Ontario Forest Tenure Update/ Historical Perspective

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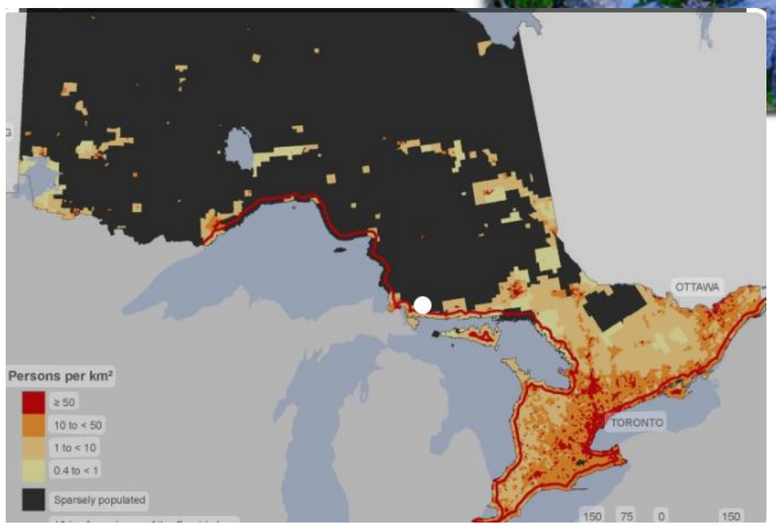
Ontario Context

- Canada’s 2nd largest province
- 11 million people
- Less than 1 million live in northern Ontario
- 80% of people live in towns and cities
- 88% of Ontario’s forests are publicly owned
- Most northern Ontario communities are dependent on natural resource sectors
- More than 130 Indigenous Nations

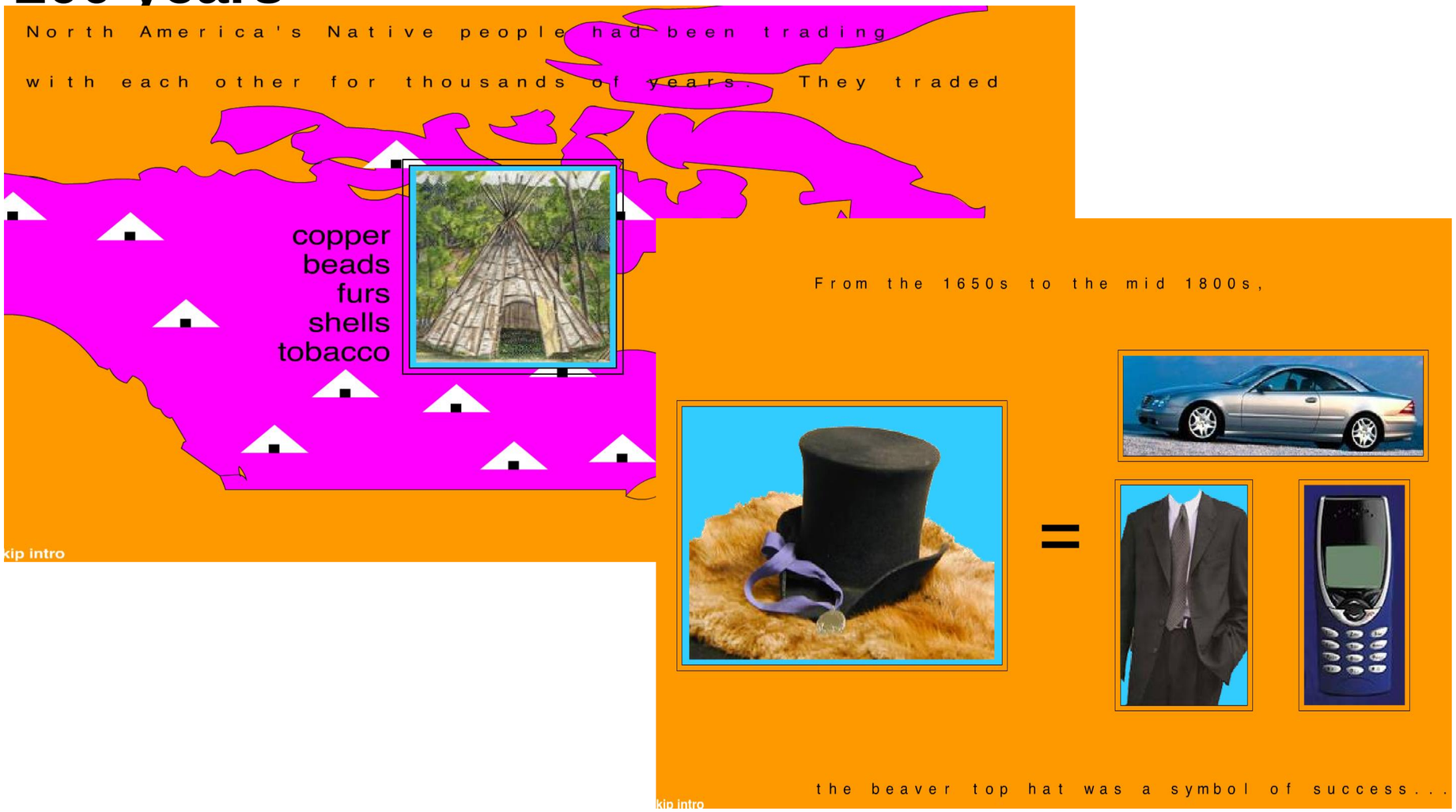


What is Forest Tenure?

- It is the legal arrangements that define rights and responsibilities for the management and use of Crown forests
- “the right granted by the Crown to harvest timber from Crown land, subject to the terms and conditions of the document containing the grant and the governing legislation”.
- “Tenure documents normally define in precise terms the obligations and responsibilities of each party (government as landlord [arguably] and private users of the forest as tenure holders)”.
- Sustainable Forest Licenses (SFLs) are the dominant form of tenure documents in Ontario today.
  - https://www.canlii.org/en/commentary/doc/1997CanLIIDocs242#!fragment/zoupio-_Toc2Page11-Page20/BQCwhgziBcwMYgK4DsDWszIQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgCYAFMAc0ICMAxj34cADAEoANMmylCEAIqJCuAJ7QA5FukRCYXAhVrNOvQaMgAynlIAhTQCUAogBkXANQCCAOQDCLtKkYABG0KTskpJAA

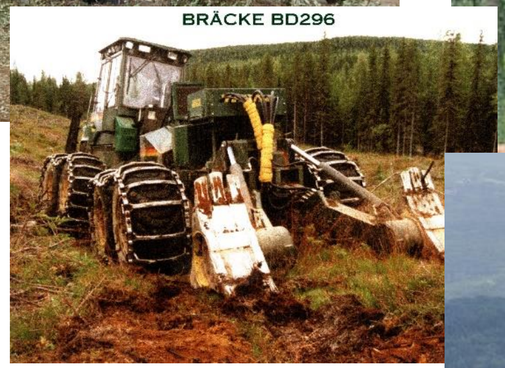
Forest Land Use for Sustenance
11,000 BP to 1,600 AD (400 BP) or 7,000 years

