

**National Report to the Third Session of the
United Nations Forum on Forests**

Canada

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II. Progress and Issues Related to Implementation of IPF/IFF Proposals for Action

Canada supports the focus of the UN Forum on Forests on implementation of the 270 proposals for action (PfA) agreed to by countries participating in the Intergovernmental Panel and Forum on Forests. The PfA provide important guidance to countries in identifying priority actions to accelerate progress towards sustainable forest management (SFM). In Canada, the PfA are taken into account on an ongoing basis notably in the context of Canada's National Forest Strategy, but also in the planning processes of federal and provincial/territorial governments.

Canada is currently in the process of developing its fifth National Forest Strategy to be released to Canadians at the 9th National Forest Congress to be held in Ottawa on May 1-2, 2003, and to the world at the World Forestry Congress to be held in Quebec City from September 21-28, 2003. Canada's National Forest Strategy represents the collective vision and values of Canadians for the future of their forests and is meant to guide Canada's efforts in sustainable forest management.

The current strategy entitled *National Forest Strategy: Sustainable Forest Management – A Canadian Commitment 1998-2003* saw the continuation of a strong commitment to monitoring, assessing and reporting publicly on achieved progress. Specifically, once again, an independent panel of forest experts (Panel) reviewed and assessed the progress of Canada's forest community against the Strategy's embodied commitments.

The report of the most recent Panel was released in October 2002 and is available at <http://npsc.forest.ca/2002report.pdf>. In preparing its report, the Panel reviewed progress on each of the commitments under the Strategy's nine strategic directions and overall, recognized significant advancement in Canada over the past 15-20 years.

Both forest management objectives and techniques for achieving them continue to develop rapidly in Canada. The evaluation of Canada's National Forest Strategy (NFS) has proven to be an important mechanism for evaluating the status of actions addressing Canada's commitment to sustainable forest management (SFM). The evaluation also provides a snapshot of follow-up to the IPF/IFF PfA. Although the PfA are not identified explicitly in the report, they are reflected in Canada's commitment to SFM.

The table below identifies the nine directions under the current Strategy and relates them to the sixteen elements adopted at the first session of UNFF. As these directions in effect form the Strategy, they are all related to UNFF element 1) "Formulation and Implementation of National Forest Programmes". This table demonstrates the extent to which the current National Forest Strategy is linked to the IPF/IFF PfA.

National Forest Strategy – Strategic Direction	Related UNFF Element(s)
1) Forest Ecosystems: Multiple Values (inventories and information on key forests and landscape characteristics; data on Canada’s ecosystems; ecological classifications; reporting on the state of biodiversity, using C&I; research on forest ecosystems; a network of protected areas; precautionary approaches to maintaining biodiversity; etc.)	2) Promoting Public Participation 3) Combating Deforestation and Forest Degradation 5) Forest Related Scientific Knowledge 7) Criteria and Indicators of SFM 9) Forest Conservation and Protection of Unique Types of Forests and Fragile Ecosystems 10) Monitoring, Assessment and Reporting: concepts, terminology and definitions 12) Rehabilitation and Restoration of Degraded Lands and the Promotion of Natural and Planted Forests
2) Forest Management: Practicing Stewardship (research to help analyze forest values; forecasting models and techniques for planning; strategies for long-term genetic, species & habitat diversity; management planning to adapt changing values; review & improve silvicultural systems & practices; prompt renewal of disturbed forests; address impacts of fire, insects, disease, competing vegetation & climate change; maintain model & demonstration forests; define & communicate ethics, codes of conduct; etc.)	2) Promoting Public Participation 3) Combating Deforestation and Forest Degradation 5) Forest Related Scientific Knowledge 6) Forest Health and Productivity 7) Criteria and Indicators of SFM 9) Forest Conservation and Protection of Unique Types of Forests and Fragile Ecosystems 12) Rehabilitation and Restoration of Degraded Lands and the Promotion of Natural and Planted Forests 13) Maintaining Forest Cover to Meet Present and Future Needs
3) Public Participation: Many Voices (heighten public awareness and knowledge of forests; improve access to & provision of information; consider the views of the public in forest management planning & decision-making; etc.)	2) Promoting Public Participation 8) Economic, Social and Cultural Aspects of Forests 10) Monitoring, Assessment and Reporting: concepts, terminology and definitions
4) The Forest Industry: A Global Competitor (maintain & enhance the long-term competitiveness of wood & paper products sector; develop new products & processing methods for less-utilized species; promote goods, services, technologies, expertise, reflecting SFM practices; ensure environmentally sound & economically viable processes; examining Canadian-based certification systems; etc.)	5) Forest Related Scientific Knowledge 8) Economic, Social and Cultural Aspects of Forests 10) Monitoring, Assessment and Reporting: concepts, terminology and definitions 15) International Trade and Sustainable Forest Management
5) Forest Sector Science and Technology Management: A Team Approach (response to knowledge & S&T needs; tracking and reporting; promoting interdisciplinary collaboration; etc.)	2) Promoting Public Participation 3) Combating Deforestation and Forest Degradation 5) Forest Related Scientific Knowledge 10) Monitoring, Assessment and Reporting: concepts, terminology and definitions
6) Communities and the Workforce: Living with	2) Promoting Public Participation

