

Forest Resource Development Program
Description and Conditions

Ministère des Ressources naturelles
Direction des programmes forestiers
May 2002

Introduction

The *Forest Resource Development Program* is designed to complement government orientations in the area of regional economic development and Native affairs.

The main objectives of the program, prepared and administered by Québec's ministère des Ressources naturelles (MRN), are to:

- promote integrated forest resource management;
- increase forest production;
- contribute to job creation in the regions and to the development of Native communities;
- promote partnerships and shared activity funding between the government, the forest industry, regional stakeholders and Native communities;
- test and develop new silvicultural techniques aimed at protecting and developing forest resources;
- improve knowledge of forest ecosystems and resources.

The *Forest Resource Development Program* applies principally to inhabited zones in forest areas under both public and private ownership. It is funded out of the dues paid by the holders of timber supply and forest management agreements (TSFMAs) for timber from the public forests.

The amounts allocated to the program since it was first launched in 1995 are as follows:

1995-1996:	\$15.9 million
1996-1997:	\$21.5 million
1997-1998:	\$23.5 million
1998-1999:	\$25.5 million
1999-2000:	\$32.5 million
2000-2001:	\$32.5 million
2001-2002:	\$42.9 million

The program's existence has been confirmed until 2005-2006. The annual budget will remain at \$42.9 million until 2003-2004, to support implementation of the Economic Development Strategy for Resource Regions announced in the 2001-2002 budget speech. In 2004-2005 and 2005-2006, the budget will be reduced to \$32.5 million. The Minister of Natural Resources sets the amount allocated for each administrative region based on the amount of dues paid, the relative importance of the inhabited forest environment and the economic situation of the regions concerned. Forêt Québec's regional managers are responsible for ensuring that program spending remains within the limits set for each administrative region.

Projects designed specifically to restore and develop wildlife habitats in the forests (e.g. white-tailed deer yards and fish habitats) may qualify for additional financial assistance from the Société de la faune et des parcs du Québec (FAPAQ) in Québec's seven resource regions: Gaspésie—Îles-de-la-Madeleine, Bas-Saint-Laurent, Côte-Nord, Nord-du-Québec, Saguenay—Lac-Saint-Jean, Abitibi-Témiscamingue and Mauricie. Project proponents should contact their nearest FAPAQ regional office for further details of the Forêt-Faune program.

The *Forest Resource Development Program* comprises two distinct sections, each with its own conditions. They are described in detail below.

Section I

Section I is aimed at intensifying forest resource management by making silvicultural treatments carried out by TSFMA holders to exceed the yields fixed in their agreements admissible as payment of stumpage dues. It also provides greater protection for, and enhances the development of, forest resources. In addition, funding for Native projects aimed at harmonizing traditional Native activities with forest industry activities or increasing Native participation in forest resource development activities may also be admissible as payment of dues. Finally, activities involving improvement of silvicultural techniques, forestry research or knowledge acquisition may also be authorized under Section I.

1. Conditions

Activities that may be authorized under Section I are as follows:

Silvicultural experiments and forestry research or knowledge acquisition activities

The purpose is to test and develop new silvicultural techniques designed to protect and develop forest resources or improve knowledge of forest resources and the impacts of disturbances on ecosystems.

To qualify for the program, projects must be the subject of a protocol approved by the MRN. Among other things, the protocol must describe the nature, location and purpose of the work, as well as the obligations of the promoter with respect to execution, control, monitoring and publication of results. In addition, to ensure the validity of the experimental apparatus used and the publication of scientific reports, the projects must be carried out by or in partnership with a research institution or a recognized researcher.

Where a project is not carried out by a TSFMA holder, a funding agreement approved by the Minister must first be entered into by the promoter and an agreement holder. Among other things, the agreement must cover activity planning, project costs and funding sources for project activities. All the necessary authorizations must be obtained before work is begun.

The amounts granted for projects must not exceed 5% of the total amount of the credits on dues allocated annually in the region for silvicultural treatments carried out to achieve the yields fixed in the TSFMAs.

