

Nagagami Forest

2012-2017 Independent Forest Audit

Management Unit Action Plan

Status Report

Nagagami Forest 2017 Independent Forest Audit

Status Report Signature Page

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Introduction

Arborvitae Environmental Services Ltd. conducted an Independent Forest Audit (IFA) on the Nagagami Forest (SFL #550047) for the period of April 1, 2012 through March 31, 2017. An action plan, prepared by the Ministry of Natural Resources and Forestry (MNR) and Jackfish River Management Ltd. (on behalf of Nagagami Forest Management Ltd.) was developed to address the findings documented in the final audit report which was accepted by the Forestry Futures Committee on March 5th, 2018. The IFA Action Plan was approved on June 5th, 2018. This document describes the status of the Action Plan, to date.

Findings

Finding #1:

Wawa District MNR did not respond promptly to the administrative needs of the LCC; senior MNR managers attended only one meeting over the five year audit term; there is no commitment for MNR attendance in the LCC TOR.

Action Required:

1. Senior Wawa District MNR management staff (either a Supervisor or the District Manager) will attend minimum 1 Nagagami LCC meeting per year.
2. The senior management attendance commitment will be amended into the Nagagami LCC ToR "MNR Responsibilities" section.

Progress to Date:

1. The District Manager attended the following Nagagami Forest LCC (NFLCC) meetings:
 - February 7, 2017;
 - January 16, 2018; and,
 - January 8, 2019.The Resource Management Supervisor attended the February 5, 2020 NFLCC meeting.
2. The NFLCC ToR has been updated to reflect the commitment for senior Wawa District MNR management staff to attend a minimum of one meeting per year. This change was endorsed by the District Manager and presented to the NFLCC at their February 5, 2020 meeting.

Future Tracking Requirements:

1. Ongoing – NFLCC meeting invites will continue to be shared with Senior Wawa District MNR Staff. The Management Forester will continue to track attendance of senior Wawa District MNR management staff on an annual basis.
2. Done – N/A

Finding #2:

Wawa District MNRF and the Company have infrequently contacted Ginoogaming First Nation and Constance Lake First Nation to discuss possible benefits from the Nagagami Forest.

Action Required:

1. The District Manager will offer to meet both Ginoogaming First Nation and Constance Lake First Nation to discuss possible benefits from the Nagagami Forest.
2. The District Manager will discuss at said meeting(s) the option for the communities to have a Nagagami Forest LCC and planning team representative.

Progress to Date:

1. Informal follow-up by the District Manager took place shortly following the 2017 IFA (followed up with Ginoogaming First Nation (Peter Rasevych) by email and Constance Lake (Chief Allen, by phone)). Formal letters were sent to the chiefs of both communities on October 4, 2018. The Resource Liaison Specialist (RLS) subsequently followed up with both communities via phone.
2. To date there has been no response from the communities to invitations sent by the MNRF to discuss possible benefits from the Nagagami Forest. Indications from telephone conversations with the RLS are as follows:
 - Ginoogaming FN does not want to participate in forest management planning (i.e., sit on the planning team or LCC) but would like to ensure community values are protected.
 - Constance Lake FN does not have the capacity to be involved in forest management planning on the Nagagami Forest, with their efforts focused on the forest closer to them, the Hearst Forest. However, in recent correspondence (July 2020) the Chief has expressed new interest in becoming involved in the Nagagami Forest.

Future Tracking Requirements:

1. Done – N/A
2. Ongoing – Continued engagement will take place with these communities through remaining consultation stages of the 2021 FMP.

Finding #3:

Wawa District MNRF and the Company have not negotiated with Biigtigong Nishnaabeg (Pic River First Nation) and Pic Mobert First Nation communities to identify and implement ways of achieving more equal participation in the benefits provided through forest management planning.

Action Required:

1. The District Manager will offer to meet both Biigtigong Nishnaabeg (Pic River First Nation) and Pic Mobert First Nation communities to identify and implement

ways of achieving more equal participation in the benefits provided through forest management planning.

2. The District Manager will discuss at said meeting(s) the option for the communities to have a Nagagami Forest LCC and planning team representative.

Progress to Date:

1. Formal letters were sent to the chiefs of both communities on October 4, 2018. The Resource Liaison Officer subsequently followed up with both communities by email and/or phone. Currently, both communities are on the planning team mailing list and receive planning team meeting minutes for the 2021 Nagagami FMP, although no participation has taken place, to date.
2. To date there has been no response from the communities to invitations sent by the MNRF to discuss possible benefits from the Nagagami Forest.

Future Tracking Requirements:

1. Done – N/A
2. Ongoing – Continued engagement will take place with these communities through remaining consultation stages of the 2021 FMP.