Change (socio-economic impact assessments of policy alternatives; enabling workforce; network for advanced education; educational programs; etc.)	5) Forest Related Scientific Knowledge 8) Economic, Social and Cultural Aspects of Forests
7) Aboriginal People: Issues of Relationship (ensure involvement; identifying means by which traditional knowledge contributes to SFM; implementing policy frameworks; working collaboratively; increasing capacity; creating awareness; reviewing status of forest inventories; etc.)	2) Promoting Public Participation 4) Traditional Forest Related Knowledge 10) Monitoring, Assessment and Reporting: concepts, terminology and definitions
8) Private Woodlots: A Growing Opportunity (increase benefits derived from woodlots; promote regional landscape management & planning that includes woodlots)	2) Promoting Public Participation 3) Combating Deforestation and Forest Degradation 5) Forest Related Scientific Knowledge 8) Economic, Social and Cultural Aspects of Forests 9) Forest Conservation and Protection of Unique Types of Forests and Fragile Ecosystems
9) The Global View: Canada on Stage (report internationally; cooperate with countries & with regional & international organizations; commitments arising from Kyoto Protocol; pursuing consensus on definitions; assist other nations to improve capacity; respond to requests for international aid; etc.)	10) Monitoring, Assessment and Reporting: concepts, terminology and definitions 11) Rehabilitation and Conservation Strategies for Countries with Low Forest Cover 14) Financial Considerations 15) International Trade and Sustainable Forest Management 16) International Cooperation in Capacity-Building, Transfer of, and Access to, Environmentally Sound Technologies for the Support of SFM

Canada's National Forest Strategies over the years have guided the forest community in the pursuit of sustainable forestry, leading to new legislation and policies, renewed national programs, local and regional strategies, and tools and practices for sustainable forest management. Many of the IPF/IFF PfA have been, and will continue to be, addressed in Canada as a result of the implementation of the current and future National Forest Strategies, as well as a myriad of other federal, provincial, territorial and stakeholder initiatives and programs that aim at improving sustainable forest management in Canada.

Furthermore, in preparing for WSSD, a report entitled « Sustainable Development: A Canadian Perspective » was prepared to highlight Canada's progress since Rio; it is available at http://canada2002earthsummit.gc.ca/canada_at_wssd/canadian_perspective_e.pdf. Chapter 6 - "Conservation and Stewardship of Biodiversity" and Chapter 7 - "Sustainable Development and Natural Resources" relate specifically to IPF/IFF PfA implementation.

Canada also published in the fall of 2002 *Canada's Forest Biodiversity: A decade of progress in sustainable forest management* (http://www.nrcan-rncan.gc.ca/cfs-scf/science/biodiversity/index_e.html) to profile its success in conserving forest biodiversity, to demonstrate its achievements both domestically and internationally and to assess progress in meeting commitments under the Canadian Biodiversity Strategy.

Development and Implementation of Canada's National Forest Strategy

As mentioned above, Canada is approaching the completion date for its fourth *National Forest Strategy 1998-2003*, which continued to set very high standards for the goals that collectively required a commitment by many private sector, government and non-governmental organizations to be achieved. In 1997, the Canadian Council of Forest Ministers (CCFM) invited the Canadian public to express their concerns, hopes and ideas for Canada's forests in a series of public forums. This was an essential part of designing the 1998-2003 Strategy that would capture the continuing evolution of feelings and attitudes towards our forests since the previous national statements on forests in 1987 and 1992.