Silvicultural treatments for the management of white-tailed deer yards

The purpose of this program component is to promote the management of white-tailed deer yards protected under the Act respecting the conservation and development of wildlife.

To qualify for the program, treatments must be prescribed in a white-tailed deer yard management plan prepared by the MRN and the FAPAQ. They must also be recognized in the Regulation respecting the value of silvicultural treatments.

Silvicultural treatments aimed at protecting and developing wildlife resources and forest landscapes

The purpose of this component is to protect and develop wildlife resources and forest landscapes on municipal lands or in adjacent sectors, and on specifically designated multi-use lands (wildlife management areas, outfitting operations, regional parks, wildlife reserves and others).

To qualify for the program, silvicultural treatments must not be mandatory under the Regulation respecting standards of forest management for forests in the public domain (RSFM), and they must address specific concerns or needs in the region concerned. They must also be recognized in the Regulation respecting the value of silvicultural treatments.

Silvicultural treatments aimed at increasing forest production

The purpose of this component is to increase forest stocks in order to promote long-term industrial development and compensate for timber losses caused by natural disturbances.

To promote forest management work in inhabited zones, increase volume gains and help reduce supply costs, priority will be given to work carried out on the best sites and on sites located near populated areas and timber processing mills.

To qualify for the program, treatments must be recognized in the Regulation respecting the value of silvicultural treatments, and they must satisfy the evaluation criteria mentioned in the instructions concerning the application of the Regulation respecting the value of silvicultural treatments admissible as payment of dues.

Native projects

The purpose of this provision is to promote the economic development of Native communities and the implementation of measures to harmonize their traditional activities with those of TSFMA holders, by supporting Native efforts to acquire knowledge about forest lands and resources, and to prepare and carry out forest resource development projects.

To qualify for the program, projects submitted by Native communities should first be the subject of a funding agreement approved by the Minister. This agreement between a

Native community and a TSFMA holder should include a description of the project and mention its objective, the type of activities that will be carried out and the proposed budget. Where the project proponent is an entity other than a band council, a resolution or letter of support from the band council must be appended to the funding agreement. All the necessary authorizations must be obtained before work is begun.

2. Authorization Process

Any work that TSFMA holders wish to submit to the MRN under Section I of the Program must be included in their annual and, if necessary, their five-year forest management plans. However, work to be carried out within the boundaries of local municipalities must first be brought to the attention of the RCM or municipality in question, to ensure that it complies with local development goals and policies.

For projects involving the testing of new silvicultural techniques, forestry research or knowledge acquisition, promoters must produce a document confirming the participation of a research institution or a recognized researcher.

After analysis, forest management activities that satisfy the above admissibility criteria will be authorized by the region concerned, which will grant a management permit in accordance with the usual procedure. For research or knowledge acquisition activities, approval by the regional Forêt Québec manager of the funding agreement between the promoter and a TSFMA holder will serve as confirmation that the MRN has given its authorization.

Similarly, for projects submitted by Native communities and involving knowledge acquisition, planning or development activities, approval of the funding agreement will also serve as confirmation that the MRN authorizes the activities concerned. For projects involving forest production in forest reserves, a forest management contract (FMC) must

first be signed by the MRN and the Native community. The forest management activities are then set out in a general forest management plan and an annual plan, in accordance with section 103 of the Forest Act. For forest management activities performed for non-silvicultural purposes (e.g. wildlife, recreational, educational or environmental activities), the MRN will issue the appropriate management permits or authorizations, in accordance with the provisions of the Forest Act.

Regional managers may establish specific admissibility criteria to take into account regional forest resource management and development priorities or Native issues.

3. Allocation of Credits

The amounts granted for silvicultural treatments and other activities under Section I will be allocated in the usual way, in the form of credits on dues.

Generally speaking, the monetary value of all silvicultural treatments carried out by TSFMA holders is established by regulation. However, the value of experimental treatments and treatments to protect and develop wildlife resources and forest landscapes may be determined by the regional manager, based on the value of comparable management activities listed in the Regulation respecting the value of silvicultural treatments. For research and knowledge acquisition projects, the value of the activities is established on the basis of comparable activities whose cost is known, or determined by means of a call for bids and subsequent selection.