Finding #4:

Wawa District MNRF and the Company have not contacted the Métis residents of Hornepayne who have an interest in the Forest Management Plan and activities in the forest.

Action Required:

1. The District Manager will offer to meet the Métis residents of Hornepayne through their respective LCC representative.
2. The District Manager will discuss at said meeting the interests the Métis have in Forest Management Planning and why the group has not been contacted previously.

Progress to Date:

1. Informal follow-up by the District Manager took place in June 2018 (followed up with the LCC member representing the Hornepayne Métis Association by email). This was followed up with a formal invitation sent on October 5, 2018. A telephone meeting was held between the MNRF (District Manager, Management Forester and Resource Liaison Specialist) and the NFLCC member representing the Hornepayne Métis Association (HMA) on October 19, 2018.
2. An effort was made in this meeting to determine the best way to engage the members of the HMA, however, it did not appear that the Hornepayne Métis Association met in a year or more (at the time of the call) and the NFLCC representative did not possess a list of the members, indicating that they were more of an informal organization¹. The District Manager invited the individual to contact him with any concerns or for any further discussions related to the Nagagami Forest. As well, a follow-up presentation was delivered to the NFLCC based on one of the concerns expressed during this call.

¹ The HMA is not part of a recognized Métis community, therefore there is no duty to consult. The MNR, however, continues to consult with the Métis Nation of Ontario and the Red Sky Métis Independent Nation on the Nagagami Forest. As well, the MNR will continue to meet with Métis residents of Hornepayne, at their request, to discuss any concerns related to forest management planning.

Future Tracking Requirements:

1. Done – N/A
2. Done – N/A

Finding #6:

The fire return time of 2,655 years is not appropriate and there is no consideration of the effects of climate change on this and other parameters in the review of model assumptions.

Action Required:

1. The 2021 FMP planning team will incorporate the most up to date policies and guidelines into the FMP.

Progress to Date:

1. Fire return times for the 2021 FMP were derived from historical fire disturbance data provided by the Regional Forest Science Specialist. These records date back 30 years before plan start and are intended to represent a mean level of fire disturbance for each plan forest unit under full fire suppression.

Plan Forest Unit	Return Time
BOG	inf
BW1	6000
LC1	1780
MW1	1075
MW2	3900
PJ1	1450
PJ2	700
PO1	3025
Pwr	8000
SB1	2290
SF1	6500
SP1	671.2

The LTMD for the 2021 FMP does not directly consider climate change in its model solution, as there is no explicit policy direction for doing so. Instead, climate change was considered through management objective number ten (FMP-10) to maintain the integrity of the local gene pool. This objective is aimed at introducing novel genotypes from populations of more southern latitude into local populations through assisted migration, with the intention of increasing resiliency of the local population to future climate change progression.

Future Tracking Requirements:

1. Done – N/A

Finding #7:

The total area of renewal conducted during the first six years of the 2011 FMP term was approximately 3,086 ha less than the area harvested during the same period.

Action Required:

1. The current owners of the SFL (2016) have demonstrated their commitment to this forest and to bring the renewal trust balance to the minimum levels while increasing renewal activities to fulfill their commitment as per FMPM.
2. The 3,086 hectares of renewal area remains as an outstanding task as areas that will be treated. Our priority is to meet minimum levels in the renewal trust fund by March 31, 2019 followed by an aggressive approach to treat this area appropriately and in manner that is consistent with the FMP.

Progress to Date:

1. The SFL holder and the Forest Management Service provider (First Resource Management Group) have continued to track the balance of the Forest Renewal Trust account on a regular basis. The closing balance of the FRT account on March 31, 2020 exceeded the minimum balance by \$600,000. The management contractor has also estimated the future balances based on anticipated harvest levels and renewal rates and projects that the balance will remain above the minimum requirement.
2. A comprehensive silviculture liability assessment was carried out in the spring of 2020. The silvicultural program will address previously untreated areas (i.e. backlog) and will ensure that FMP targets are met.

Future Tracking Requirements:

1. Ongoing – The SFL holder and management contractor will continue to monitor the FRT balance on a regular basis. Renewal rates may be adjusted in consultation with the Ministry of Natural Resources and Forestry as per the approved process.
2. Ongoing – Untreated areas continue to be addressed and tracked by maintaining an up to date regen database (shapefile). Required renewal treatments are followed to completion and data from monitoring events (i.e. survey flights, ground survey notes etc.) continues to be inputted. All new depletions and most recent renewal activities are also added on a continual basis. A spreadsheet that accurately represents the total area and cost of silvicultural obligation has also been developed and is simultaneously updated to be consistent with the regen database (shapefile).

Finding #8:

Wawa District MNRF did not meet its targets for free-to-grow survey work and optional tasks for Silvicultural Effectiveness Monitoring were not completed for the Nagagami Forest during the audit period.