Forest Land Use for Commerce 1600-1850 AD
200 years

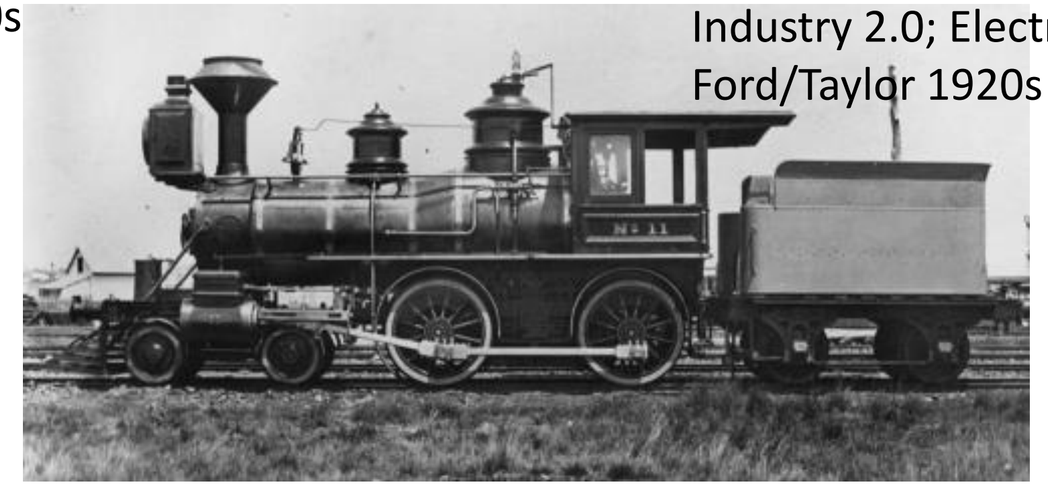


1850s to present; Timber>Bioeconomy 150yrs

Industry 1.0; Steam/ J. Watt 1780s



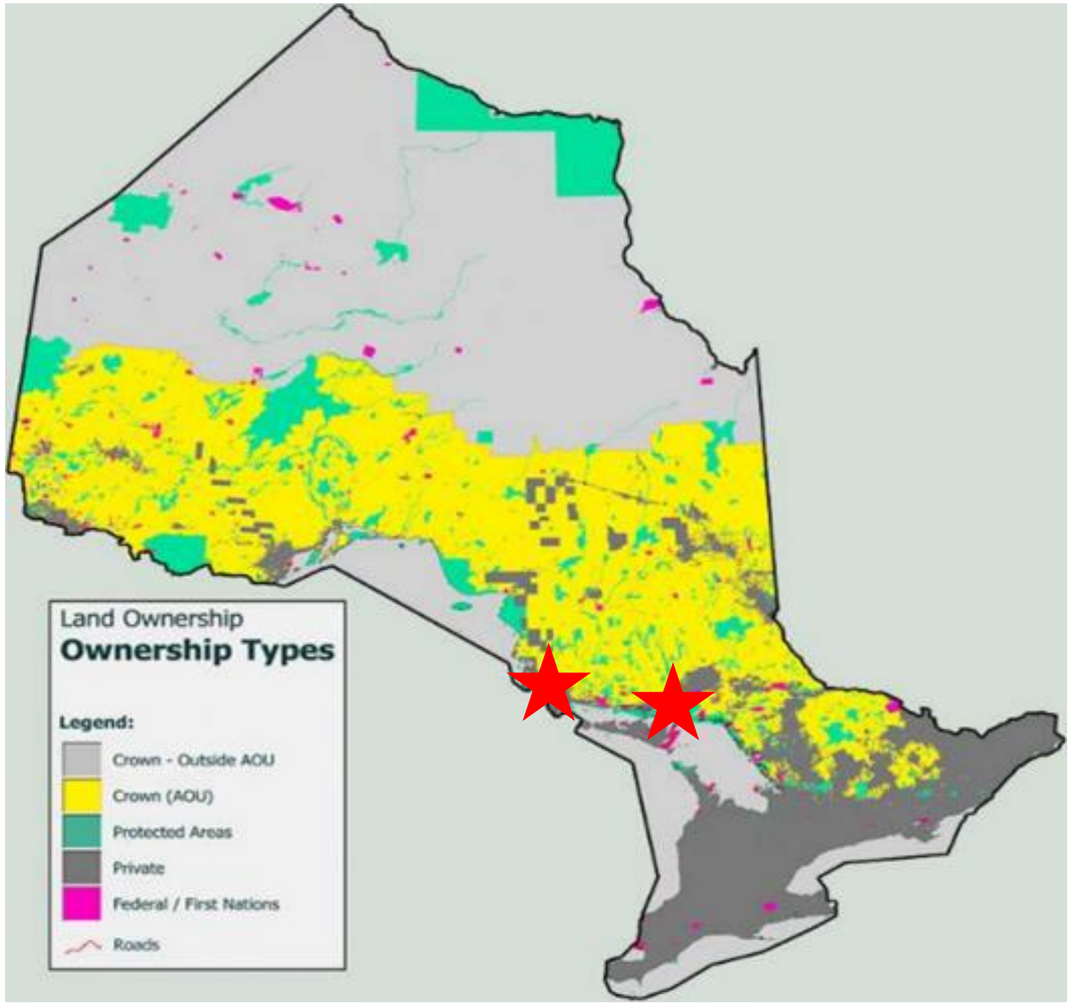
Industry 2.0; Electricity 1870 Ford/Taylor 1920s



Industry 3.0; Automation CPUS 1960s

Industry 4.0; Internet of things (IIOT)