The *National Forest Strategy 1998-2003* was intended to capture the fresh vision that emerged from the public forums. In 1998, some 42 organizations signed the *Canada Forest Accord*, confirming their commitment to the Strategy for improving the sustainability of all values from Canadian forests. The number of signatories is growing and now exceeds 50, including provinces and territories, the federal government, Aboriginal groups, a range of non-government organizations with particular concerns for the forest environment, as well as agencies representing industry, private woodlot owners, labour, education, and professional associations. Overall, the signatories accepted responsibility for delivering on the vision outlined in the Strategy and confirmed that they would take action on the nine Strategic Directions outlined above with 121 commitments, covering the full range of forestry in Canada.

While noting the progress made across the country, the assessment of the current Strategy recently completed by an independent Panel of experts indicates areas that must be addressed in the future to meet evolving economic, environmental and social values and needs. Key among these, in the Panel's opinion, are: accelerated improvements in protecting forest biodiversity and ensuring accessibility to a long-term wood supply in the face of issues such as international competition, the impacts of climate change and increased losses to fire and insects.

These and all issues related to forests continue to be discussed by Canadians as they work towards a new and more strategic National Forest Strategy, developed once again, by way of extensive public consultations across Canada.

Mechanisms to Facilitate Stakeholder Participation in Forest Sector Planning, Decision-making and Forest Management

At the international level, the federal government consults forest stakeholders as a matter of course before negotiating on Canada's behalf. Similarly, Canada regularly includes representatives of provincial/territorial governments, the Aboriginal community, environmental groups, industry and other non-governmental organization in its delegations to international forest policy meetings and fora.

All levels of government in Canada are committed to the goal of citizen engagement. Federal and provincial/territorial legislative and policy processes routinely seek and respond to public input. The openness and transparency of Canada's legislative and public policy processes provides every Canadian with the opportunity to have access to information and to engage in forest policy decision-making at all levels, including from legislative committees to regulatory and judicial hearings and environmental assessment processes. Canada is proud of its commitment to promoting equitable opportunities in the public participation and consultation processes. Canadians understand that new, more effective and economic means must be found to address differences among participants in areas such as technical expertise, language and geography. Specific examples where public input continues to help shape national forest-related policies include the National Forest Strategy, the Canadian Biodiversity Strategy, and the Criteria and Indicators for Sustainable Forest Management. Reflecting their forest heritage,

Canadians will continue their active role reviewing and refining forest legislation, policies and programs as forest values and knowledge change.

As previously noted, Canadians are embarking on the development of their fifth National Forest Strategy. It is noteworthy that many Canadians have participated in a series of public consultations that were held across the country. This demonstrates the Canadian approach to public participation, for policy formulation as well as in terms of forest management, notably through involvement in management plans at the regional and local level. Each of the more than 50 members of the National Forest Strategy Coalition maintains an open door policy accepting public input at all venues linked to the Strategy's development.

Another important national forum for public input and participation in discussions giving high-level direction to forest policy continues to be Canada's National Forest Congress. For almost 100 years, it has been a tradition for Canada's forest community to hold periodic Congresses to address key forest issues of the day. Including the first Congress held in 1906 there have been eight such meetings. The ninth National Forest Congress will be held in Ottawa, May 1-2, 2003 and is expected to draw some 300 forest and forest related leaders and experts. The 2003 National Forest Congress will celebrate Canadian accomplishments, address priority issues, and endorse new initiatives to face the long-term challenges ahead. It will also see the unveiling of the Canada's fifth National Forest Strategy (more information on the National Forest Congress is available at <http://nfc.forest.ca/history.html>).

At the provincial level, public participation is a key component of provincial forest policy. For instance, to comply with its amended Forest Act, Quebec released a detailed consultation policy in late 2001 that outlines how citizens will be involved in forest decision making. The new Forest Act was itself the product of province-wide consultations that yielded over 600 briefs and attracted representatives from numerous interest groups and communities. British Columbia's Forest Practices Code, which governs all aspects of the province's public forest management, is reviewed regularly by the public and forest interest groups. Their feedback is currently helping the B.C. government draft a new results-based Forest Practices Code for implementation in spring 2003.