Action Required:

1. Following the NER Silvicultural Effectiveness Monitoring (SEM) protocol, Wawa District will select and stratify minimum 10% (i.e. the target sampling intensity) of the Free-to-Grow area submitted in the Nagagami Forest Annual Report.
2. Wawa District will create digital and map products in preparation for data collection (field work) and then collect data during the field season.
3. Wawa District will compile the data and produce a report that will analyze the feasibility of the silviculture program, to be submitted once complete to the Northeast Regional office with a copy to the District Manager.

Progress to Date:

1. SFL-submitted FTG areas have been stratified annually by the MNRF for the 2017, 2018 and 2019 SEM programs.
2. Based on the stratified areas, products were prepared in advance of the field season and data was collected accordingly for each of the 2017, 2018 and 2019 SEM program seasons.
3. Final SEM reports and/or data were submitted for the 2017, 2018 and 2019 program seasons.

Future Tracking Requirements:

1. Ongoing – The District MNRF will continue to participate in the SEM program (or is successor) as directed by the MNRF Northeast Region.
2. Ongoing – The District MNRF will continue to participate in the SEM program (or is successor) as directed by the MNRF Northeast Region.
3. Ongoing – The District MNRF will continue to participate in the SEM program (or is successor) as directed by the MNRF Northeast Region.

Finding #9:

During the audit period, the Company did not report the areas of partial, or first-pass harvesting, in the Annual Report as required by the Northeast Region Operations Guide for Marketability Issues (2013).

Action Required:

1. Nagagami Forest Management will report the depleted areas as per 2009 FMPM.
2. The SFL will ensure that all requirements and direction identified in the Northeast Region Operations Guide for Marketability Issues (2013) that are appropriate for this forest are adhered to.

Progress to Date:

1. Recent annual reports have followed the direction of the 2017 FMPM and Forest Information Manual (FIM). In these annual reports, all harvest areas have been reported under the regular harvest category (i.e., no first or second pass harvest has been reported), although SFL data indicates that some second pass harvesting may have taken place.
2. The direction in the 2013 Northeast Region Operations Guide for Marketability Issues was not amended into the 2016 Planned Operations for the 2011 FMP, and thus was not explicitly followed. Direction from the *Northeast Region Creating Forest Operations Opportunities in Low Market Conditions Strategy* (2020) is being considered to develop appropriate marketability strategies (i.e., non-veneer hardwood and conifer pulp) for inclusion in the 2021 FMP.

Future Tracking Requirements:

1. Ongoing – The management contractor will work with operations to ensure depleted areas will continue to be reported as per the current FMPM and FIM direction.
2. Not Done – Inclusion of utilization strategies as per the 2020 *Northeast Region Creating Forest Operations Opportunities in Low Market Conditions Strategy* in the 2021 FMP (under development).

Finding #10:

The Year Ten AR/ Trends Analysis does not meet all the requirements of the 2009 FMPM.

Action Required:

1. The Company will ensure that all requirements of the 2017 FMPM are strictly followed.

Progress to Date:

1. The Company was sent a list of required alterations from MNRF to comply with the 2017 FMPM requirements. Table AR-16 and its associated text is being updated to address outstanding concerns to meet requirements of the 2017 FMPM and is expected to be re-submitted by no later than November 2020. Many challenges contributed to the delay in having the Year 7 revised and approved on time, including the development of a new FMP, a changeover in the administration of the Nagagami Forest as well as staff working for industry and MNRF and a misunderstanding in how to fulfill requirements that were laid out in the 2017 FMPM.

Future Tracking Requirements:

1. Ongoing – The Company will adhere to content requirements and submission timelines for future AR's as per the 2020 FMPM.

Finding #12:

The 2011 FMP contains a number of objectives and targets that are unlikely to be achievable.

Action Required:

1. Development of the Nagagami Forest 2021-2031 FMP:
 - a) Under the 2017 FMPM, SFLs are required to complete a risk assessment for the proposed Long-Term Management Direction. The assessment will identify risks associated with the implementation of the LTMD. When identifying risks, the planning team will consider access limitations, recommendations identified in independent forest audits, and the year 7 and 10 management unit Annual Reports. The risk assessment will include an investigation of recent wood utilization (e.g., last 10 years) and other identified risks, and an evaluation of the potential implications on the achievement of management objectives.
 - b) During the development of the Nagagami Forest 2021 FMP, the planning team will be required to consider the use of strategic management zones (SMZs). The establishment of strategic management zones is expected to offer spatial context when completing forest estate modeling. Zones may be established to highlight areas within the forest where operability may be limited due to terrain, distance to markets and/or processing facilities for hardwood species, access restrictions, harvest seasonality, etc. NFM will assess the effectiveness of the current objectives and targets and work with the MNRF to establish new objectives and targets for the 2021 plan that will reflect a more modern and achievable set of values and goals.

