliance reports being submitted under the Forest Operations Inspection Program.

Action

As per the Forest Compliance Handbook (procedure FOR 07 03 05), it is mandatory for all certified forest compliance inspectors to use the Forest Operations Information Program (FOIP) when submitting reports on compliance inspections to the Ministry. FOIP is an internet application developed to meet the data standards/requirements. Standards for inspection/reporting by inspectors are also prescribed in the Forest Information Manual (FIM), Part D, Section 3.0. These data standards apply to all users of the FOIP and form the basis on which mandatory data requirements for all FOIP reports has been established. All inspectors are required to report mandatory data.

This requirement is also referenced in procedure FOR 07 02 04, FIM, and the Forest Management Planning Manual (FMPM).

As described in procedure FOR 07 03 05, the amount of detail/information will vary depending on the complexities involved. Where there are no "Operational Issues", no detail is required beyond an assessment of "No Operational Issues". However, inspectors are reminded that they are responsible to ensure such an assessment is supported by a competent inspection and that they will be held accountable to justify the assessment should it be challenged. Inspectors may choose to record supporting information for a No Operational Issues assessment in their FOIP report in addition to information in their field notes or from other sources on which they rely. A detailed description and explanation is mandatory to describe any Operational Issues found during an inspection on all applicable reports.

The current requirements and processes for forest operations compliance inspections and reporting are effective, and as such no further changes to the Forest Compliance Handbook, FIM or FMPM are warranted.

No further action required.

Sapawe Forest Recommendation #4

Corporate OMNR should provide direction to standardize the reporting format for regeneration and silvicultural success (including percent achievement) for Annual Reports, Silvicultural Effectiveness Monitoring Reports and Independent Forest Audit Reports.

And,

Northshore Forest Recommendation #3

Corporate OMNR should standardize reporting requirements (content and format) for District silvicultural effectiveness monitoring reports.

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.

Organization and position responsible

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

Deadline date

December 2014.

Method of tracking progress

Project report.

Algonquin Park Forest Recommendation #8

Corporate OMNR shall review the resource complement for Algonquin Provincial Park to ensure that the administration of forestry is providing cohesive and timely direction to forestry operations inside the Park and to ensure operational approvals, such as area of concern timing restrictions, are coordinated and consistent with surrounding OMNR Districts.

Action

1. Funding for forest management planning is budgeted based on a provincial framework based on planning needs and is allocated to each District (Park) through Regional Operations Division. Southern Region will assess the planning requirements and roles within the regional context and allocate resources for the Region.
2. The Ministry of Natural Resources has undertaken a three-year Transformation Plan which is focused on transforming MNR's business to ensure long-term financial sustainability. Algonquin Park's leadership team will continue to submit staffing requests and allocate resources based on priorities and business needs.
3. The guiding governance document for Algonquin Park is the Park Management Plan which places unique restrictions on forest management planning. As part of Phase 2 planning, the Stand and Site Guide will be used to fully inform Area of Concern prescriptions which will result in increased consistency with surrounding OMNR Districts within the limitations of the Park Management Plan and other Ontario Parks policies.
4. The Stand and Site Guide enables the development of local strategies. To promote coordinated and consistent direction, Southern Region will liaise with districts across the region to discuss conditions on area of concern application and develop operational direction as required.

Organization & position responsible

1. Resource Management Planning Supervisor, Regional Resources, Southern Region, MNR.
2. Algonquin Zone Manager, Algonquin Park, Ontario Parks, MNR.
3. Algonquin Zone Manager, Algonquin Park, Ontario Parks, MNR.
4. Forest Management Planning Coordinator, Regional Resources, Southern Region, MNR.

Deadline date

1. Annually as part of the budget planning process.
2. Ongoing as required.
3. April 2015.
4. Annually, as required.

Method of tracking progress

1. Results of the budget allocation process and associated accomplishments will be tracked through the Regional Services Section on an annual basis.
2. Human resources employee files.
3. Approval of the Algonquin Park Phase 2 Forest Management Plan.
4. Operational guidance documents.

Principle 8: Contractual Obligations

Algonquin Park Forest Recommendation #13

Recommendation

Corporate OMNR shall ensure that the Algonquin Park Forestry Agreement is extended as expeditiously as possible.

Action

The Algonquin Park Forestry Agreement was extended on September 6th, 2012.

No further action required.

SFL Licenses

Licence Extension

This section describes the licence extension recommendations made by the applicable auditors in 2012. The Sapawe Management Unit is managed by the Crown and is therefore not included in the list below.

