

Independent Forest Audit Action Plan Status Report

For the 2008 Independent Forest Audit Provincial Action Plan

(April 1, 2003 – March 31, 2008)

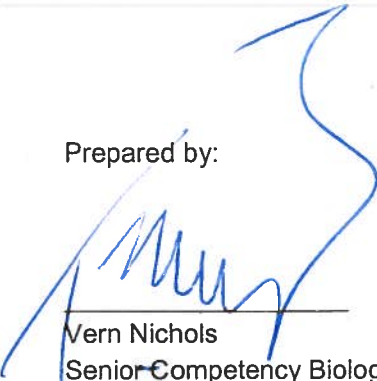
Dryden Forest
Kenora Forest
Nighthawk Forest
Ottawa Valley Forest
White River Forest

Ontario Ministry of Natural Resources



Submission Page

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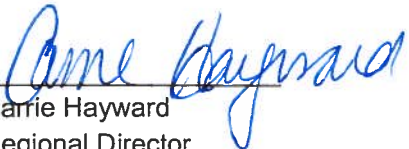
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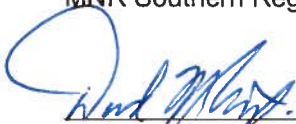
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Note changes pg 7 + 13.



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INTRODUCTION

In 2009, an Independent Forest Audit (IFA) Provincial Action Plan covering five Forest Management Units (FMU's) for the period April 1, 2003 to March 31, 2008 was prepared for audits completed in 2008. These FMU's included the Dryden, Kenora, Nighthawk, Ottawa Valley, and the White River Forests. 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 Provincial Status Report follows up on the thirteen recommendations and actions included in the 2008 Provincial Action Plan by reporting on progress to date and future tracking requirements according to Appendix E – Action Plans and Status Reports. The IFAPP prescribes that status reporting be completed two years following approval of the action plan. The Provincial Action Plan was approved in November 2009. Therefore, this Status Report was completed in November 2011. Following approval, the Status Report will be posted on MNR's public website.

RECOMMENDATIONS

Principle 2: Public Consultation and Aboriginal Involvement

KENORA FOREST RECOMMENDATION #1:

Within the next 12 months, Corporate OMNR should formally meet with Aboriginal leaders in Northwestern Region to discuss:

- The scope of Ontario's forest management planning program and what it can and cannot be expected to accomplish;
- The scope of responsibilities of SFL holders and the local OMNR in the development of forest management plans;
- The reasons for the limited participation of Aboriginal communities in the formal forest management planning program; and
- Potential opportunities to resolve some of the identified issues.

Actions required:

1. MNR Northwest Region will continue to incorporate the matters referred to in the audit recommendation as part of ongoing efforts to improve our relationship with Aboriginal communities and organizations, including discussions MNR has in support of the 2009 Memorandum of Understanding between Treaty 3, the Ministry of Natural Resources and the Ministry of Northern Development and Mines.

Progress to date:

1. Complete and ongoing. The *Actions required* continue to be ongoing as noted in the action plan and as described above.

In the course of ongoing efforts to build and maintain effective relationships, MNR conducted a number of meetings with representatives of Aboriginal communities and their organisations in Northwestern Ontario with a view to increase their participation in forest management.

A number of initiatives regarding forest management have occurred and continue to occur across the Region to increase the shared knowledge of what is forest management as well as to increase the participation of Aboriginal communities in forest management.

Kenora Forest: For the Kenora Forest, discussions were initiated by MNR Kenora District in 2007 which resulted in the signing of the Miitigoog Limited Partnership Agreement and Miitigoog General Partner Inc. Shareholder Agreement in March 2010, followed by the official transfer of the Kenora Sustainable Forest Licence

(SFL) from Weyerhaeuser Company of Canada to Miitigoog LP on April 22, 2010. Weyerhaeuser Company of Canada agreed to transfer the SFL for the Kenora Forest to a new partnership called Miigigoog Limited Partnership, which Weyerhaeuser established with local area First Nations (Wabaseemoong, Naotkamegwaning and OchiichagwaBabigo) and other parties on the forest with receiving mills and harvesting companies. The Chiefs involved also created a wholly First Nations owned service provider called Miisun Integrated Resource Management Inc. specializing in providing forest management services to Miitigoog General Partner Inc. (MGPI), the MNR, other government agencies, independent businesses, and First Nations communities. Miisun has articulated its mission as: "To develop strong relationships with First Nations communities, secure long term service contracts arrangements with Miitigoog, MNR, MNDFM and other clients in order to build First Nations capacity and increase the socio-economic benefits and opportunities in the Treaty 3 area."