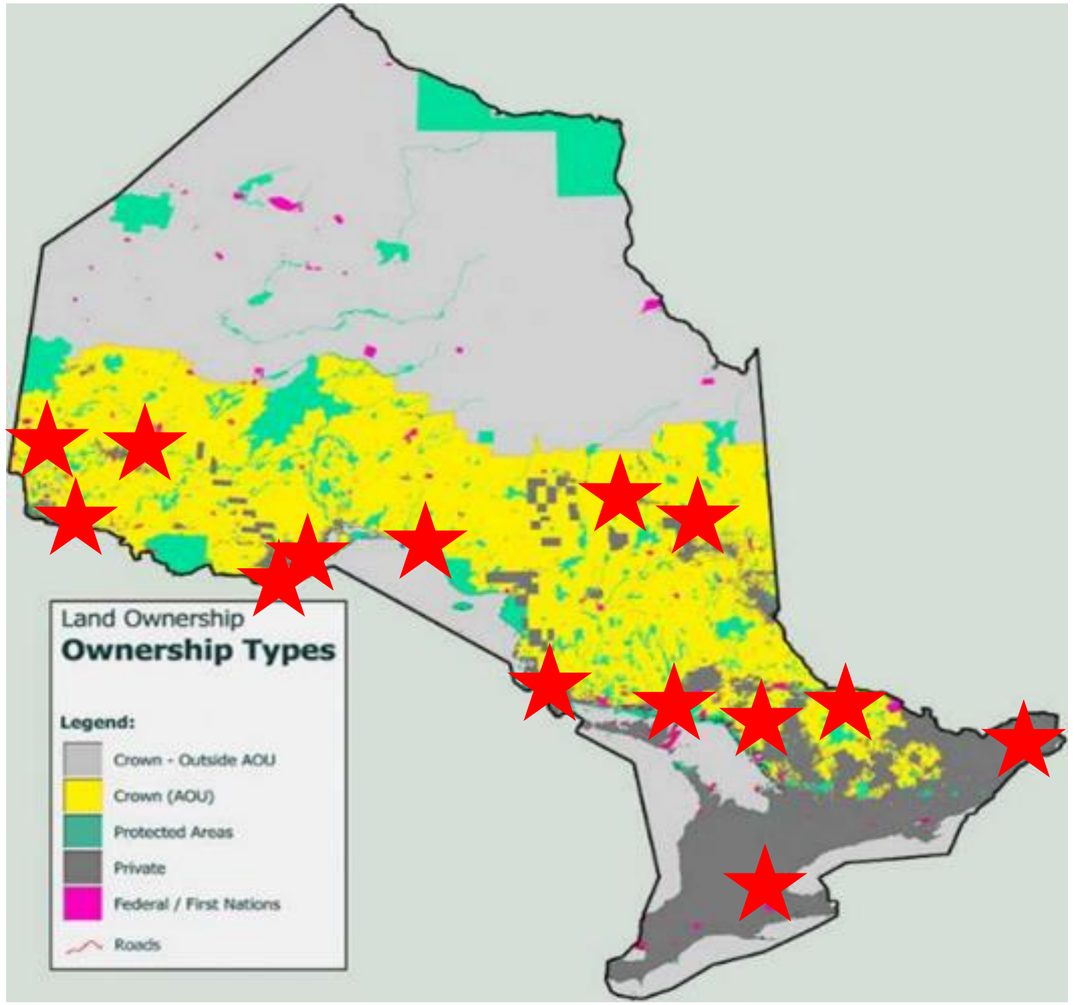
Forest Tenure Evolution



Mid 1800 to early 1900s

- New wood pulping & paper making industry used as way to develop northern Ontario
- Industry required massive infrastructure development
- Capitalization/financing required guaranteed supply of pulpwood
- “Pulpwood Agreements” negotiated to assure supply

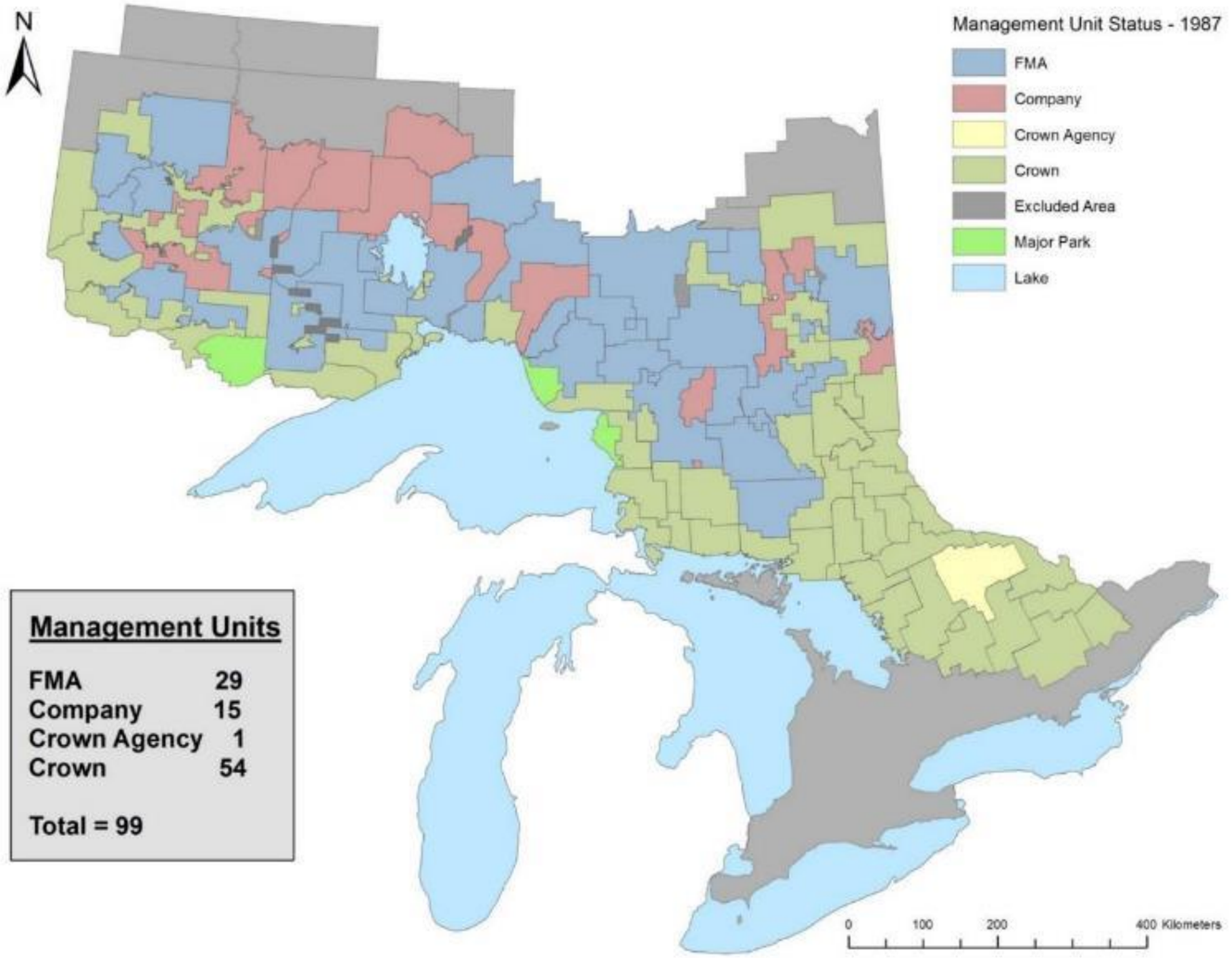
Forest Tenure Evolution



1913 to 1928

- Twelve more pulp and paper facilities in various stages of development in Ontario
- Pulpwood Agreements were critical to developing northern Ontario
- **Restriction on roundwood exports**

