

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

CANADA

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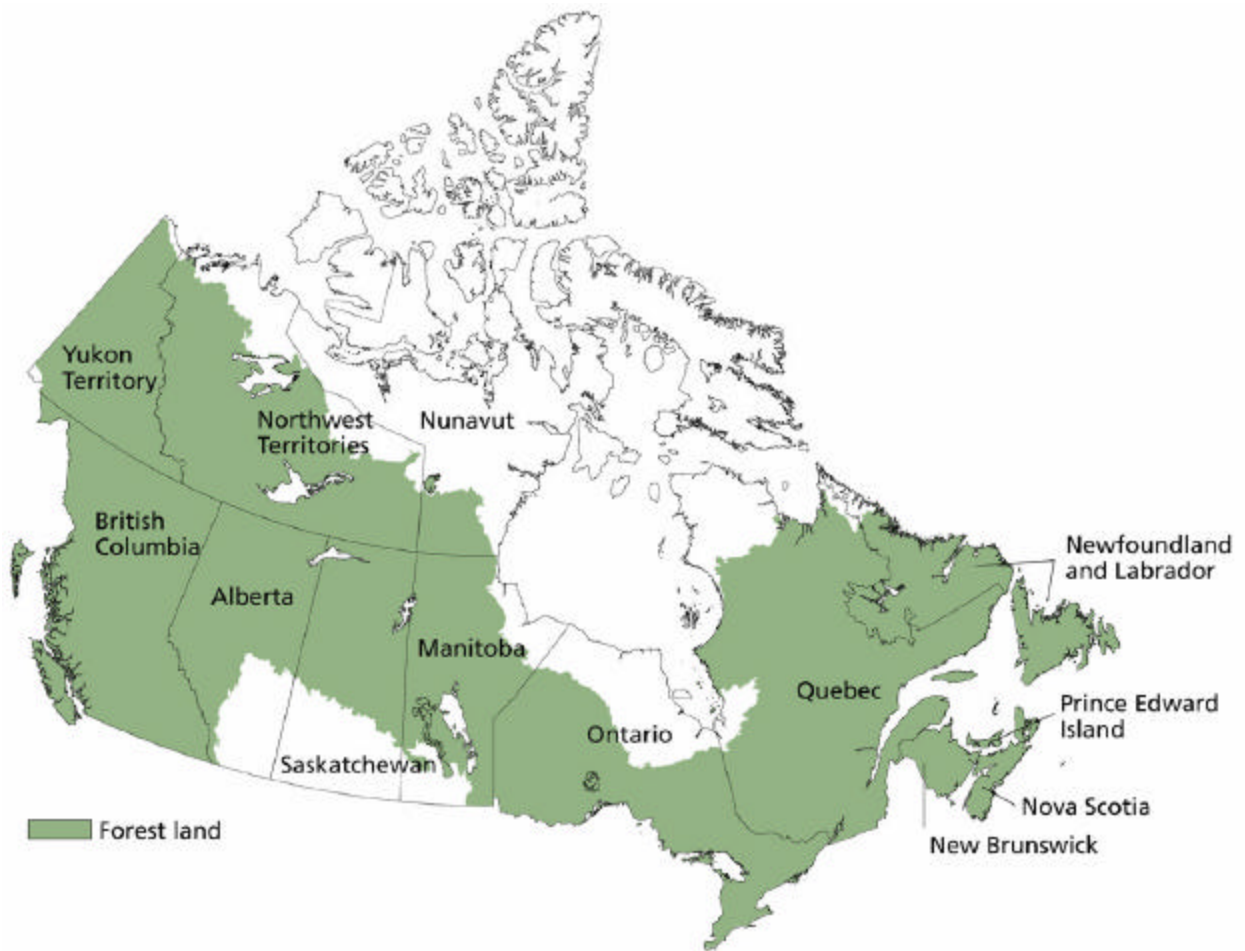
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Canada