On May 26th, 2011 the MNR officials involved were recognized with an Amethyst Award, Ontario's top honour for excellence in public service. In presenting the award, Secretary of Cabinet recognized that the Regional Director and staff "demonstrated outstanding leadership in bringing together government, industry and First Nations to form the Miitigoog Limited Partnership. This innovative forest management model brings a new level of Aboriginal involvement to the forest industry and the provincial economy. [They] had a clear vision and persevered to overcome the initial scepticism of both the forest industry and First Nations. Their patience, professionalism and commitment to the project were instrumental in bringing previously disparate groups together. The ground-breaking Miitigoog Limited Partnership will serve as a model relationship between the province and First Nations for many years to come."

In the Fall of 2011, the MNR and Miisun entered into a service agreement for various aspects of forest management activities on the Whiskey Jack Forest. Since then, Miisun has brought on another First Nation community, and there are others interested in joining. Miisun is actively growing and expanding their services to road construction and mining ventures.

Other Forests: Discussions led by MNDFM within the context of pricing review and tenure reform and involving MNR regarding Aboriginal participation in enhanced SFLs have occurred elsewhere in the Northwest Region involving other Forests and interested Aboriginal communities, including the following:

<u>Forest(s)</u>	<u>Aboriginal Involvement to Date</u>
Whitefeather	Pikangikum First Nation
Sapawe	Seine River, Wabigoon Lake and Lac des Milles Lac First Nations

Armstrong & Lake Nipigon	Whitesand, Red Rock, Rocky Bay, Sand Point, Lake Nipigon Ojibway
Kenogami	Matawa First Nations Council (including Aroland, Long Lake #58, Ginoogaming & Constance Lake First Nations) and Superior North Chiefs (including Pays Plat First Nation)

On the Whiskey Jack Forest, MNR continues to make progress with Grassy Narrows First Nation regarding the protection, use and management of lands & forest resources pursuant to the Process Agreement signed in August 2008. In April 2011, the then MNR Minister, the Grassy Narrows Chief and a mediator participated in a signing ceremony in Thunder Bay. The Memorandum of Understanding signed by the parties reaffirmed their commitment to working together and accepted the recommendations of the mediator. The 2010/11 work plan for the Forest Management Working Group includes development of acceptable harvest methods, logging contractor business planning, forest management planning, and community economic development planning.

Treaty #3: In the context of MNR's 2009 Memorandum of Understanding with Grand Council Treaty 3 and the MNDMF, there have been numerous conference calls, meetings and knowledge forums on various mutually agreeable topics. In January 25th, 2011, a wildlife knowledge forum was held at the Rat Portage First Nation. It was well attended and discussions were shared amongst the community members, and the government agencies and biologists. On March 22 and 23, 2011, a two-day workshop was conducted with representatives of fifteen of the twenty six Treaty 3 First Nations in Ontario. The agenda, developed jointly, included presentations and discussion on the following topics: Anishinaabe perspectives on forests; forest ecology; Anishinaabe perspectives on forest stewardship; forest management planning; opportunities to participate in a sustainable forest economy; industry perspectives; and, opportunities, challenges, shared goals and next steps. Presentations by First Nation representatives, industry and provincial officials led to passionate discussion among community representatives, including about ten elected Chiefs and Councillors. Forum organisers have prepared a draft report which lists principles and considerations to inform the path forward including: promoting reciprocity; balancing power; exchanging knowledge; understanding values; recognizing interdependency; and, building trust.