Management Units - 1987

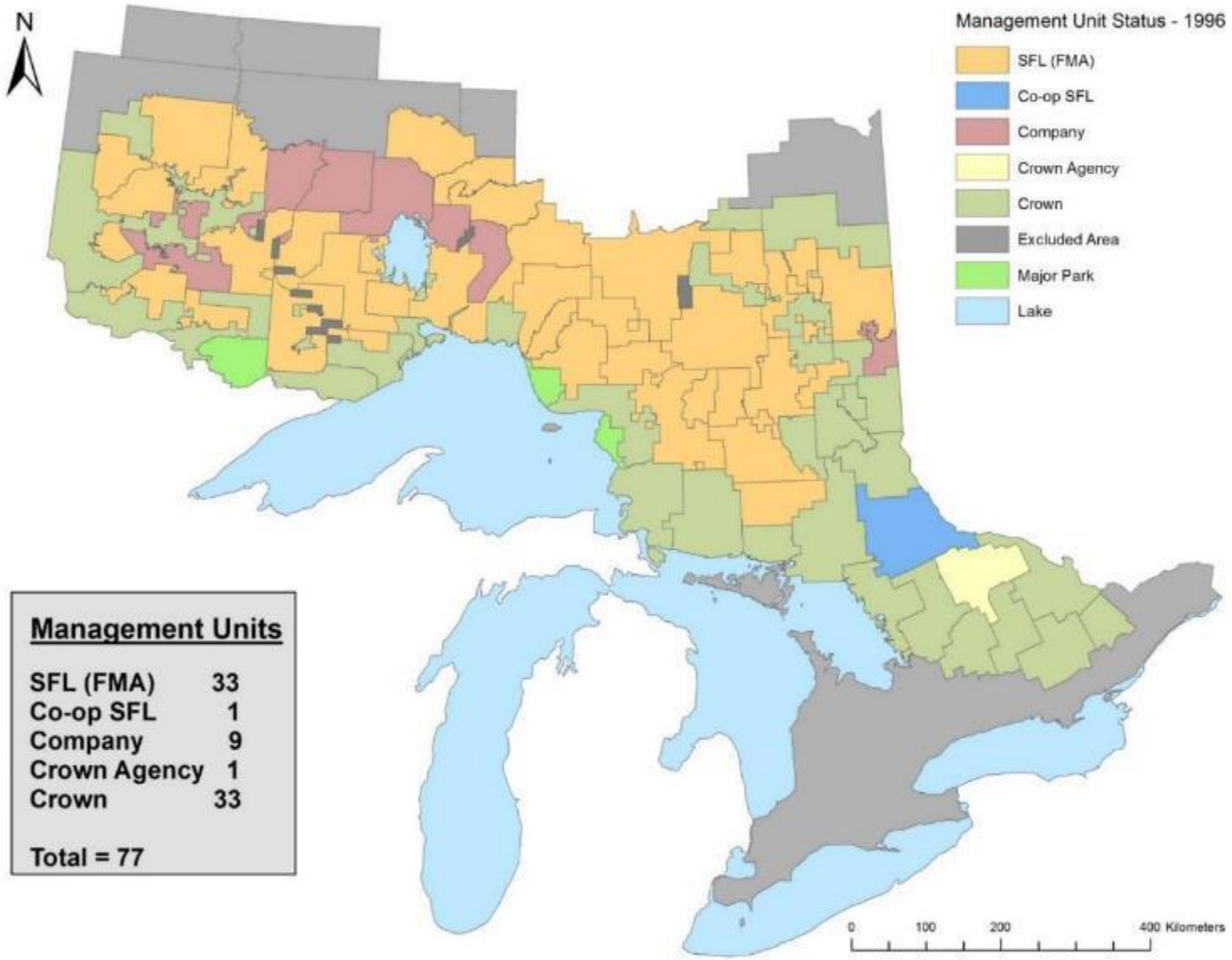


Management Units

FMA	29
Company	15
Crown Agency	1
Crown	54

Total = 99

Management Units & SFLs - 1996

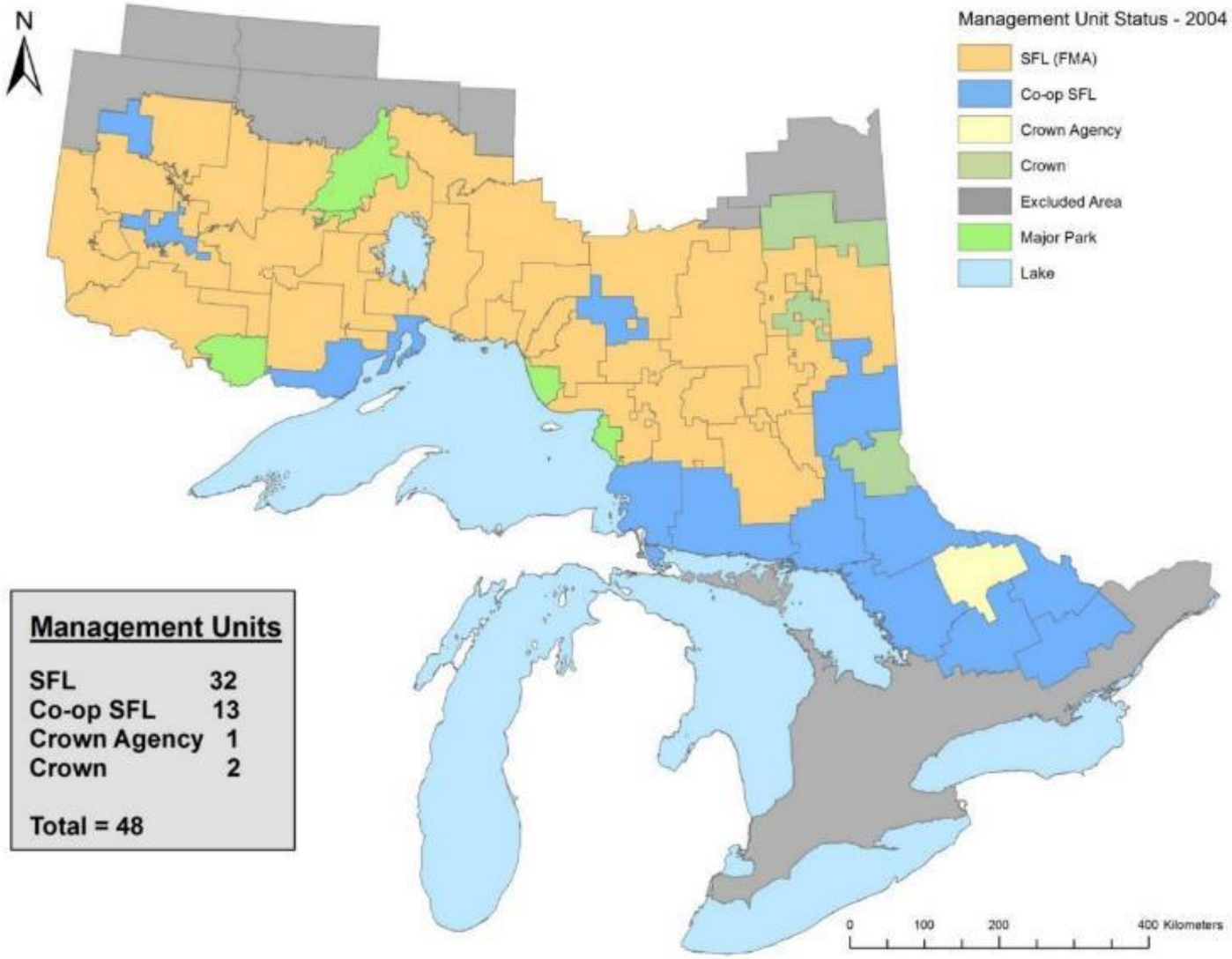


Management Units

SFL (FMA)	33
Co-op SFL	1
Company	9
Crown Agency	1
Crown	33