Ontario has legislated requirements through the *Crown Forest Sustainability Act* and the *Environmental Assessment Act* for public involvement at the provincial and local levels. In addition, the Living Legacy process (1999) connected with 60,000 Ontarians and resulted in an increase in protected areas from 8 to 12% of forested area as well as an agreement between responsible environmental NGOS, industry and government. Other provinces also have similarly impressive achievements that stem from institutionalized practices of public participation.

In general, the provinces regulate all commercial forestry operations in provincial Crown forests. Here too, public input has become formalized to the effect that, virtually all across Canada, forest companies are required to consult the public about their operations with a view to balancing commercial and non-commercial values of forests in their trust.

Established in 1992, Canada's Model Forest Program is an innovative means to involve individuals and local communities in accelerating the implementation of new approaches to forest management through shared decision-making. Each of Canada's 11 model forests is based on a partnership of groups and individuals possessing a broad range of forest values who collaborate in working toward their shared objective of sustainable forest management within the unique social, economic, and ecological conditions in their forest area. Together, the model forests cover more than 6 million hectares and represent the diverse ecologies of the major forest regions of Canada. The Model Forest Program has been involved in numerous activities to develop and share approaches to improved forest practices. Many of these have been concerned with biodiversity and include alternative harvesting regimes, research projects, training

for forest workers, monitoring methodologies, and dissemination of communications and educational tools. Numerous activities of Canada's Model Forest Program support open and inclusive participation in the development of forest management policies. More information on the Model Forest Program is available at <http://mf.ncr.forestry.ca/>.

Canada's First Nations Forestry Program (FNFP) also promotes participation in the forest sector. Since it was established in 1996, the FNFP has funded more than 1300 projects and encouraged numerous partnerships. These partnerships among First Nations, the Government of Canada and industry have created opportunities for over 5,600 First Nations people to improve their skills and apply sustainable forest management practices. This program builds upon the Government of Canada's commitments to ensuring a clean, healthy environment and to creating and sharing opportunities with First Nations to build a better future and stronger communities. More information on the FNFP is available at http://www.fnfp.gc.ca/index_e.php.

Economic Aspects of Forests, Including Trade

Valuation of Forest Goods and Services and Measurement and Assessment of Multiple Forest Values

The international focus on the valuation of forest goods and services reflects the understanding amongst the world's forest experts of the multiple functions performed by forests. However, as evidenced in the global debates, for example on biodiversity and climate change, there is often no information on the monetary value of such functions. Notwithstanding the desire to "internalize" these values into management decisions, research in many countries to develop new approaches to valuation, while progressing, has not yet overcome theoretical and other problems necessary for valuation to be an operational tool.

In Canada, research into the valuation of non-timber and non-traditional forest products is ongoing in universities, including at the Masters and PhD levels. The results of such research are distributed broadly in Canada and internationally via established mechanisms, notably peer reviewed journals, monographs and workshops. The findings of valuation research are taken into account in the review of forest and forest-related policy through the direct involvement of the public (e.g. researchers, consultants, advocacy groups etc.).

Progress has been made in Canada in planning approaches and tools to analyse information on a variety of forest values and to assess the impact of management options, both in terms of the range of timber and non-timber values that they include, and in their ability to evaluate forest performance in a spatially explicit manner. One approach is to define, measure and report on scientifically based indicators of forest sustainability. This is the objective of the Canadian Council of Forest Ministers' criteria and indicators (CCFM C&I) framework. By tracking Canada's performance at the national level using the 83 indicators under the 6 criteria for sustainable forest management, forest managers can evaluate progress, shape policy, and focus forest research. (For more information on the CCFM C&I see http://www.ccfm.org/3_e.html). It is also noteworthy that in recent years, several provinces have refined the national C&I for better application to local conditions and values.

Moreover, efforts are underway in Canada to develop local level indicators. The pursuit of sustainable forest management requires the direct monitoring of effects resulting from management practices and activities in order to seek a balance between social, economic, cultural, and environmental objectives for a forest area. Local level indicators are developed to suit local and regional conditions, and provide the framework for monitoring on-the-ground changes and assessing their influence on the many components of sustainable forest management. All model forests in the Canadian Model Forest Network have been

working for a number of years on the development and application of local level indicators. (For further information on local level indicators in model forests, please see http://www.modelforest.net/e/home_/locallee.html).