From MNR's perspective, the forum allowed the Ministries to share information about our objectives and processes, and to hear from the Grand Council and its member communities about their perspectives on forests, forestry and forest management.

WHITE RIVER RECOMMENDATION #2:

Corporate MNR is to provide sufficient funding to enable the Wawa District LCCs to continue operations during all phases of FMP development and implementation.

Actions required:

1. MNR, Northeast Region will continue to work with Wawa District to identify and provide funding for Local Citizens Committees (LCC's), and will consider sufficient funding to enable the Wawa LCC's to continue operations during all phases of FMP development and implementation. The amount will depend on the number of forest management plans in preparation and recognition of other financial pressures.

Progress to date:

1. Complete. Annual funding is allocated to each district by Regional Operations Division. The Northeast Region (NER) assesses the district funding needs within the regional context and allocates resources as available and on a prioritized basis. NER staff review the proposed district distribution annually with district staff through the MNR NER Forest Forum and makes appropriate changes. This review includes the district LCC funding allocation.

Based on district input, adjustments were recently made to the 2011-2012 budget. A final allocation of 2/3's of the total available funds was provided to each district as base funding allotment and the remaining portion was allocated to districts based upon the active LCCs.

Principle 3: Forest Management Planning:**WHITE RIVER RECOMMENDATION #6:**

Corporate MNR is to review and revise the hardwood volume commitments on the WRF at an appropriate juncture.

Actions required:

1. Review of hardwood commitments for which the White River Forest is referenced, will be initiated by the MNR based on core business requirements, current issues, priorities and capacity. During each commitment review, the commitment holder will be required to prepare a report summarizing volumes of wood made available to the company from the commitment supply area, the volume of wood the company actually utilized from the supply area, the reasons for any discrepancies, issues and concerns (if appropriate) and any other information the MNR deems relevant to the review. Applicable SFL holders will also be given the opportunity to comment on the

issues experienced and anticipated regarding the implementation of the commitment for their forest. The MNR will discuss the report with the commitment holder, consider any other relevant information, summarize its findings and propose a response.

2. The need to amend, revoke and/or extend/renew a commitment will be considered, based upon the result of each review.

Progress to Date:

1. Complete. Two hardwood commitments exist in Appendix E of the White River Forest Sustainable Forest Licence. Both of these commitments were reviewed by MNDMF. The Weyerhaeuser Company Limited hardwood commitment was reviewed and the company was informed that the ministry intended to make the forest resources formerly associated with the facility available for allocation. Sustainable forest licensees were notified of the ministry's intention to remove the condition from Appendix E. The Levesque Plywood Limited commitment was reviewed in July 2011 and the findings were discussed with the company.
2. Partially complete. The review has resulted in a decision to revoke the Weyerhaeuser commitment and to retain the Levesque Plywood Ltd. commitment. The Weyerhaeuser commitment has not yet been removed from Appendix E of the SFL. The Levesque Plywood Ltd. Supply Agreement will be retained. However, the distribution of the target volumes will be reviewed. The company supports the proposed rationalization which has not yet been undertaken.

Future tracking requirements:

1. A Forest Industry Liaison Officer will lead the process to remove the Weyerhaeuser commitment from Appendix E of the SFL by March 31, 2013. A Levesque Plywood Limited representative and a MNR Forest Industry Liaison Officer will review rationalization of the wood supply matrix in the supply agreement. The review will be conducted by July 29, 2012 and a decision to proceed or not to proceed with an amendment will be documented at that time. If a supply agreement amendment is to proceed, the MNR will prepare a revised document and seek required approvals. Affected SFL holders will be informed of the proposed amendment prior to approval. Responsibility: Manager, Wood Allocation and Measurement. Tracked progress: Revised Appendix E and/or Supply Agreement.

WHITE RIVER RECOMMENDATION # 7:

Corporate MNR is to ensure that adequate funding for values collection is made available more frequently to maintain currency of information used in values protection.