Total = 77

Management Units & SFLs - 2004

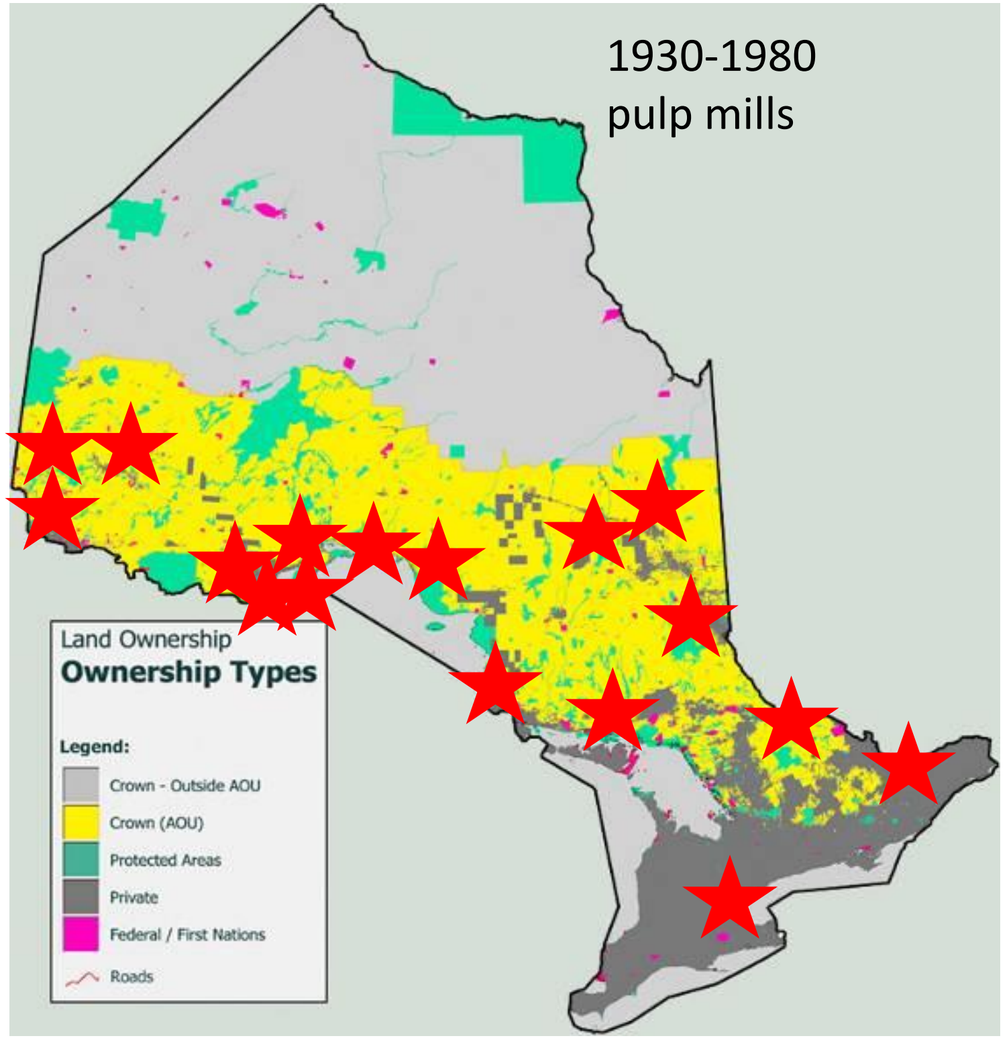


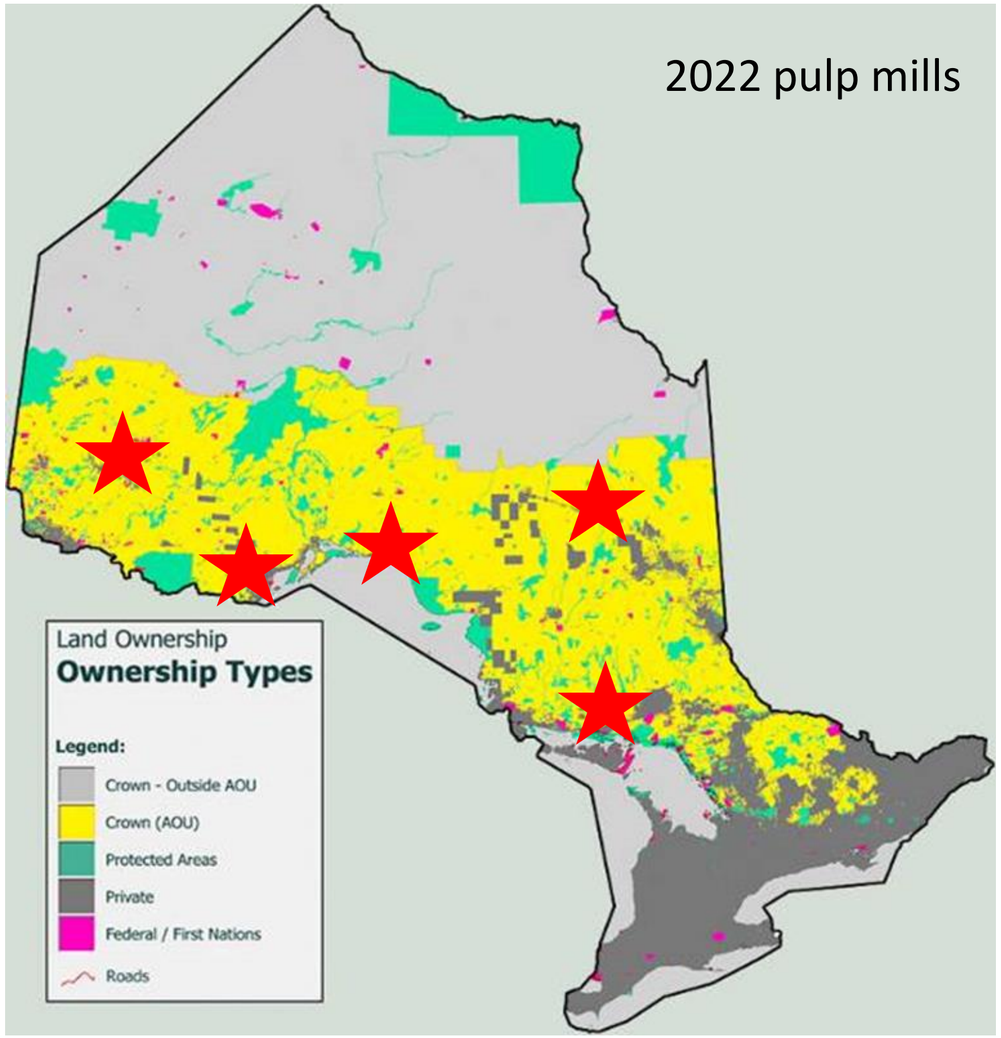
Management Units

SFL	32
Co-op SFL	13
Crown Agency	1
Crown	2

Total = 48

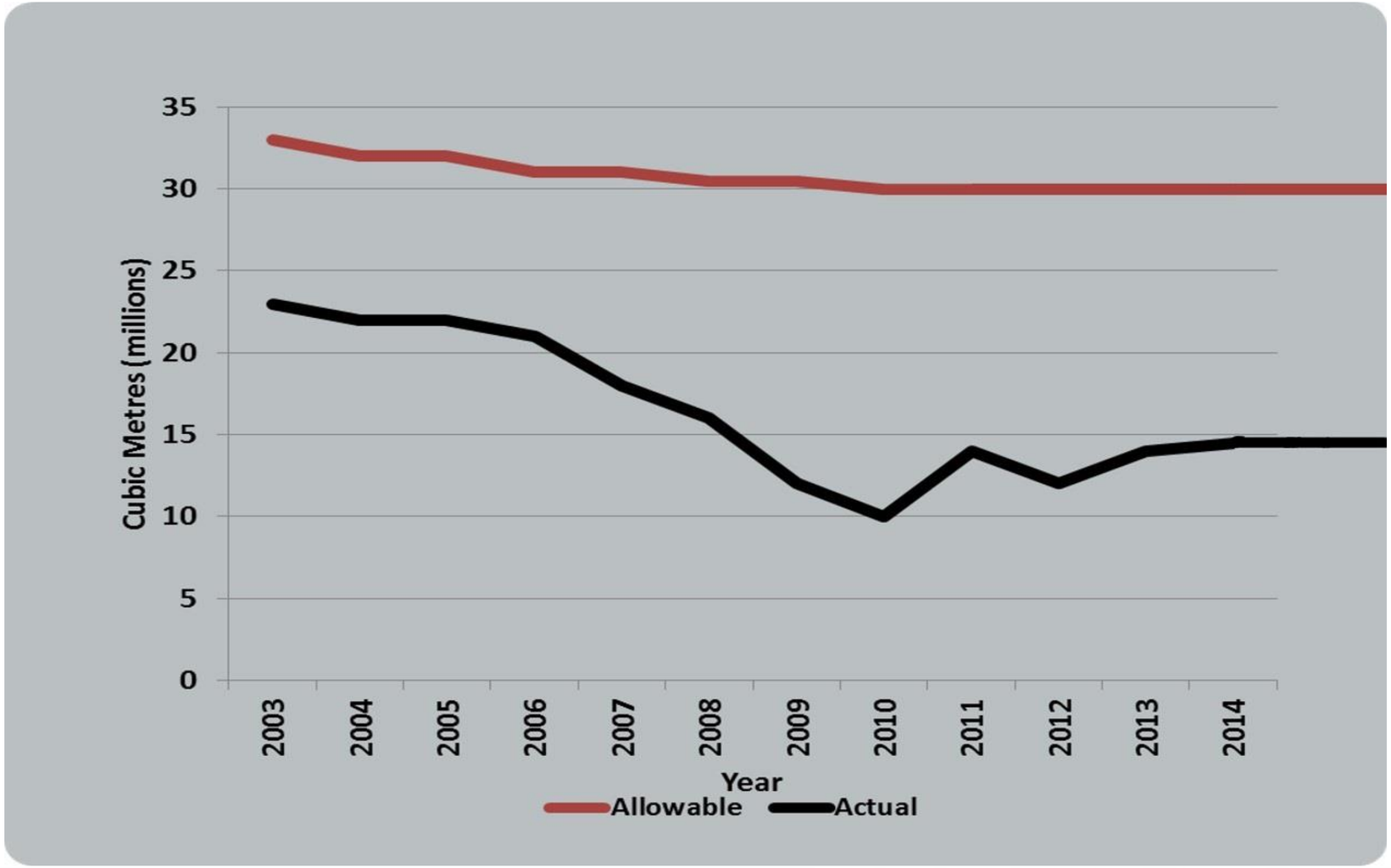
Great Recession of 2009 and BFPL Bankruptcy