Starting in the fall of 1997, federal and provincial/territorial governments embarked on the development of a new National Forest Inventory (NFI) to better assess and monitor the extent, state and sustainable development of Canada's forests in a timely and accurate manner. The NFI supports the multiple forest values embodied in the CCFM C&I and the Montreal Process, and provides data for national and international initiatives. Moreover, multi-value resource inventories are becoming the standard in provinces and territories, and rates of re-inventory are increasing. (For more information on Canada's NFI see http://www.pfc.cfs.nrcan.gc.ca/monitoring/inventory/canfi/cnfi-overview_e.html).

An initiative is underway to better understand and assess carbon sequestration in Canada's forests. The initiative builds on the NFI as well ongoing scientific research on carbon budget modelling. This carbon accounting work is being undertaken to help meet Kyoto Protocol forest sink reporting requirements, and to provide information for policy-makers on a broader range of forest values.

Despite the need to refine operational valuation techniques, the conservation and sustainable use of the multiple values of Canada's forests are directly taken into account in forest planning and decision-making through Canada's commitment to public consultation previously discussed. For example, as in other forest countries, Canada continues to build its network of protected areas. Moreover, other forest functions, whether they relate to the protection of fish habitat or endangered species, are explicitly addressed through legislation. While non-quantitative, such approaches are effective means for explicitly and directly recognizing the key forest values of concern to Canadians. Provincial legislation now designates more Crown forestland for non-commercial use, protects biodiversity and involves the public in forest decision-making. Provincial legislation and policies also set the boundaries within which the forest industry can operate. The provinces, in granting Crown timber leases, set stringent planning and operational guidelines for companies. Increasingly, these leases require companies to tend and regenerate forests to meet objectives that extend well beyond traditional commercial timber supply requirements to encompass forest and ecosystem health, wildlife and habitat protection, traditional and indigenous forest use, recreation and aesthetics considerations.

Market Data and Information for Wood and Non-wood Forest Products and their Substitutes

As outlined above, Canada is continuing to improve its capacity to develop physical accounts of the range of forest goods and services through its National Forest Inventory.

Addressing the need for comprehensive information on Canada's forests, a National Forest Information System (NFIS) is in the first phase of development to provide for the integration and delivery of diverse spatial and thematic forest resource information holdings in support of national and international reporting requirements for sustainable forest management. National in nature, NFIS will enable the consolidation, coordination and analysis of dispersed forestry-related information held by resource management agencies such as federal, provincial and territorial governments and others. Such direct access will make possible the integration and reporting of forest information necessary to respond to issues associated with criteria and indicators of sustainable forest management and climate change. (For more information on NFIS see http://www.nfis.org/index_e.html).

The CCFM National Forestry Database Program (NFDP) maintains a comprehensive database of national forestry statistics, including updated information on forest management, forest products, natural disturbances (pests and fire), as well as forest inventory information. Provincial and territorial forest

management agencies, along with the federal government, keep the information up to date and work to enhance the database and to improve methods of reporting national forestry statistics. The NFDP has recently developed and adopted a framework for national reporting on wood supply, with the objective of reporting on the regulatory elements of wood supply as well as longer-term trends. This should be fully implemented by mid-2004. (For further information on NFDP see <http://nfdp.ccfm.org/>).

Market data and information on wood and wood substitutes exist in Canada at many levels. As much of this information is of a proprietary nature, it is not available in the public domain. Some information is available from specialized firms on a fee basis. The federal government, through support from agencies such as Statistics Canada, monitors and reports on Canada's forest sector, the production of forest products and well as trends affecting the competitiveness of Canadian industry. In addition, through its membership in multilateral fora, e.g., OECD, WTO, WB, IMF, FAO and ITTO, Canada provides and has access to a variety of data and information on wood products and their substitutes.

Use of Economic and Policy Instruments to Facilitate Progress Toward Sustainable Forest Management

The vast majority of Canada's forests (94%) is under the direct control of federal or provincial/territorial governments who use all measures at their disposal, e.g., legislation, economic instruments, voluntary programs etc., to achieve public policy goals. Governments work in partnership with various segments of society in the review of policies and development of strategic options to help facilitate progress towards sustainable forest management.