Progress to Date:

1. a) As per the 2017 FMPM, an investigation of the recent wood utilization was conducted in SFMM and described as part of the risk assessment in Section 3.7.6 of the 2021 FMP (in development). Other potential risks (i.e., climate change, policy direction) are also described here and as part of Section 5 – Determination of Sustainability.
- b) Strategic management zones (SMZ) were implemented as subunits in the SFMM model for the 2021-31 FMP. These zones were centered around caribou habitat within the continuous zone and discontinuous zone in order to ensure management objectives associated with these SMZs were considered in the LTMD solution.

Future Tracking Requirements:

1. a) Ongoing – completed as part of the LTMD, to be documented in the 2021 FMP (under development).
1. b) Done – N/A

Finding #13:

At March 31, 2017, the Company was in arrears for Crown Charges, and in arrears to both the Forestry Futures Trust and the Forest Renewal Trust. In addition, the balance in the Forest Renewal Trust for the Nagagami Forest was below the required minimum balance for each of the five years of the audit period.

Action Required:

1. An agreement between the MNRF and SFL dated December 13, 2017 is in place that will bring the balance back to minimum levels.

Progress to Date:

1. As noted in Finding #7, the balance of the Forest Renewal Trust Fund exceeded the minimum balance (\$2,181,300.00) by \$600,000.00 on March 31, 2020. As per the agreement between the Crown and Hornepayne Lumber Limited Partnership, Crown Charges are now current.

Future Tracking Requirements:

1. Ongoing - The Forest Management service provider (First Resource Management Group) and Hornepayne Lumber will continue to monitor the Forest Renewal Trust Balance and will ensure that closing balances at year end remain above minimum.

Finding #14:

The local level status report for the 2012 IFA was prepared six months late.

Action Required:

1. Efforts are being made by both MNRF and SFL to address the Action Plan in a timely fashion and meet the contractual obligations as per the 2018 IFAPP.

Progress to Date:

1. The status report has been completed, however, due to mitigating circumstances it was not completed prior to the June 5th deadline (i.e., two years following the approval of the Action Plan) as per the current (2020) IFAPP. These circumstances include:
 - A change in the forest management planning service provider since the preparation and approval of the Action Plan for the 2017 IFA.
 - Several staffing changes in the MNRF Regional and District forestry program.
 - Restricted capacity and resources available at the onset of the COVID-19 pandemic during which time the final preparation and review of the status report should have occurred.

As a result, key individuals were not aware of timelines associated with the status report. Once the issue of the expired due date was raised, completion of the status report was prioritized accordingly.

Future Tracking Requirements:

1. While not applicable to this action, future timelines will have to be closely monitored during the production of the IFA Action Plan and Status Report for the next IFA on the Nagagami Forest. Specifically:
 - Timelines will adhere to identified deadlines the succeeding Independent Forest Audit Process and Protocol (IFAPP).
 - The MNRF Regional Forest Operations Specialist (or designated Regional lead) will ensure that the District MNRF, SFL holder and the forest management service provider is notified of the Action Plan Status Report due date at least 6 months prior to the deadline and will ensure that the Draft Nagagami Independent Forest Audit Action Plan Status Report is submitted for review, well before the required approval date (i.e., up to 30 day prior).

Finding #16:

The planned renewal approach in the caribou continuous distribution zone cannot be funded adequately under the existing schedule of forest renewal trust rates on the Nagagami Forest.

Action Required:

1. Future harvesting activities in the area must be concentrated on conifer stands to avoid an unbalanced expenditure on the forest renewal trust fund.

Progress to Date:

1. Harvesting activities within the DHCS are focused on the remaining eligible available area within the Schedule 'A' blocks (i.e. Blocks scheduled to be depleted between 2011-2031). This remaining area primarily consists of conifer forest cover:

PLANFU	AREA	Percent of total
LC1	502	12%
MW1	32	1%
MW2	76	2%
PJ1	57	1%
PJ2	248	6%
PO1	69	2%
SB1	1,001	24%
SF1	1,045	25%
SP1	1,163	28%
Total	4,192	-

Successful conversion from appropriate hardwood-leading and mixedwood stands will be required to achieve future even-aged conifer forest cover. These conversions will only apply to a relatively small proportion of the area identified

for harvest and are therefore not expected to cause unbalanced renewal expenditures.

Future Tracking Requirements:

- 1) Ongoing – Harvest activities within the schedule 'A' blocks are expected to be completed at the conclusion of the 2021-31 planning period, thus no future tracking of areas identified for harvest should be necessary. Actual renewal and tending costs for schedule 'A' blocks should be tracked to ensure balanced expenditure of forest renewal funds.