Forest Tenure

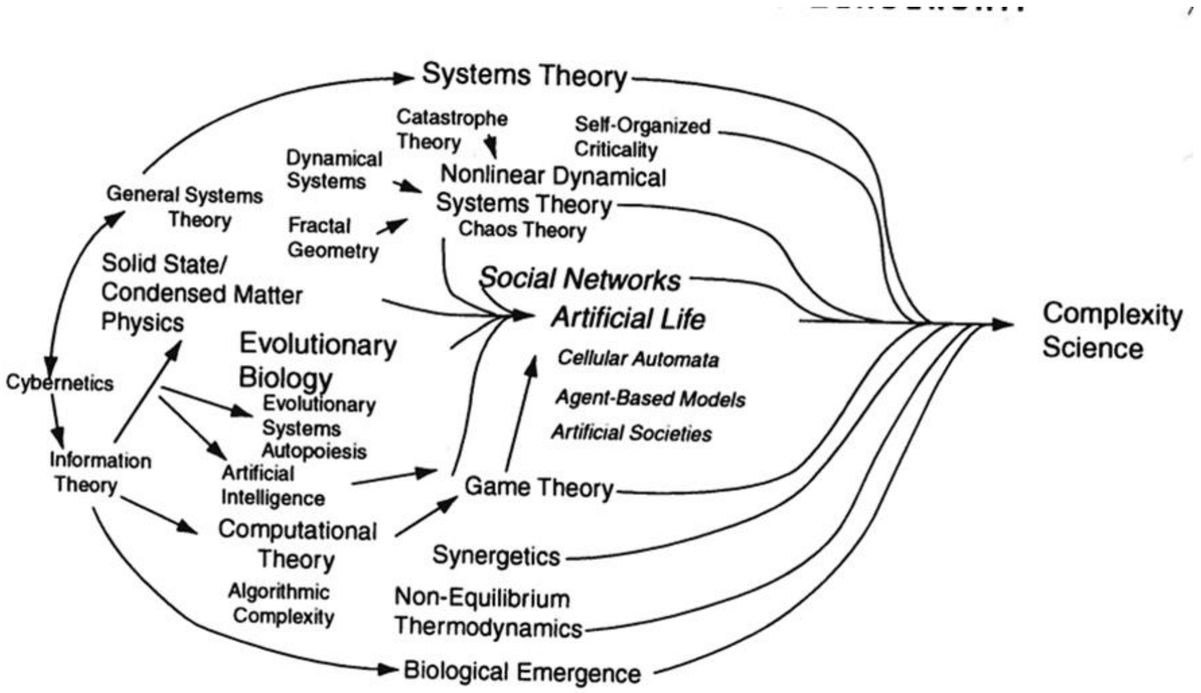
Annual Allowable Volume vs Harvested Volume



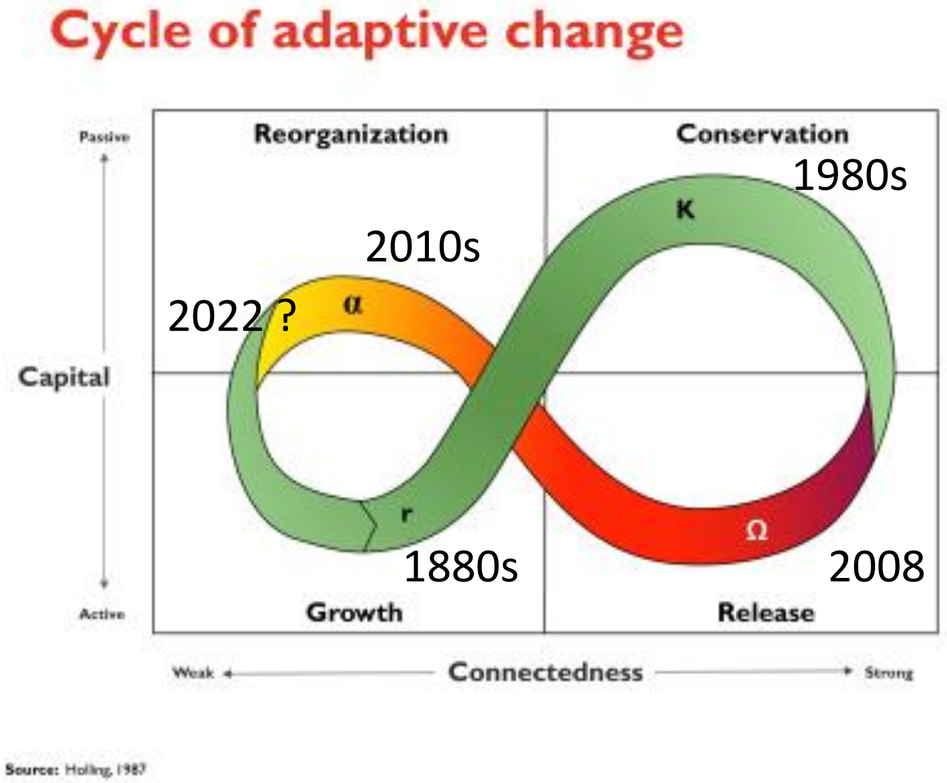
Complexity ~~Science~~ Theory

1. *Complexity [~~science~~ Theory] has a strong conceptual foundation that is based on work in non-linear physics and information theory. It is not a discipline per se, but a unified theoretical framework that can be applied to biological, economic, social, and political problems and challenges* [Messier4].