A Forest Nation



Overview of Canada's Forests

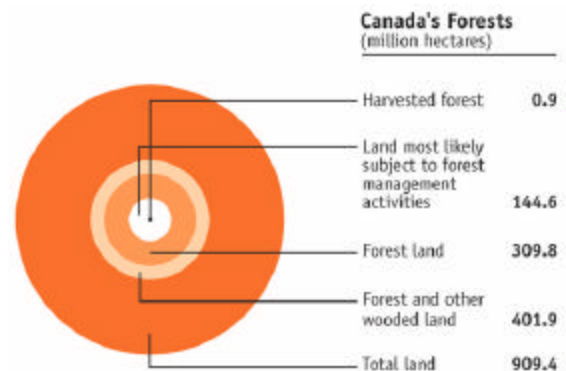
When Canadians think of their forests, it is often recreation, scenic views, and fresh air and water that come to mind. But forests also preserve the terrestrial ecological balance, support an \$81.8-billion forest industry, and provide a myriad of wood products used in every household in Canada. The challenge for governments is to balance these competing interests using sustainable forest management approaches.

From an ecological standpoint, forests produce oxygen and remove pollutants including carbon dioxide from the atmosphere, help to purify water and moderate climate, stabilize soil and regulate water flow. Canada's eight forest regions range from towering coastal rainforests in British Columbia to sparse and slow-growing forests at the Arctic tree line. Collectively, the regions are habitat to some 180 tree species.

The composition and age class structure of Canada's forests are determined through cycles of disturbances and renewal. Most of Canada's forests grow in even-aged stands that evolve as a result of large-scale disturbances, such as fire or insect outbreaks. Each year, such outbreaks affect several million hectares of forestland.

Recently released statistics from Canada's Forest Inventory (CanFI 2001) indicate there are 401.9 million hectares of forest and other wooded lands in Canada (see page 14 for a description of CanFI). The other wooded land makes up 23% of this area and includes treed wetland as well as land with slow-growing, scattered trees. Of the forest and other wooded land, the Crown owns 93%. The remainder is owned privately by some 425 000 land owners.

Sustainable forest management remains high on Canada's agenda. This report highlights recent activities towards this end. The report indicates ongoing progress on Canadian forest priorities. Cooperation has become central, as governments at all levels work with industry, educational institutions, First Nations and the general public to recognize and strengthen environmental, economic and social values embodied in forests. More accurate forest information has become available through technological advances. Increased forest productivity and secondary value-added production is being balanced by heightened attention to environmental quality and community values. Efforts to combat destructive insects continue. Moreover, several new national parks have been established, and new conservation programs have been initiated.



II. Progress and issues related to implementation of IPF/IFF proposals for action

Implementation of the IPF/IFF proposals for action related to thematic issues of UNFF 2

This section provides recent information on one or more of the elements that Canada reported on at UNFF 2:

Expanding and Enhancing Protected Areas

In the **Northwest Territories**, the Protected Areas Strategy Secretariat completed the *Protected Areas Strategy 2004-2009 Action Plan* report in October 2003. The action plan describes the strategic enhancement needed over the next five years to identify, review, evaluate and establish interim protection for a network of protected areas in the Mackenzie Valley.

The Government of **Saskatchewan** has proposed a Biodiversity Action Plan to help conserve the province's environment. This Action Plan builds on the Canadian Biodiversity Strategy and the efforts of industry and individuals. The focus is on government actions to conserve biodiversity and to use biological resources in a sustainable manner.

A memorandum of understanding was signed on March 19, 2004, between the Province of **Manitoba** and the Government of Canada towards the establishment of a national park in Manitoba's northern Interlake region. This initiative is part of the five-year federal action plan to create 10 new national parks.

In 2002 the United Nations designated the Thousand Islands-Frontenac Arch region in Ontario as a **world biosphere reserve**. Biosphere reserves are areas of terrestrial and coastal ecosystems that promote solutions for reconciling the conservation of biodiversity with its sustainable use. They are also internationally recognized within the United Nations Educational, Scientific and Cultural Organization's (UNESCO) Man and the Biosphere program. As of March 2003, there were 425 biosphere reserves in 95 countries. Twelve of these reserves are located in Canada.

In the past year, **Quebec** designated for protection 27 new areas covering approximately four million hectares. With that move, the proportion of Quebec's territory that is protected went from 2.90 per cent to 5.31 per cent in less than 12 months. The areas are representative of the biodiversity of their respective regions and also protect certain noteworthy river basins.