With regard specifically to work carried out for experimental purposes, the value may be increased by a maximum of 50% to take into account costs related to the experimental nature of the project, such as the preparation of technical specifications, data collection, monitoring and report preparation. An initial credit of up to 75% of the admissible

funding may be granted, depending on the nature, duration and cost of the project; the remainder is withheld pending submission of the report.

In the case of projects submitted by Native communities, the amounts authorized will be determined by the regional manager, on the basis of the Regulation respecting the value of silvicultural treatments, or comparable activities whose costs are known. To enable work to begin, a credit of up to 75 % of the authorized amounts may be applied to the dues payable, upon receipt by the MRN of proof of payment by the TSFMA holder. The remaining part of the authorized funding will be credited after the Native community has submitted a report on the activities completed during the year and the use made of the funding granted.

The reports produced by TSFMA holders and other project proponents must contain an appendix detailing the supporting documents for the admissible expenditures under the project, or a financial report audited by an external accountant. Each supporting document must contain the name and address of the supplier concerned, the nature of the work carried out and the date of the transaction, and must be furnished on demand.

The mechanism generally used to reconcile credits and dues will be applied to ensure that the amounts granted under Section I do not exceed the cost of the work.

Section II

The goals of Section II are to make local communities accountable and to implement an integrated approach to forest resource management. More specifically, it aims to promote regional development and job creation by encouraging partnerships between the government, regional authorities and forest companies. It also promotes community participation in decisions concerning the management and development of resources within their territory.

Section II enables TSFMA holders to pay their dues by financing activities carried out by third parties. The activities in question must be aimed at increasing timber production or enhancing forest resource protection or development. They must also be the subject of a funding agreement between the TSFMA holder and the third party concerned.

The activities may be carried out in private woodlots, on forest lands covered by TSFMAs or in forest reserves, for wildlife, recreational, silvicultural, educational or environmental purposes.

1. Conditions

Any forest resource protection or development activity may qualify for support under Section II.

Activities involving the acquisition of knowledge on development potential and the preparation of multi-resource development plans are also admissible. However, the amounts authorized for such activities must not exceed 15% of the total amount allocated under Section II in a given region.

In addition, an amount not exceeding 5% of the region's allocated Section II budget may be used to pay for monitoring and evaluation of work authorized under Section II.

Activities that TSFMA holders and regional agencies for private forest development are required to carry out at their own expense as part of their everyday responsibilities, the refundable portion of QST and GST payments (in the case of municipal corporations, for example), and maintenance costs for equipment and infrastructures originally funded by the program, do not qualify for support under Section II. To avoid duplication of payments for the same activities, previously granted dues credits and subsidies paid

through other assistance programs will be deducted from any amount allocated under Section II.

In addition, admissible activities must be carried out as part of a forest resource protection or development project. All the necessary authorizations (rights of way, permits, etc.) must be obtained before work begins, and the project in question must be the subject of a prior funding agreement approved by the Minister, in accordance with the provisions of the fourth paragraph of section 73.1 of the Forest Act. Such an agreement between a TSFMA holder and a project proponent must include a plan of activities, together with details of costs and funding sources. In addition, the agreement must set out any obligation for the proponent to maintain equipment and infrastructures set up as part of the project. At least 10% of the cost of all proposed admissible activities, except those related to monitoring and evaluation, must be paid out of funds obtained from sources other than credits on stumpage dues. However, where the proponent is a non-profit organization, funding may be available for up to 100% of admissible costs, provided the organization makes a voluntary contribution at the project implementation stage.

The proponent must produce and publish a report on the activities carried out during the year under Section II. The report must be approved by a forest engineer or by another appropriately qualified professional. Promoters are invited to contact an engineer or appropriate professional as soon as their projects are approved, so that the person concerned can monitor and assess the work throughout the project and confirm that it has been carried out in accordance with generally accepted practices.