- **Co**mplexity Science a Drawn by Goldstein [3],

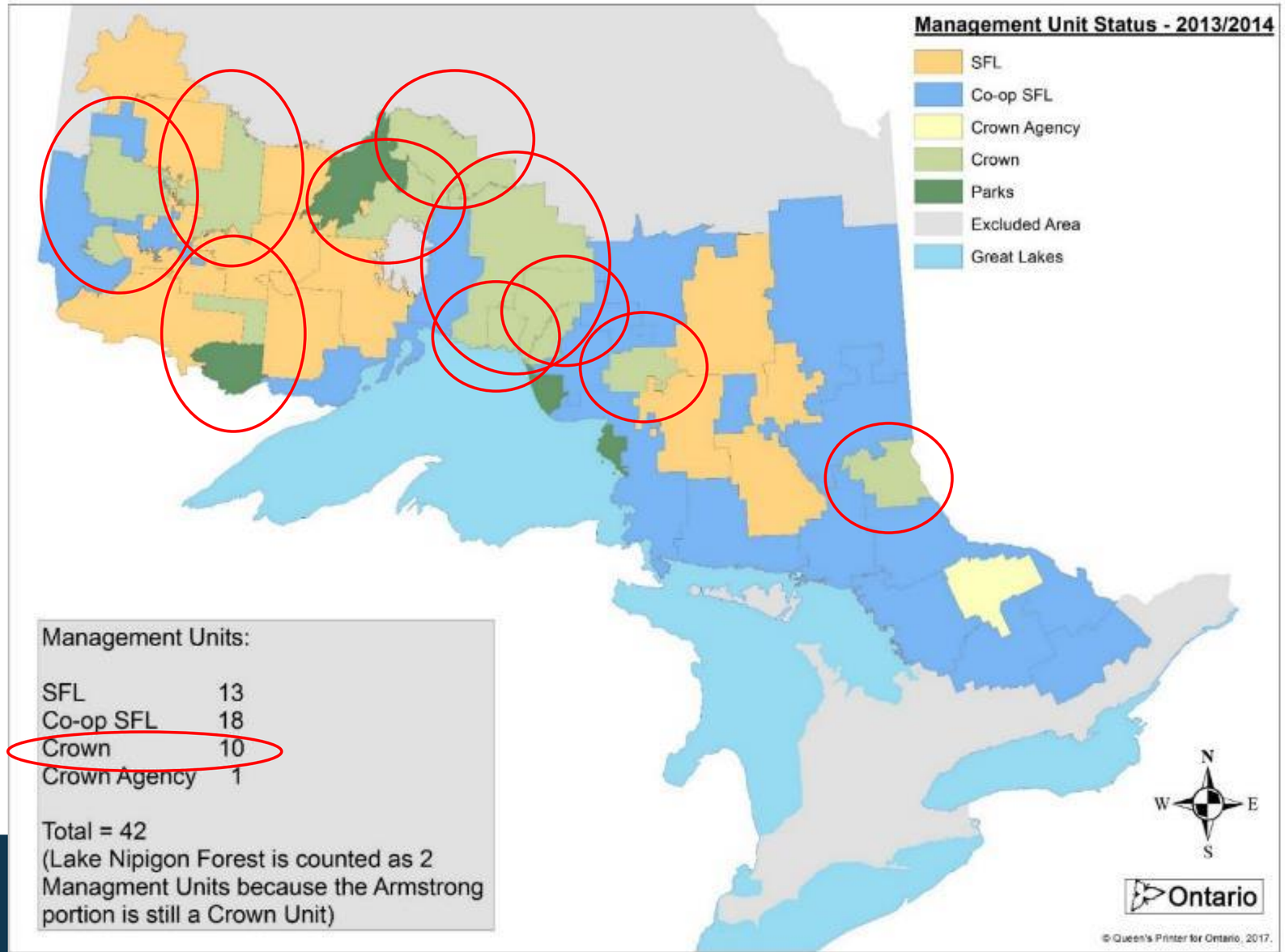


Ontario Forest Sector is Changing



Source: Holling, 1987

Management Units & SFLs - 2013



Forest Tenure Modernization Policy

2009

- Government direction to initiate a review of the forest tenure and pricing system
- Public meetings, round table discussions, and regional sessions across the province with Aboriginal communities and organizations confirmed the need for changes

2010

- Proposed framework introduced Local Forest Management Corporations (LFMC) as the new management entity to manage Ontario's Crown forests
- Following consultation, a more moderate approach was adopted, including the concept of an "Enhanced" Sustainable Forest Licence (ESFL) company

2011

- The ***Ontario Forest Tenure Modernization Act (OFTMA)*** and amendments to the *Crown Forest Sustainability Act* come into effect.
  - **Local Forest Management Corporations LFMCs**
- Forest Industry, Community and First Nation Working Groups in place.
- Government released *Strengthening Forestry's Future*; includes goals, objectives and a plan for tenure modernization

Tenure Modernization Implementation

ONTARIO REGULATION 111/12
May 2012

PRINCIPLES FOR ENHANCED SFL IMPLEMENTATION
September 2012

UPDATED ENHANCED SFL IMPLEMENTATION DIRECTION December 2013

REVIEW OF FOREST TENURE MODELS INITIATED
September 2014

REVIEW OF FOREST TENURE MODELS COMPLETED
May 2017

FOREST TENURE MODERNIZATION ACTION PLAN
February 2018

FIRST ENHANCED SFL COMPANY
March 2018

2012

- Nawiinginokiima Forest Management Corporation is established by regulation, becoming the first LFMC

2013

- Direction released that clarifies approach and priorities for Enhanced SFL implementation

2014

- Forest Tenure Modernization Oversight Group established; Review of Forest Tenure Models initiated