In April 2003 the *Protected Natural Areas Act* came into force in **New Brunswick**, providing more comprehensive legislation to manage and administer the province's entire network of protected natural areas. The government repealed the *Ecological Reserves Act* with the introduction of the new statute.

More than 1 500 hectares that are home to endangered species, rare plants and 135-year-old forests will join **Nova Scotia's** list of protected wilderness areas. The Nature Conservancy of Canada, Bowater Mersey Paper Co. Ltd. and the province announced a deal in February 2003 to protect four parcels of land in southwest Nova Scotia. Bowater donated two parcels and sold two others, all of which lie within areas already protected under the *Wilderness Areas Protection Act*.

Prince Edward Island gave notice that there would be no commercial cutting on suitable provincial forestlands from late May to late July in order to allow forest birds a measure of security during the nesting season. This new harvest policy was implemented on the 18 300 hectares of public forestland managed by the province's Department of Agriculture and Forestry.

In October 2002 the Government of Canada announced a five-year action plan to create 10 new **national parks** and five new marine conservation areas, as well as expand three existing national parks. This could expand the national park system by almost 50 per cent. The federal government will continue working with provinces and territories, Aboriginal and rural communities, industry, and environmental groups toward completing Canada's national parks and national marine conservation areas systems for the benefit of all Canadians. Additional information on Canada's terrestrial protected areas is available at:

<http://www.biodiv.org/doc/world/ca/ca-nr-pa-en.pdf>.

Combating Pests

On February 19, 2004, a tree planting program was announced in **Ontario** for areas affected by Asian long-horned beetle (Toronto and Vaughan) and emerald ash borer (south-western Ontario). Trees will be planted to restore or re-green areas where trees have been killed by the beetles or cut as part of the control programs.

In 2003, **British Columbia's** mountain pine beetle epidemic increased in intensity and rate of spread, with the result that 4.2 million hectares of pine forests were infested—more than double the area in 2002. The infestation is expected to have economic implications for 30 communities over the next 15 to 20 years. Since 2001, allowable harvest levels in beetle-affected areas have been increased to slow the spread of beetles and accelerate the salvage of dead timber. A search for new markets for beetle-damaged wood has begun.

The eastern slope forests of **Alberta** are also at risk from the mountain pine beetle. It is estimated that there are 230 million cubic metres of susceptible lodgepole pine forests worth over \$23 billion. Alberta has an aggressive prevention, detection and control program in place to manage mountain pine beetle outbreaks. Alberta works closely with the federal government, including Parks Canada; the government of British Columbia; municipalities; local industry; and stakeholders to address the mountain pine beetle issues. Currently there are no sustaining mountain pine beetle infestations outside of National Parks in Alberta. Any infestations detected to date on provincial lands have been dealt with under Alberta's control program.

Wildfires and Natural Disasters

As is part of the salvage assistance program, **Nova Scotia** landowners can now access images of their own forests on the Nova Scotia Department of Natural Resources web site. After Hurricane Juan struck the province in September 2003, visual information was gathered to help the province assess the extent of forest damage. The web site offers a seamless view of more than 680 300 hectares, and includes over 1 000 photographs.

Ontario is implementing a new Forest Fire Management Strategy that takes a more balanced approach to forest fires than the previous strategy. While it continues to focus on protecting human life, property and natural resources from the threat of wildfire, the new strategy also stresses the positive effects of fire as a management tool in achieving ecological objectives.

Combating Forest Pests

The sheer volume of trade through Canadian ports makes it difficult to stop and inspect each shipping container. Though the first line of defense against introductions of non-indigenous species remains at our ports, surveillance of invasive forest pests has expanded to nearby forest habitats in an effort to detect and stop their spread. Through collaborative research with our trading partners, Canadians are developing better detection tools for monitoring alien invasive species, with the goal of maintaining the health and productivity of Canada's forests.

In 2003, the **Saskatchewan** government released a new *Fire and Forest Insect and Disease Management Policy Framework*. The use of fire suppression resources, reduction of wildfire danger, and management of forest insects and disease are the major elements of the new policy framework.

The Government of **Alberta** continued its push to protect forest-area communities from the threat of wildfire by educating the public about the FireSmart program, and utilizing its principles on the landscape. Over the last year, work began in 32 priority communities to develop and implement FireSmart initiatives that balance community protection with the environmental, social and economic impacts of wildfire.