Research to improve Canada's understanding of the social and economic dimensions of forests and the inherent value of Canada's forests to Canadian society have been carried out by the Canadian Forest Service, Model Forests and academic institutions. Ongoing research done by the federal government addresses a variety of topics including the structure, financial performance and competitiveness of the forest products sector. In addition, the federal government reviews forest and forest-related policies at the federal and provincial/territorial levels affecting land use, timber supply and management practices. In the development of strategic options for the forest sector, economic instruments are routinely evaluated for their effectiveness and efficiency in promoting sustainable forest management.

Economic research, including in the areas of economic instruments and policy analysis, is conducted in universities across the country, notably in Canada's six forestry schools. In addition, studies are conducted in specialized, independent research institutions and organizations. Examples of such bodies include, the Forest Economics and Policy Analysis Research Unit and the University of British Columbia (<http://www.ire.ubc.ca/fepa/>), National Round Table on the Environment and the Economy (<http://www.nrtee-trnee.ca/>), International Institute for Sustainable Development (<http://www.iisd.ca/>) and the Conference Board of Canada (<http://www.conferenceboard.ca/>).

Canada has made substantial progress in evaluating and revising, when necessary, government regulations and programmes, tenure systems, taxation regime, and stumpage and other royalties in terms of their impact both on long-term investments in sustainable forest management and on the long-term competitiveness of forest-based enterprise. Provinces and territories undertake periodic reviews of their forest related legislation, policies and programs with a view to promoting long-term investment and competitiveness on a foundation of sustainable forest management.

Facilitating Progress Related to Trade in Forest Products or Environmental Services

Efforts to Reduce Negative Impacts of Trade

Canada's forest and forest-related legislation, policies and programs are aimed at achieving a variety of public policy goals, including sustainable forest management. Within this framework, trade is not explicitly addressed, but nor does it need to be given the broad focus on sustainable forest management.

In an international development context, Canada follows the same approach, i.e., Canada's international aid policy is aimed at addressing the broad priorities of developing countries. Since 1950, Canada's foreign aid has included forestry assistance to developing countries. Today, Canada remains one of the world's principal aid donors in international forestry. At any given time, scores of forest-related projects are underway through Canada's international aid programs. The Canadian International Development Agency (CIDA) is Canada's primary mechanism for delivering Official Development Assistance (ODA). Assistance is directed towards meeting the subsistence requirements of poorer segments of the population and alleviating some of the most serious environmental problems facing the developing world today, such as desertification and erosion. Sustainable forest management remains a focus for projects through which CIDA hopes to achieve the social, economic and environmental goals of developing countries.

To help address the special needs of developing countries, Canada announced an increase in foreign aid by at least eight percent per year for each of the coming years. Moreover, Canada was an early supporter of the New Partnership for Africa's Development and pledged \$500 million toward an Africa Action Plan agreed to at the G8 Summit in Canada in June 2002.

In addition to providing development assistance, Canada also promotes sustainable forest management by transferring leading-edge forest technology to other countries. For instance, Canada is renowned for FireM3, the first fully automated system to monitor, map, and model large forest fires on a national scale and disseminate interactive fire maps over the Internet on a daily basis. Canada has transferred this prototype technology to Mexico, the United States and southeast Asia.

With regard to progress related to trade in environmental services, Canada is planning on developing a domestic emissions permit trading program to address part of the challenge of meeting our Kyoto Protocol target. It is expected that forestry and agricultural sectors will be permitted to sell offsets into this system. The design of both the offset and the emissions trading systems are still at a very early stage. For further information on Canada's climate change plan, please see http://www.climatechange.gc.ca/plan_for_canada/index.html.

Participation in Forest Certification and Labelling Schemes and Work Toward Mutual Recognition and Comparability of Such Schemes

In Canada, forest certification and related labelling remains a voluntary choice for companies. The federal government has no direct role concerning the decision by forest companies to become certified or concerning the development of certification systems. Each company decides which of the three systems in use in Canada it wishes to use: Canadian Standards Association Sustainable Forest Management System, Forest Stewardship Council approach and Sustainable Forestry Initiative standard. In addition, the majority of Canada's managed forest is certified under ISO 14001, a generic environmental management system usually considered a step towards forest specific certification programs.