2017

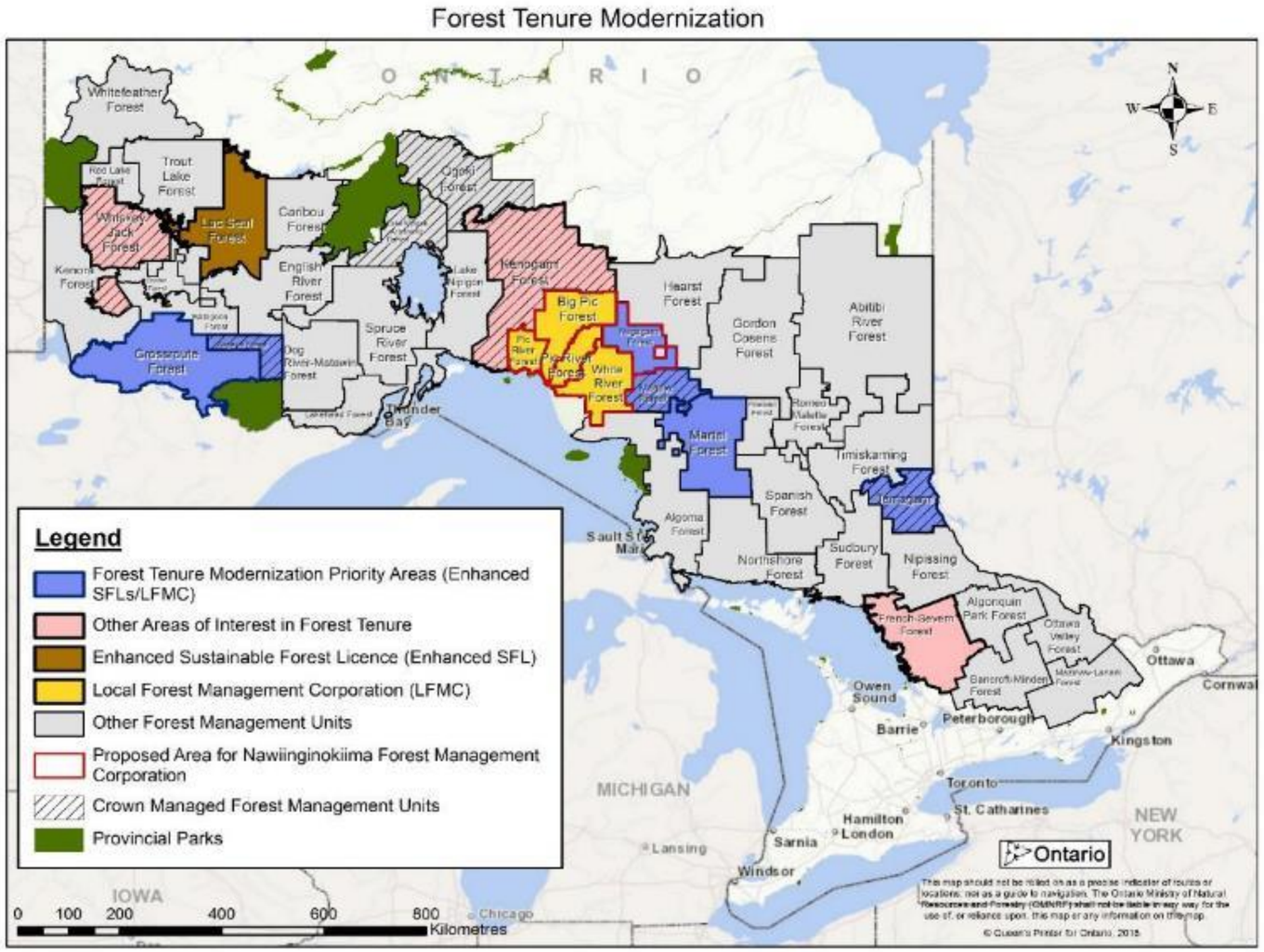
- Review of Forest Tenure Models completed; 8 Recommendations provided to Minister by Oversight Group

2018

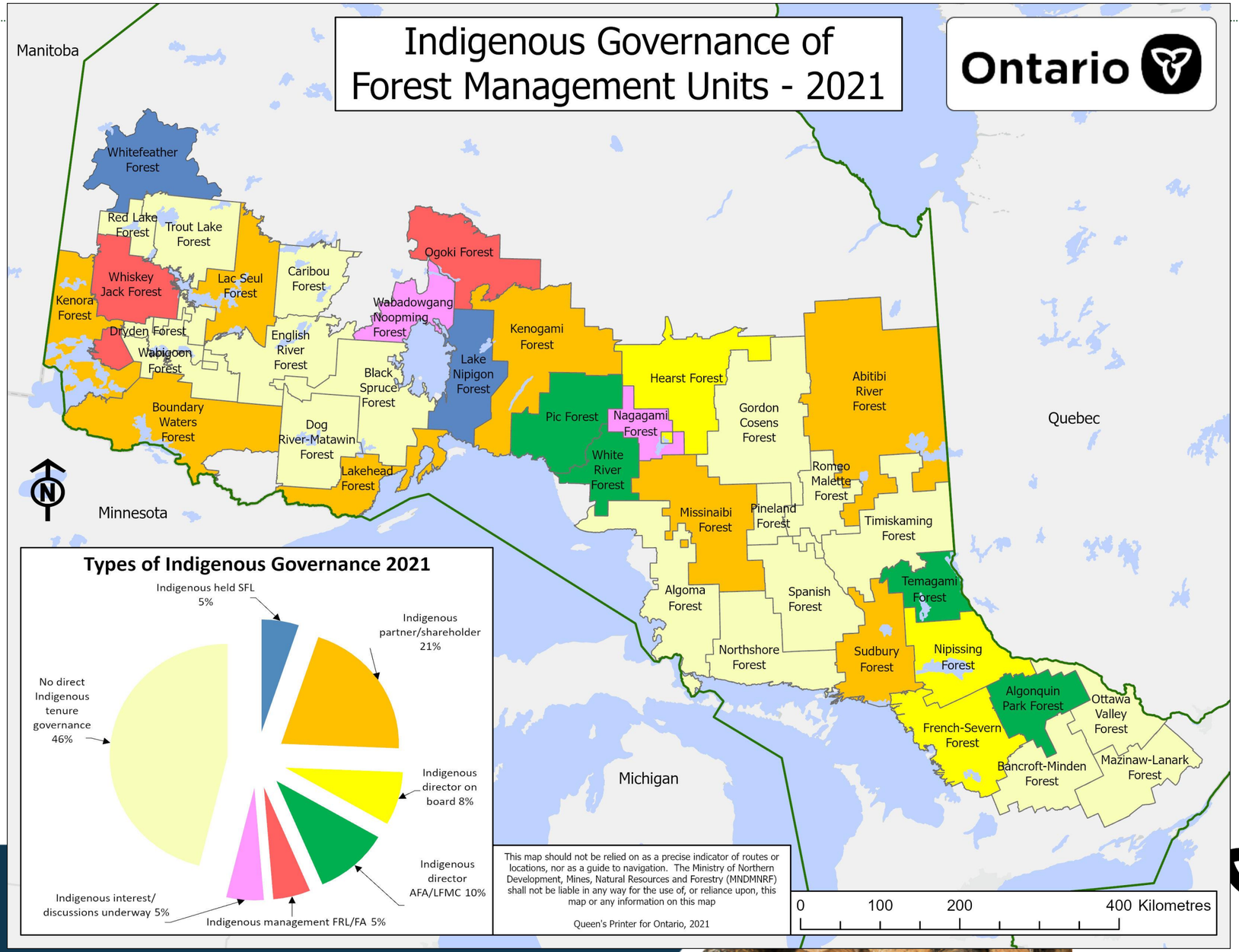
- Forest Tenure Modernization Action Plan developed; highlighted how the 8 Recommendations could be implemented
- Ondaadiziwin Forest Management Inc. issued an SFL for the Lac Seul Forest, becoming the first Enhanced SFL company

2022 Temagami is new LFMC

Tenure Modernization Activity 2013-2018



Forest Tenure in Ontario: Indigenous Participation



Ontario
Nawiinginokiima Forest Management Corporation

Nawiinginokiima Forest Management Corporation (NFMC) 2012-2022

Ten Years of Managing Forests and Investing in Our Communities as a Crown Agency (LFMC)

Our Vision: To manage forests in an exemplary manner to provide distinct opportunities to our communities

- Acquired SFLs on managed forests
- Completed the amalgamation of the Pic River and Big Pic Forests
- Continued to build positive relationships with Ministry, First Nation Communities, Municipalities, Industry Stakeholders and other stakeholders of the forests
- Developing innovative practices, invested in local businesses, provided scholarships and engaged in R&D
- **Retained stumpage charges**
  - **leading to local investment of $2,968,876**

Will LFMCs be the Tenure Model for the Future?

- Too early to tell in a social experiment of novel SFL governance structures within a complex adaptive environment.
  - Algonquin Forest Authority (AFA) 60 years
  - SFLS 20 years
  - NFMC 10 years
  - eSFLS 0-10 years
  - Temagami LFMC less than 1 year
- Initial signs are promising for LFMCs. AFA meet w/ LFMCs Wednesday
- Diverse forms of governance enhance the experimental inference space and encourage evolution of resilient systems.