Actions required:

1. MNR completed a review of the approach to allocating values collection targets and funding as per the *Forest Process Streamlining Task Force Report Implementation Plan* in June 2006. This revised approach to collecting and utilizing up-to-date values information in FMP planning will be implemented by the MNR Northeast Region.
2. MNR NER will continue to fairly allocate and monitor available funding for annual values collection projects and maintenance of current values information.

Progress to date:

1. Complete and ongoing. Annual funding is allocated to districts by Regional Operations Division to carry out values collection according to Recommendation #14 a) of the *Forest Process Streamlining Task Force Report Implementation Plan*. The NER allocates the available budget to districts on a prioritized basis based on planning cycle, planning workload, and amount of management unit area impacted by forestry activities.
2. Complete and ongoing. NER staff reviews the district distribution formula allocation including district values funding with district staff through the NER Forest Forum and makes appropriate changes. This includes a review of the NER.

Based on district input, adjustments were recently made to the 2011-2012 formula. An allocation of 60% of the total available funds was provided for each management unit as base funding and the remaining portion was divided amongst management units based on the planning cycle and distributed to the lead District responsible for the Management Unit.

DRYDEN FOREST RECOMMENDATION #3

Corporate MNR must review the FRI and FMP cycles to ensure they are properly synchronized.

OTTAWA VALLEY FOREST RECOMMENDATION #2

Corporate MNR must review the FRI and FMP cycles to ensure they are properly synchronized to meet the planning needs of OVFI and Pembroke District MNR.

Actions required:

1. Forest Management Planning Section, Forest Management Branch, MNR will arrange a meeting with Inventory, Monitoring and Assessment Section, Science and

Information Branch, MNR, to review and align the Forest Management Plan (FMP) and Forest Resource Inventory (FRI) schedules for the Province.

2. A schedule of FMP production and the “best fit” new FRI availability will be produced for each FMP in the province including the Ottawa Valley Forest so that planning needs can be met.

Progress to date:

1. Complete. A Meeting was held August 20, 2009, between Forest Management Planning Section, Forest Management Branch, MNR and Inventory, Monitoring and Assessment Section, Science and Information Branch to review and align the FMP and FRI schedules for the province.
2. Complete. As a result of the meeting, a revised schedule was produced November 26, 2009. This revised schedule applies to all forest management units in Ontario including the Dryden Forest.

Inventories are required a minimum of three years before FMP renewal dates. The Ottawa Valley Forest FMP is next scheduled for revision in 2021 and inventory delivery is scheduled for 2014. The Dryden Forest FMP is next scheduled for revision in 2021 with inventory delivery in 2016.

OTTAWA VALLEY FOREST RECOMMENDATION #3

Corporate MNR must review the use of contingency areas and NDPEG and either update the FMPM or the NDPEG such that the use of contingency area is more clearly defined and consistent in both documents.

Actions required/taken:

1. Forest Management Branch reviewed the 2004 *Forest Management Planning Manual* (FMPM) and the use of contingency areas in relation to the *Forest Management Guide for Natural Disturbance Pattern Emulation* (NDPEG).
2. The current draft 2009 FMPM clarifies the use of contingency areas in relation to NDPEG. The stipulation in the 2004 FMPM that only “unforeseen” events would allow for the use of contingency areas, has been removed from the draft 2009 FMPM. Should these changes not go forward; other mechanisms will be considered to address the concern in the recommendation.

Progress to date:

1. Complete, June, 2009.

2. Complete. Revisions to the Draft 2009 FMPM that affect this recommendation were approved. The effective date for the 2009 Forest Management Planning Manual was December 9, 2009.

Principle 5: System Support

OTTAWA VALLEY FOREST RECOMMENDATION #5

Corporate MNR must review the funding formula for SFL administration at the provincial level to ensure the correct balance of private and public funding as well as in-kind support is being provided to SFL holders to properly administer the forest management program on behalf of the Crown.

Actions required:

MNR is in the process of conducting a review of Ontario's forest tenure and pricing systems, exploring options to improve their design.

