



Forestry Futures Trust Silviculture Project Application Guide

The Forestry Futures Trust was established under the authority of a June 1994 amendment to the *Crown Timber Act* and will continue under the *Crown Forest Sustainability Act*. The Trust is a single Trust and is not specific to forest management units. The source of funds is based on the volume harvested on a forest resource licence. The assets of the Trust will be managed by the **RBC Dexia Investor Services** and decisions on allocation of funds from the Trust will be made by the Forestry Futures Trust Committee (the Committee).

The following sections are excerpts from the Terms of Reference for the Committee. These excerpts provide information related to the purpose of the funds in the Trust, the Evaluation Criteria to be used by the Committee in reviewing and approving applications and an outline of the approval and reimbursement process.

1. PURPOSE OF FUNDS

The Committee shall direct the Trustee to make payments from the Forestry Futures Trust for projects which, in the opinion of the Committee, best satisfy one of the purposes set out below. The following reflects the policy interpretation of the purposes as described in the *Crown Forest Sustainability Act*.

1. Projects which address silvicultural needs resulting from forces of natural depletion such as fire, wind, insects, disease and flooding.
2. Projects which address current or future timber supplies that are critical for a community or mill, specifically:
 - forest pest management projects which respond to a forest insect infestation or disease which substantially and critically jeopardize a current or future timber supply in a forest management unit.
 - intensive stand management activities which respond to a substantial and critical future timber supply problem on a forest management unit.
3. Projects which address silvicultural needs that have resulted from:
 - Insufficient funds being available from the Forest Renewal Trust or Special Purpose Account for a specific Forest Management Unit due to the insolvency of a timber licensee.
4. Other purposes as may be specified by the Minister.
 - Remediation of Class Z lands

2. SILVICULTURE PROGRAM ELIGIBILITY CRITERIA

CATEGORY 1: STAND IMPROVEMENT: Projects which address current or future timber supplies critical for a community or mill; specifically, intensive stand management activities in post FTG stands, which respond to a substantial and critical future timber supply problem on a forest management unit (Sustainable Forest License (SFL) or Crown Management Unit (CMU) are eligible). Selection harvest projects in tolerant hardwood stands and shelterwood projects in white pine stands are intended to supplement normal silviculture activities in degraded stands. Please account for any income from partial harvest in these stands in the project costing.

CATEGORY 2: REMEDIATION: Projects which address silvicultural needs resulting from natural depletion events such as fire, wind, insects, disease and flooding (SFLs and CMUs are eligible). NOTE: Prescribed burn, mechanical and chemical site preparation treatments along with the appropriate tree planting or seeding treatments are eligible for consideration funding supporting this category. Projects that include prescribed burning treatments must include an alternate treatment that can be used if the prescribed burn cannot be conducted as planned in the first 2 years of the project. The Committee must be informed and approve any revisions to a project plan including alternative treatments.

CATEGORY 3: PROTECTION: Potential finding of Forest pest management projects; which respond to a forest insect infestation or disease that may substantially and critically jeopardize a current or future timber supply in a forest management unit and addresses current or future timber supplies critical for a community or mill (SFLs and CMUs are eligible). (*Please note large projects will be funded through alternate programs when costs exceed the capacity of the FFT*)

CATEGORY 4: INSOLVENCY FUNDING: Projects which address silvicultural needs which have resulted from insufficient funds being available from the Forest Renewal Trust or Special Purpose Account for a specific Forest Management Unit due to the insolvency of a timber licensee (MNR is eligible).

CATEGORY 5: CLASS "Z" LANDS OR CATEGORY 1: Areas harvested prior to April 1, 1995, prior to transfer of licencing of Crown lands to SFLs on which no eligible silviculture work has been initiated and where it was agreed the SFL company was not responsible for post harvest treatment but yet which a tending treatment is required to bring the area to free-to-grow status.

CATEGORY 6: OTHER: Other purposes as may be specified by the Minister.

3. PROJECT EVALUATION CRITERIA

The Committee, in making decisions regarding directions to the Trustee on how funds shall be paid out, will adopt, at a minimum, the following criteria which have been established by the Minister.

Project Effectiveness

Does the proposed project effectively address at least one of the stated purposes of the Trust? (application of this criterion will include an evaluation of cost effectiveness).

Cost Sharing

To what extent is the applicant willing to share in the cost?

Past Performance

Is the applicant's past performance good with respect to carrying out similar projects?

Future Wood Supply Availability

To what extent does the project address the availability of future wood supply, relative to mill requirements? Does the proposal document the nature and magnitude of future wood supply requirements?