The government of **British Columbia** initiated the Firestorm 2003 Provincial Review in response to the wildfires in 2003. After broad public consultations with individuals and organizations, the review team presented their analysis and recommendations to the B.C. Cabinet in February 2004. The government is implementing all 42 recommendations.

In November 2003, the British Columbia introduced the *Wildfire Act*, which replaces or streamlines provisions contained in the *Forest Practices Code of B.C. Act*, to ensure the province's communities can be protected from wildfires. The *Wildfire Act* clarifies the responsibilities of all users of the forest, and reduces red tape to enable local response to local conditions, especially in high-risk wildland/urban interface areas.

Climate Change

In November 2003, the Prime Minister signed a climate change memorandum of understanding with the Forest Products Association of Canada to reduce greenhouse gas emissions. The MOU marks the first agreement with industry to implement the strategy set out in the **Climate Change Plan for Canada**. The agreement covers companies in every region of Canada involved in the production of pulp, newsprint, paperboard and other paper products.

Carbon Budget Model

Canada has developed an operational-scale version of the Carbon Budget Model of the Canadian Forest Sector (CBM-CFS3) that simulates the dynamics of all forest carbon stocks required for reporting under the Kyoto Protocol (above and belowground biomass, dead wood, litter and soil carbon).

The model and supporting tools allows foresters not only to perform detailed assessments of forest carbon dynamics on their land base over recent periods, but it can be used to evaluate forest ecosystem carbon for current and future management scenarios, including assessing the impacts of deforestation and changes in the rate of deforestation on carbon stocks.

The **Forest 2020 Plantation Demonstration and Assessment Initiative** was launched in November 2003. It will evaluate and develop options that could attract investment, both internationally and domestically, into future Canadian plantations, by taking advantage of the combined benefits of both wood fibre and carbon values. The initiative will also establish a series of plantation sites to test and improve our biological information and demonstrate the contribution from fast-growing trees to help offset greenhouse gas emissions. This program is part of the federal government's Climate Change Plan for Canada to reduce greenhouse gas emissions and address climate change.

Conservation

More than 100 hectares of Blanding's turtle habitat are being protected. The Blanding's turtle is listed as endangered under the **Nova Scotia Endangered Species Act**. Bowater Mersey Paper Company Limited has established a new conservation area under its Unique Areas Program. The newly protected area is on Bowater lands adjacent to McGowan Lake. Nova Scotia is taking action to protect other species including the boreal felt lichen, the mainland moose, and the Eastern ribbon snake. A total of 24 species have now been placed under the Act's protection in Nova Scotia.

Conservation Research

In its constant search for new ways to promote sustainable forest management, Canada is studying the potential of an ecosystem-based approach to forest conservation, referred to as a *Web of Conservation Lands*.

The goal of the research is to design a framework that would enable protected and conservation areas to be linked to conservation activities occurring within commercial and non-commercial forest areas. If successful, the framework would allow agencies and industries to better profile the extent of conservation activities as well as facilitate Canada's domestic and international reporting on all forest conservation activities.

In September 2003, the **Quebec** government gave "exceptional forest ecosystem" status to 37 forests covering a total area of 3700 hectares. These consist of rare forests, old-growth forests, and shelter forests for threatened or vulnerable species. The Quebec network of forests protected under this status now includes 63 units covering 8000 hectares.

In June 2003, the **Ontario** government and Ducks Unlimited Canada, building on their many years of cooperative efforts, agreed to participate in a new \$2-million match-funding project to protect wetlands in southern Ontario. They will invest in a series of wetland interpretation and rehabilitation projects over the next three years.

In August 2003, the Ontario Ministry of Natural Resources designated a region of karst topography, known as the *Eramosa Karst*, as a provincially significant earth science Area of Natural and Scientific Interest. The designation of this area in Hamilton recognizes the importance of this limestone geological formation for natural heritage protection, appreciation, scientific study and education.

The **Northwest Territories** recently produced *Northwest Territories Biodiversity Action Plan: Major Initiatives on Biodiversity*, which lists current activities related to the territories' biodiversity. The NWT Biodiversity Action Plan's objective is to review each goal of the Canadian Biodiversity Strategy from the territories' perspective.