Progress to date:

Partially complete. MNR conducted a review of Ontario's forest tenure and pricing systems. The plan is to seek approval to establish two Local Forest Management Companies (LFMC) over the next five years. These LFMC's would be set up as self-sustaining business entities, and would be able to retain revenue based on the sale of wood which can be used to administer the forest management program. In 2016, the Minister may recommend establishing additional LFMCs after conducting a review of the existing agencies.

Future tracking requirements:

Following June, 2016 decisions on the establishment of further LFMC's will be made by the Minister. Responsibility: Director, Tenure and Pricing Review Project, Forestry Division, MNR. Tracked Progress: Ministerial announcements and tenure program statistics.

OTTAWA VALLEY FOREST RECOMMENDATION #6

Corporate MNR must review its document control process for its website postings.

Actions required/taken:

1. MNR Forest Management Branch reviewed the circumstances that led to the differences between tables AR-12 and AR-13 on MNR's website and tables AR-12 and AR-13 in the management unit annual reports. It was determined that both data

sets were derived from the Forest Operations Information Program (FOIP) but were collated at different points in time. Since FOIP is a dynamic, real-time database, any report generated from FOIP (as utilized in tables AR-12 and AR-13) represents data at a specific point in time. Updates to FOIP were captured through the annual report submission and review process, but these updates were not captured in the compliance information presented on MNR's website.

2. MNR Forest Management Branch reviewed the mechanism for making compliance information available to the public during the development of the 2009 *Forest Management Planning Manual* (FMPM) and the 2009 *Forest Information Manual* (FIM). The current drafts of the 2009 FMPM and the 2009 FIM identifies that the management unit annual reports be available to the public on the MNR website. If it is determined that these changes to the manuals will be made, this measure will utilize only the finalized management unit annual reports as submitted through the Forest Information Portal and eliminate the requirement for a separate posting of compliance information. Should these changes not go forward; other mechanisms will be considered to address the concern in the recommendation.

Progress to date:

1. Complete. April 30, 2009.
2. Complete. September 2009. Changes in FMPM and FIM were approved and Management Unit Annual Reports are now available on the website.

Principle 6: Monitoring

DRYDEN FOREST RECOMMENDATION #16

Corporate MNR must review its document control process for its website postings of its annual report tables AR-12 and AR-13.

Refer to Principle 5 System Support Ottawa Valley Forest Recommendation # 6 above.

OTTAWA VALLEY FOREST RECOMMENDATION #7

MNR Region and /or Corporate MNR must take steps to resolve the long standing controversy over the implementation of the compliance program in the Pembroke District.

Action required:

1. MNR Southern Region will organize a compliance training session where all staff involved in compliance in Pembroke District, including inspectors, district compliance

committee members, District Manager and OVF staff are required to attend. Forest Evaluation and Standards Section, Forest Management Branch will be asked to assist and provide the program perspective. The objective will be for everyone to hear the same messages and discuss and resolve problematic situations.

2. Forest Evaluation and Standards Section, Forest Management Branch will ensure that the Senior Forestry Advisor, MNR Southern Region, is invited to all compliance training sessions held in Southern Region to hear the direction provided by main office staff and the reaction, interpretation and discussion around the direction.
3. MNR Southern Region will review the status of controversy in Pembroke District within one-year of holding the joint training session as identified in #1.

Progress to date:

1. Complete. A compliance training session was held in Pembroke on May 3, 2011 with key FESS compliance staff, district compliance staff and managers, and OVF staff and contractors in attendance.
2. Complete. The Senior Forest Management Planner was designated by Southern Region as the compliance link to the Region at the request of Forest Evaluation and Standards Section, Forest Management Branch. Invitations to participate in compliance training sessions held in the Southern Region were extended to Southern Region staff in 2008, 2010 and 2011.
3. Complete. In January 2011, the Southern Regional Director directed the A/District Manager, Pembroke District to initiate conversations with the General Manager, OVF to explore compliance-related issues and working relationships. A joint compliance training session was subsequently held in May 2011. Once the Pembroke District Manager was permanently appointed, focus on improved compliance was made a priority. In both May and October 2011, the Regional Director discussed with the OVF General Manager the progress being made on the relationship with the district. The Regional Director, Southern Region reports significant improvements in the compliance program.