Certification of Canada's forests continues at an impressive pace, in part, due to the commitment made by the Forest Products Association of Canada (FPAC - formerly the Canadian Pulp and Paper Association)

regarding certification. In January 2002, FPAC became the first industry association to require all its member companies to submit their practices to the scrutiny of independent, third party audits. FPAC represents 30 of the country's largest producers of pulp, paper and wood products who manage over 75% of the working forests in Canada. FPAC estimates that by 2006, at least 75% of Canada's working forests will be certified to one of the three aforementioned forestry-specific standards available in Canada. (For more information on forest certification in Canada see <http://www.sfms.com/> or for access to the Certification Coalition site, see <http://www.certificationcanada.org/>).

It is noteworthy that a Canadian House of Commons Standing Committee conducted and released in June 2000 a study entitled: *Forest Management Practices in Canada as an International Trade Issue* (<http://www.parl.gc.ca/InfoComDoc/36/2/NRGO/Studies/Reports/nrgo01-e.html>). The second chapter of this report deals with the issue of forest certification and covers such topics as the description of systems used around the world, the problems of credibility, transparency, accountability, and use of these systems. With respect to certification, the Standing Committee found that there should be several recognized forest certification systems, each respecting principles of openness, transparency, accountability and equity. The Standing Committee also suggested a role for governments in: monitoring certification systems and encouraging the training of certifiers; maintaining the policy-making and regulatory functions of governments and international institutions; and, promoting mutual recognition among certification systems internationally. The federal governments response to the Standing Committee can be found at http://www.nrcan.gc.ca/cfs-scf/national/what-quoi/po-govresp_e.html.

Efforts to Address Illegal Logging and Reduce Illegal Trade

Canada has worked with other G8 countries to put the problem of illegal logging in developing countries and related trade in the international spotlight. As highlighted in the final report of the G8 Action Programme on Forests prepared by G8 Forest Experts in 2002, forest-related issues will remain high on the agendas of G8 countries; G8 members will continue to cooperate informally to explore the scope and nature of the root causes of illegal logging and measures to address them. (For more information see http://www.nrcan.gc.ca/cfs-scf/national/what-quoi/G8action/index_e.html). Canada is a member of the Asia Task Force on Forest Law Enforcement and Governance and attended the African Ministerial meeting on Forest Law Enforcement and Governance held in April 2003 in Cameroon. Canada will work with the countries in these regions in the development of practical, effective and balanced supply and demand measures to combat illegal logging and related trade.

Air Pollution and Effects on Forest Health and Productivity

Forest health, especially as it relates to preventing damage caused by airborne pollutants, is systematically monitored using the Acid Rain National Early Warning System (ARNEWS) (<http://www.atl.cfs.nrcan.gc.ca/index-e/what-e/science-e/forestconditions-e/arnews-e/arnews-e.html>). Canada also cooperates with the Economic Commission for Europe in the implementation of the Convention on Long-range Transboundary Air Pollution. Canada has ratified a number of international treaties pertaining to air pollution including: the Kyoto Protocol, the Montreal Protocol on Ozone Depleting Substances, and the Agreement Between the Government of Canada and the Government of the United States of America on Air Quality. The work of the Commission on Environmental Cooperation pursuant to the North American Agreement on Environmental Cooperation is also noteworthy.

Two indicators have been developed concerning air pollution as part of Canada's national criteria and indicators for sustainable forest management. The first measures the rate of airborne pollutant deposition, while the other measures tropospheric ozone concentrations in forested regions. Both indicators were

reported in “*Criteria and Indicators of Sustainable Forest Management in Canada: National Status 2000*,” Canada’s report on sustainable forest management using its national C&I framework is available at http://www.ccfm.org/ci/2000_e.html.