Sustainable Forest Management

In March 2004, the **Newfoundland and Labrador** finalized a new five-year update of its 20-year Provincial Sustainable Forestry Management Strategy. The Strategy provides a clear direction and philosophy for managing the province's forest ecosystems and ensures their management is compatible with national and international sustainable forest management commitments.

The Island Sustainable Forest Partnership, launched in **Prince Edward Island** in July 2003, is associated with the Nova Forest Alliance model forest. The Partnership undertook a number of projects designed to encourage more and better forest stewardship on private lands, including developing a booklet on "Voluntary Sustainable Management Practices for PEI Forest Contractors," demonstrating management options for riparian zones, exploring the potential for a Forest Learning Centre, and offering several Chainsaw Safety and Maintenance courses.

In August 2003, Prince Edward Island acquired a new public forest in Kensington. This 14-hectare public forest will be accessible to all Islanders and will serve as a model for community involvement in forest use and management.

The first component of **Nova Scotia** 's Code of Forest Practice, entitled *A Framework for the Implementation of Sustainable Forest Management*, was made available for public review and comment in April 2003. The Code of Forest Practice is to be a government policy mandatory on Crown land and encouraged on private forestlands. The framework describes the general principles forming the basis for sustainable forest management operations. Following the review and receipt of comments, guidelines and technical manuals will be developed to support the principles.

Promoting Forest Health

Ground-level tropospheric ozone is a key component of smog and is toxic to plants. To address its increasing concentration, particularly in urban areas, scientists are studying the combined effects of human-induced stresses involving ozone on birch species. Research results are being incorporated into a mathematical and spatial model that may allow scientists to interpret causes of past declines in birches and to project the health of the species under future conditions.

The year 2003-2004 saw remarkable discussion and public debate about forest policy in **New Brunswick**. The forest community was stirred by the 2002 Jaakko Pöyry report, entitled *New Brunswick Crown Forests: Assessment of Stewardship and Management*, which advocated harvesting more wood from public forests. The public forum, under an all-party Select Committee of the legislature appointed in July 2003, held 13 public hearings. Over 450 submissions, including written and oral presentations, were made to the Select Committee on Wood Supply. The legislative committee tabled its report in summer 2004.

Other activities resulting from the Jaakko Pöyry report included an economic analysis commissioned by the Province of New Brunswick. The report, *The New Brunswick Forest Industry: The Potential Economic Impact of Proposals to Increase the Wood Supply*, was released in December 2003. In addition, the Minister of Natural Resources sought advice from his staff in response to the Jaakko Pöyry report. Comprehensive analysis and research was undertaken, and the resulting Review was released to the public.

In October 2003, the New Brunswick Department of Natural Resources published *Management of New Brunswick's Crown Forest*, a guidebook that takes readers through the management process of New Brunswick Crown forests.

Ontario released its Old Growth Policy and Old Growth Forest Definitions reports in May 2003. These provide direction for the conservation of old growth conditions and values for major tree species or forest community associations in Ontario's Crown forests. They were also intended to comply with the terms and conditions set out in the decision of the Ontario Environmental Assessment Board on the Class Environmental Assessment for Timber Management on Crown Lands in Ontario (1994).

In January 2004, the **Saskatchewan** government announced that its forestry program's Environmental Management System (EMS) achieved ISO 14001 certification. EMS provides a framework for managing the environmental impacts of activities associated with the province's forest ecosystem program. This is the first province-wide government program in Canada to achieve ISO 14001 certification.

In November 2003, the **Alberta** government decided not to allocate the timber resource on an entire forest management unit of close to 350 000 hectares located northwest of the Chinchaga River. A process for developing a management strategy focusing on the environmental features of the area is under way.

In March 2003, the Government of **British Columbia** initiated a comprehensive forestry revitalization plan that is aimed at increasing the market orientation of forest policies and the competitiveness of the forest industry, while maintaining strict environmental standards. The new plan eliminates a number of restrictive government policies such as minimum cut requirements to process logged timber within the same company or at specified mills, mill closure penalties, and restrictions on the transfer and subdivision of tenures.