Alternate Funding Sources

Is this project eligible for funding through FRT?

4. PROJECT APPLICATION

Project applications are restricted to the following:

Crown Management Units – MNR or organizations (with required MNR support) assigned silviculture responsibility as a result of the New Business Relationship negotiations;

Sustainable Forest Licence Management Units – holders of a forest management unit account or sub-account in the Forest Renewal Trust;

MNR – may apply for forest pest management projects

Company Management Units – MNR, the primary licensee or organizations assigned the silvicultural responsibility as a result of New Business Relationship Negotiations.

The Committee may ask a project applicant to modify the project application or to provide further information in connection with that application. The Committee may also seek the advice of parties other than the applicant in considering the merits of any particular application.

5. PROJECT APPROVAL

The Committee shall not consider project applications submitted by a licensee, where the Minister advises the Chair that the licensee is delinquent in paying any Crown charges related to the licensing or harvest of Crown timber.

The Committee may approve projects which cannot be completed in a single year, and which therefore require multi-year funding. The duration for multi-year projects shall not exceed three

years. Funding will be provided on a fiscal year basis and the approved project applicant will report accomplishments and reconcile actual costs with payment received on an individual fiscal year basis. Funding for subsequent years will depend upon accomplishments in the previous year.

The Committee may approve forest pest management projects that cross the boundaries of more than one forest management unit. Applications for forest pest management projects may be made by MNR and/or one or more licensees.

The Committee will only approve projects in advance of the project's initiation.

The Committee may approve:

- 1) full amount of FFT funds requested
- 2) partial amount of FFT funds requested
- 3) a portion of the proposed project with reduced funding
- 4) one year only, with future funding dependent upon performance.

Finally, the Committee may deny funding of the presented project as presented.

6. NOTICE OF PROJECT APPROVAL

Upon approval of a project application, the Committee will provide the approved project applicant with a Notice of Project Approval and the Terms of Project Approval.

Upon receipt of the Notice of Project Approval, the approved project applicant shall review the Notice of Project Approval and the Terms of Project Approval and return a signed copy of the Terms of Project Approval indicating agreement with the terms.

7. PROJECT REIMBURSEMENT

Project reimbursement shall be for actual costs and shall not exceed the approved maximum for the entire project.

Reimbursement may be sought through the submission of Interim Requests for Reimbursement and a Final Request for Reimbursement, accompanied by supporting evidence of expenses. Reimbursement for multi-year projects shall be reconciled with actual costs on an individual fiscal year basis. Final Requests for Reimbursement shall account for no less than twenty percent (20%) of the approved funding for a particular fiscal year.

The approved project applicant shall submit all Requests for Reimbursement subject to a reimbursement schedule, in order to ensure that money is available in the Forestry Futures Trust at the appropriate times. The schedule will be derived from the schedule proposed by the applicant in the Application. A status report on the projects is to accompany each Request for Reimbursement.

Interim Project Work Reports shall be submitted to the Committee not later than **April 15** following the fiscal year in which work on the project was carried out to document accomplishments and to detail actual costs incurred. The Final Project Work Report and the final Request for Reimbursement shall be submitted within two weeks of completing the project.

The Final Request for Reimbursement at completion of the project will not be authorized for payment until the final Project Work Report has been received and approved by the Committee.

In the event of audits or disputes regarding the cost of approved projects, generally accepted accounting principles and auditing standards as certified by a person or firm licensed under the *Public Accountancy Act R.S.O. 1990, c.P. 37* shall be used.

8. TERMS OF PROJECT APPROVAL

Please refer to our website for Terms of Project Approval document (www.forestryfutures.ca)

9. CHECKLIST FOR PREPARING FFT SILVICULTURE APPLICATION

- 1) Ensure that the correct application form is used. (www.forestryfutures.ca under Download forms). Round 29 forms are no longer valid; consider deleting them on your system to avoid confusion.
- 2) Applicants' contributions are considered one indication of commitment to the proposed work. Historically the range of applicant contribution varies from 10% to over 90%.
- 3) Before beginning the application process, evaluate and confirm that the proposed project addresses at least one of the stated purposes of the Trust and determine if it could be funded by alternate sources of funding (i.e. Forest Renewal Trust, SPA accounts etc.).
- 4) A detailed assessment of wood supply impacts of the proposed project assists in the evaluation of project.
- 5) Please include a map of the project area.
- 6) Please ensure that the application is fully completed and the necessary seals are included (Project application page 15 and Request for Reimbursement Authorization Form).