2. Authorization Process and Roles

A number of regional authorities are involved in the application of Section II of the *Forest Resource Development Program*.

The Regional Development Councils (RDCs) must make sure that regional stakeholders work together to establish a method of selecting projects. They must also ensure that project selection committees are representative of the various interest groups involved in forest resource management and development.

RCMs and local municipalities may act as project proponents or they may provide support for organizations and individuals presenting projects. Projects submitted by other stakeholders must have the support of the RCM or municipality concerned.

TSFMA holders can enter into a management agreement with an RDC or RCM to delegate management of the amounts they pay under Section II. The agreement must provide for the signing of funding agreements between the RDC or RCM and the project proponent, in accordance with the provisions of the fourth paragraph of section 73.1 of the Forest Act and the conditions set out in this document. The management agreement must be approved by the MRN.

The regional Forêt Québec manager must rule on the admissibility of the proposed activities as payment of dues. The activities in question must be carried out in compliance with the provisions of the Forest Act. The regional manager must also check to see whether the project involves or is situated entirely on land or sites requiring specific protection measures.

The regional authorities are responsible for selecting projects from among those it considers admissible, taking into account the monies available under Section II. Priority must be given to development activities carried out as part of inhabited forest pilot projects already approved by the MRN.

The regional manager's approval of the funding agreement will serve as confirmation that the MRN agrees to the carrying out of the activities proposed for private woodlots and

those related to knowledge acquisition, preparation of multi-resource development plans or the monitoring and evaluation of work.

For projects concerned with forest production in forest reserves, a forest management contract (FMC) must first be signed by the MRN and the project proponent. The forest management activities must then be detailed in a general forest management plan and an annual plan, in accordance with section 103 of the Forest Act.

For projects carried out in public forests for purposes other than timber production (e.g. wildlife, recreational, educational or environmental projects), the MRN issues the appropriate management permits or authorizations, in accordance with the provisions of the Forest Act.

3. Allocation of Credits

The amounts authorized as payment of dues for activities funded by Section II are equal to the value of the silvicultural treatments established by regulation in the case of public forests, or those stipulated in the *Financial Assistance Program for Private Woodlot Development* in the case of private woodlots. Otherwise, the amounts are established by the regional manager on the basis of comparable activities whose cost is known.

To enable work to begin, a credit of up to 75% of the amounts authorized may be applied to dues payable, upon receipt by the MRN of proof of payment from the TSFMA holder. The remaining part of the authorized funding will be credited after the activity report, approved by a duly qualified professional, has been submitted to the Minister. The report must contain an appendix detailing the supporting documents for admissible expenditures, or a financial report audited by an external accountant. Each supporting document must contain the name and address of the supplier concerned, the nature of the work carried out and the date of the transaction, and must be furnished on demand.

If there is a management agreement between a TSFMA holder and an RDC or RCM, the credit granted to the TSFMA holder corresponds to the amount paid by the TSFMA holder under the agreement.

The mechanism used to reconcile credits and dues will be applied to ensure that the amounts granted do not exceed the cost of the work.

PROGRAM MONITORING AND EVALUATION

Given the scope of the program and its growing popularity, the MRN must obviously be in a position to inform decision-makers and the general public of the gains achieved. Information on job creation, the type of work carried out and the involvement of community organizations is often requested. When the program was first introduced in 1995, a database was created to store the information needed for monitoring and evaluation purposes. It was on the basis of this information that an initial review of the program was produced in 1999, followed by a second review in 2002. If these reviews are to be brought up to date, it is vital for the database to remain current, and for the relevant data on a given year to be sent to the MRN no later than May 1 of the following year. These same data are also required to calculate some of the indicators used in the MRN's strategic plan and to prepare the Forêt Québec annual management report.

In addition, several stakeholders and organizations ask questions about the operational methods used in the regions to select projects for Section II of the program. To answer these questions, the MRN works with the players concerned to produce an annual report that includes a description of project selection mechanisms and criteria, a list of the organizations represented on selection committees, the number of admissible projects presented, and the number of projects accepted. These reports are available in Forêt Québec regional offices by January of each year.