The **Yukon** government, First Nations and Renewable Resource Councils have worked together for the last year to produce, review and consult on a "Discussion Paper" about Yukon forest policy principles. The final discussion paper became available in June 2004; it will help guide the future development of the Yukon's first forestry legislation.

Towards Sustainable Management of the Boreal Forest was launched in September 2003. This book gives a summary of peer-reviewed ecological, economic and social research conducted by the **Sustainable Forest Management Network** over the last seven years.

Implementation of the IPF/IFF proposals for action related to thematic issues of UNFF 3

This section provides recent information on one or more of the elements that Canada reported on at UNFF 3:

Canadian Forest Management Certification Status

According to a June 2004 Coalition certification status report, 143 million hectares of forestland across the country, representing an annual allowable cut of approximately 124 million cubic metres, have been certified, if all certifications to ISO, CSA, SFI and FSC are included. Otherwise, certifications to Sustainable Forest Management (SFM) standards including CSA, SFI and FSC come to approximately 57.7 million hectares of forestland, representing an annual allowable cut of almost 66 million cubic metres.

Standard Used	Area Certified (in hectares)
ISO 14001 <i>International Organization for Standardization</i> World-wide most recognized Environmental Management System Standard, helping organizations to better manage the impact of their activities on the environment and to demonstrate sound environmental management.	127.1 million
CSA <i>The Canadian Standards Association—Canada's National Sustainable Forest Management Standards</i> Based on nationally and internationally recognized criteria for sustainable forest management. Addresses environmental, social and economic issues and requires a rigorous public participation.	32.9 million
SFI <i>Sustainable Forestry Initiative Program—developed by the American Forestry & Paper Association</i> Includes environmental objectives and performance measures and integrates the growing and harvesting of trees with the protection of wildlife, plants, and soil and water quality, along with other conservation goals.	21.4 million
FSC <i>Forest Stewardship Council</i> Supports environmentally appropriate, socially beneficial and economically viable management of the world's forests. Also supports the development of national and regional standards.	4.2 million

Source: Canadian Sustainable Forestry Certification Coalition (Internet site: www.sfms.com)

If a forest area has been certified to more than one of the three SFM standards (CSA, FSC and SFI), the area is only counted once; hence the total of certifications for SFM standards may be less than the sum of the individual totals for these standards.

Advisory Committees

In October 2003, the **Quebec** government set up the Commission d'étude sur la gestion de la forêt publique québécoise (Commission for the study of Quebec public forest management). The Commission will study the Quebec forestry sector and the development of Quebec's public forests, and will submit its report to the Quebec government in December 2004. The work of the Commission included a large public consultation process in the important urban and rural regions of Quebec.

A Forest Science Board was established to advise the Deputy Minister of the **British Columbia** Ministry of Forests on the Forest Science Program, as well as to promote and improve the program. The board represents industry, federal and provincial governments, and the forest science community. Results of projects undertaken through the Forest Science Program are disseminated by FORREX—Forest Research Extension Partnership—a unique non-profit organization for forest science extension.

Forest Industry

Changes were made to two sets of **Nova Scotia** forestry regulations that oversee the commercial buying and selling of wood, the *Registration and Statistical Returns Regulations* and the *Forest Sustainability Regulations*. These regulations, which establish the registry of buyers of primary forest products, require annual registration and submission of statistical returns. The proposed changes should make the regulations easier to follow based on feedback from those who use them. They include simplifying some of the reporting requirements, clarifying who is an exporter of wood and defining wood chips.

In February 2004, a new market-based timber pricing system was put in place for the coastal forest sector in **British Columbia** determines stumpage prices. The market pricing system is helping to revitalize the industry and better reflects global markets and local harvesting costs.

Other Values of the Forest

In March 2004, the **Prince Edward Island** Public Forest Council released *The Forest Is More Than Just a Bunch of Trees*. This new 22-minute video highlights the Island's public forests as well as the many values they offer.

New Brunswick has developed a strategy for encouraging more value-added activities involving natural resources. To this end, a new maple sugary leasing policy was developed in 2003 that encourages value-added initiatives. Currently about 7000 hectares of Crown land are used for tapping trees to make maple syrup. The government has allocated an additional 2000 hectares to the collection of maple syrup.