Algonquin Park Forest Recommendation On Licence Extension

In the opinion of the auditor, the Forest is very well managed. Technical aspects of forest management are as good as the audit team has witnessed anywhere in the province. Although there is room for some improvement, communication between the various stakeholders on the Forest is pragmatic and intensive and relations are professional, positive, and progressive. The AFA and the Park are meeting the overall responsibilities associated with their roles in managing this Forest at a very high level. The audit team confirms that, based on the evidence reviewed, management of the Algonquin Park Forest was in compliance with the legislation, policy, and regulations that were in effect during the 2007-2012 audit term. The Algonquin Park Forest is being managed sustainably. The audit team recommends that the term of the Algonquin Park Forestry Agreement be extended for an additional five years.

Crossroute Forest Recommendation On Licence Extension

The audit team concludes that the management of the Crossroute 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. Forest Sustainability is being achieved, as assessed through the Independent Forest Audit Process and Protocol. The audit team recommends that the Minister extend the term of Sustainable Forest Licence # 542245 for a further five years.

Hearst Forest Recommendation On Licence Extension

The audit team finds that the Hearst Forest was well managed during the period under review by this audit. Selecting from the wording choices provided in the IFAPP, the audit team concludes that management of the Hearst 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 Hearst 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 #550053 for a further five years.

Martel Forest Recommendation On Licence Extension

The audit team found that management of the Forest was generally in compliance with the legislation, regulations and policies that were in effect during the audit term and that the company complied with the terms and conditions of the Sustainable Forest Licence (SFL). Some areas of improvement were noted and in total, the audit team made two recommendations directed to Chapleau District MNR related to public consultation and one recommendation directed to Tembec related to slash management. On the basis of the findings, it was recommended that the Sustainable Forest Licence (SFL #550390) be extended for a further five years.

Nagagami Forest Recommendation On Licence Extension

Management of the unit was generally in compliance with the legislation, regulations and policies in effect during the audit term. NFM was in compliance with most of the conditions of the SFL. There were two exceptions, the most significant being arrears of approximately \$3 million for outstanding Crown dues (stumpage), Forestry Futures Trust contributions and Forest Renewal Trust Account contributions; all due to extremely challenging market conditions. NFM and MNR have signed and are implementing a repayment agreement. The field evidence collected by the audit team indicates that silvicultural liabilities are not a concern. Forest sector markets are forecasted to improve and the Terrace Bay pulp mill has resumed operations. These trends suggest that the repayment plan should be viable.

The second exception is associated with conifer utilization. NFM implemented a topping standard for conifer that was not approved by MNR. This has led to an issue of merchantable conifer fibre being left at roadside that must be addressed. This and the associated compliance reporting issue identified during the audit are not considered a threat to forest sustainability.

As a result of the outcome of the audit, the audit team recommends the Minister extend the term of Sustainable Forest Licence # 550047 for a further five years.

Northshore Forest Recommendation On Licence Extension

The audit team concludes that the management of the Northshore 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 Northshore Forest 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 # 542521 for a further five years.

Pineland Forest Recommendation On Licence Extension

The audit team concludes that management of the Pineland 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 SFL held by the Pineland Timber Company Limited. 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 # 550816 for a further five years.

Romeo Malette Forest Recommendation On Licence Extension

In the opinion of the auditors, the Forest is well managed. Technical aspects of forest management are completed in a satisfactory manner. Communication between the various stakeholders on the Forest is pragmatic and effective and relations are professional, positive, and progressive. Tembec is satisfactorily meeting the terms and conditions of the SFL. Ontario Ministry of Natural Resources is also meeting its overall responsibilities associated with its role in managing this Forest. The audit team confirms that, based on the evidence reviewed, management of the Romeo Malette Forest was in compliance with the legislation, policy, and regulations that were in effect during the 2007-2012 audit term. The Romeo Malette Forest is being managed sustainably. The audit team recommends that the term of the SFL be extended for an additional five years.

Licence Review

MNR will undertake a review of the Sustainable Forest Licences (SFLs) 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.

2012 SFL Licence Reviews

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. A review of the Algonquin Forestry Agreement for the Algonquin Park will be conducted to ensure the licensee has complied with the terms and conditions of the Algonquin Forestry Agreement.
3. Results of the reviews will be evaluated and if satisfactory, will be advanced to the Minister for his consideration.

Organization & position responsible

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

Deadline date

1. Review completed by April 31, 2015.
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.