Maintaining Forest Cover to Meet Present and Future Needs

Please see reference to Canada’s National Forest Strategy in Section 1 above. Regarding biodiversity, Canada was the first industrialized country to ratify the Convention on Biological Diversity (CBD). A clear obligation of the CBD is the development of national implementation strategies. The Canadian Biodiversity Strategy was adopted in 1995 (http://www.bco.ec.gc.ca/documents/CBS_E.doc). The link between Canada’s goals of achieving SFM and conserving and sustainably using its biodiversity is established in the Canadian Biodiversity Strategy, which states in reference to the implementation of Canada’s National Forest Strategy that the Biodiversity Strategy “*attempts to build upon those elements that are most relevant to the objectives of the Biodiversity Convention.*” The Canadian Forest Service of Natural Resources Canada therefore works closely with Environment Canada to maximize synergies between the two departments in implementing the two strategies. To this end, and to develop national approaches to address forest and biodiversity issues, joint meetings are convened of federal, provincial/territorial ministers of forests, wildlife, endangered species, fisheries and aquaculture. Such high level meetings are effective means for stimulating the development of policies and initiatives for strengthening Canada’s policy framework. They also assist in addressing national and international issues and in the setting of overall direction for the stewardship and sustainable management of Canada's forests and biodiversity.

Efforts to Assess Long-term Trends in National Supply and Demand for Wood, Non-wood Forest Products and Services and Links to Canada’s Policy Frameworks for Forests

See references in previous sections to Canada’s National Forest Inventory, National Forest Information System and the CCFM Criteria and Indicators for Sustainable Forest Management.

Despite more than a century of harvesting, Canada remains a forest nation with about half its land base covered in forests. As mentioned, provincial/territorial governments manage the majority of Canada’s forests and have the mandate to set harvest levels, known as annual allowable cuts (AACs). These AACs are not static numbers, but are revised periodically to reflect change. Most provinces review and revise their AACs every 5 to 10 years, to reflect changes in economic, social and environmental issues and pressures. Provinces take a long-term view in setting AACs, in order to take into account future needs for forest goods and services. In addition, as part of the National Forest Strategy, jurisdictions are required to periodically assess the sustainable supply of timber from Canada and opportunities to maintain or expand it. As noted earlier, a framework for national reporting on wood supply is being established as part of the National Forestry Database Program.

One way to augment Canada’s timber supply is to increase investments in the forest. Forest 2020 is a Canadian vision to further the long-term sustainability of its forests by promoting greater social and economic prosperity as well as improved conservation of its forest heritage. One aspect of this vision is to develop a strategy to increase investments in plantation forestry and intensive silviculture to ensure long-term availability of fibre supply. In the fall of 2002, the Canadian Council of Forest Ministers agreed to study ways to implement Forest 2020. Four provinces have reported that they are providing a stable framework of regulations and incentives to encourage investment.

Through activities such as research, planning reviews, improving inventories and the dissemination of timely and accurate forest information, Canada is continuing to take measures to ensure the long-run sustainability of its forest sector. Within the lifespan of one tree, Canadians have seen a dramatic change in the values they consider as integral to managing forests sustainably. In this context of constantly evolving social preferences, Canada will strive to continue to practice sound stewardship and ensure a bright forest future.

Other Information and Emerging Issues

The follow web sites contain information pertaining to Canada and Canada's forests:

<http://canada.gc.ca/>
<http://www.nrcan-rncan.gc.ca/inter/index.html>
<http://www.rcfa-cfan.org/>
<http://www.canadianeconomy.gc.ca/english/economy/>
<http://www.g8.gc.ca/docs/forestfinal-en.asp>
<http://www.ccme.ca/ccme/>
http://www.canada.gc.ca/othergov/prov_e.html
<http://forests.org/canada/>
<http://www.forest.ca/>
<http://www.canadian-forests.com/>
<http://www.cif-ifc.org/>
<http://sedac.ciesin.org/entri/texts-home.html>
<http://www.unep.org/geo/>
<http://www.cec.org/>

III. Preparation of the Report

The International Affairs Division of the Canadian Forest Service, Natural Resources Canada provided an initial draft for comment to interested parties across the country. The initial draft was based primarily on two recent reports, "*A Final Evaluation of the National Forest Strategy*" prepared for the National Forest Strategy Coalition by an Independent Expert Panel and *The State of Canada's Forests 2001-2002*. It also reflected previous work done to address implementation of IPF/IFF PfA.

Comments were solicited by e-mail to the Canadian Council of Forest Ministers International Working Group, the Forest Caucus of the Canadian Environmental Network, Aboriginal organizations, the Forest Products Association of Canada, as well as to others within the Federal Government. These parties were asked to circulate the draft document for comment widely and to provide input. All comments were taken into account in the final report submitted to UNFF.