DRYDEN FOREST RECOMMENDATION #15

Corporate MNR must consider an independent review of forest effects monitoring programs.

Actions required:

1. All forest management guides must be reviewed every five years. This includes reviewing the results of relevant and appropriate monitoring programs (e.g. effects and effectiveness monitoring programs). When guides are reviewed and revised,

the results of effects and effectiveness monitoring research projects conducted by scientists at the Centre for Northern Forest Ecosystem Research (CNFER) and other locations are used to prepare new forest management guides. The *Forest Management Guide for Conserving Biodiversity at the Stand and Site Scales* (Stand and Site Guide) and the *Forest Management Guide for Great Lakes-St. Lawrence Landscapes* are two recent examples of guides that have incorporated recent monitoring and research knowledge. These guides are approved to be released in 2009. The *Forest Management Guide for Boreal Landscapes* is expected to be released in 2010.

New guides are developed by interdisciplinary teams led by MNR staff, but including representatives of the forest industry and other stakeholder groups. The Provincial Forest Technical Committee (PFTC), a public advisory committee to MNR, provides scientific and technical input to and reviews the draft versions of the guides. This input includes committee members' independent interpretation of results from relevant effectiveness and effects monitoring programs. Other sources of advice on the interpretation of past monitoring programs are external scientific advisors and members of the public.

Finally, each new guide must include a description of MNR's approach to monitoring the effectiveness of the direction in the new document. Like the operational direction in the guide itself, this approach is the subject of debate and input from the development team, the PFTC, and other external experts.

Individual science projects, including those focussed on effects and effectiveness monitoring, are the subject of periodic reviews. Project-specific review panels are created, comprised of external scientists and experts from academia, other jurisdictions, and other research organizations; users of the research results, such as policy developers, the forest industry, and other non-government stakeholders; and colleagues.

2. Results of the guide effectiveness monitoring studies, effects monitoring studies and other environmental assessment related conditions are listed in the Annual Reports on Forest Management which are available on the internet.

Progress to date:

1. Complete. The *Great Lakes-St. Lawrence Landscape Guide* and the *Stand and Site Guide* were completed and approved in 2010 (i.e. one-year later than anticipated at the time the action plan was prepared) and are being implemented starting with 2011 FMPs.

Ongoing. A final draft of the *Boreal Landscape Guide* has been completed, but approval has not yet been received to post the draft on the Environmental Registry for public comment.

In preparation for the next five-year review of these guides, effectiveness monitoring studies for each of the documents have been initiated (implementation of the first two guides; gathering baseline data for the Boreal Landscape Guide).

2. Complete and ongoing. Results have been posted in the Science Chapter of the Annual Reports according to the conditions of the Declaration Order.

Future tracking requirements:

1. Continue seeking approval to post the draft *Boreal Landscape Guide* for public comment. Responsibility: Supervisor, Guides Unit, Forest Policy Section, Forests Branch, MNR; Currently anticipated for 2012. Tracked Progress: Approval of the *Forest Management Guide for Boreal Landscapes*.

Principle 7: Achievement of Management Objectives and Forest Sustainability

WHITE RIVER RECOMMENDATION #14:

Corporate MNR is to evaluate and re-consider how it requires licensees to track and report on sustainability.

Actions required:

1. The 2004 FMPM is being reviewed and updated in 2009. The current draft 2009 FMPM used new science and the *Forest Management Guide for Great Lakes-St. Lawrence Landscapes* to further modify and update the criteria and indicators of sustainability. Should these changes not go forward; other mechanisms will be considered to address the concern in the recommendation.
2. The current draft 2009 FMPM includes a requirement for the year 7 and 10 annual reports in the forest management plan to provide the trend analysis information which was previously provided through the IFA process. This trend analysis information provides for the analysis and discussion of forest sustainability.

Progress to date:

1. Complete. Changes in FMPM were approved September 2009.
2. Complete. Changes in FMPM were approved September 2009.