In February 2004, the **Quebec** government adopted a program allocating public land under forestry management for blueberry fields. This program will make forestry development land accessible for inter-cropping blueberry fields with forested areas. The development of 60m-wide strips of blueberry fields alternated with 40m-wide forested strips managed intensively for wood

The Cancer Fighting Power of Canadian Yew

Canadian yew is helping in the fight against cancer and promoting rural community employment. Also known as ground hemlock (*Taxus canadensis*) this evergreen shrub contains important natural chemicals called "taxanes" used to fight cancer. Ground hemlock is now being harvested from the Acadian forest in Eastern Canada.

Canadian researchers have developed sustainable harvesting guidelines to ensure a long-term supply of ground hemlock. Canadian researchers are also working to develop cultivation methods that will produce fast growing plants with high levels of taxanes.

production is an innovative agro-forestry concept and a model of integrated management of forest resources.

In March 2004, the Quebec government confirmed its financial contribution to the Centre intégré en pâtes et papiers (integrated pulp and paper centre) project at the Université du Québec à Trois-Rivières. Quebec joins the Canadian government, educational institutions and private-sector companies supporting this project. The Centre will bring together key stakeholders in the pulp and paper industry and will play a vital role in pulp and paper education and research.

In 2003, **Manitoba** created a Sustainable Forestry Unit. It will increase value-added processing in the forest sector (including timber and non-timber forest products), and foster interaction between primary and secondary industry. The Unit will also encourage Aboriginal forestry developments, including resource co-management, business ownership and economic development (particularly training and employment).

In March 2004, Manitoba announced its membership to the Value-Added and Wood Technology Program of the Forintek Canada Corporation. The province's wood products manufacturers now have access to industry specialists, technological solutions, the latest research and other services offered in the program.

Implementation of the IPF/IFF proposals for action related to thematic issues of UNFF 4

This section provides recent information on one or more of the elements that Canada reported on at UNFF 4:

Forest Information

The **Quebec** government completed its third inventory program in November 2003. This third eco-forestry inventory comprises ecological data as well as measurement data that will allow more precise evaluation of forest productivity. Quebec has developed a way to reuse sample plots from the second forestry inventory program but achieve greater accuracy of compilations. The implementation of the fourth eco-forestry inventory program has already begun.

In December 2003, the **Ontario** and **British Columbia** governments entered into a partnership to improve the way information about their lands and natural resources is managed. The two provinces will share expertise and policies to improve information management, collection and use of geographic information, cataloguing and distribution of geographic information, and collection of scientific information related to sustainable land management.

The government of **Saskatchewan** invested in improvements to existing forest inventories across the provincial forest, in partnership with federal and provincial agencies, forest companies, First Nations and non-governmental organizations. Base mapping, vegetation inventories, change detection, field sampling programs and enhancement of data management capabilities are included.

The government of the **Northwest Territories** began a pilot project to assess the value of using 1:40 000 kinematic photography to both map forest vegetation and upgrade base map accuracy. The pilot project covers 5000 square kilometres in the Mackenzie Valley near Jean Marie River. If successful, the results will include full specifications for both mapping products, substantial cost savings in mapping forest vegetation, a fully auditable digital product, and rebuilt base maps that achieve greater accuracy.

The government of the Northwest Territories also initiated the Western NWT Biophysical Study to provide baseline biophysical data necessary to assess, mitigate and monitor the environmental impacts of proposed developments in the western NWT. The NWT government is investing \$1 million per year for four years to address gaps in information on wildlife, wildlife habitat and forests. Supported research includes studies on boreal caribou, landscape and vegetation classifications, and establishing monitoring plots within the boreal forest.

Canada's forest inventory (CanFI) is a collection of data from provincial, territorial and other forest management inventories. CanFI statistics were compiled in 1981, 1986, 1991 and 2001.

The National Forest Information System

The National Forest Information System (NFIS), a Canadian Council of Forest Ministers initiative, is being developed to provide Canadians, and the international community, with authoritative information about the state of Canada's forests.

Forestry information is gathered differently by different jurisdictions, is stored in different locations and is used for different reasons. As a result, accessing and integrating this information is extremely complex. NFIS is addressing this challenge by adopting international standards and building a distributed network that allows access to forest information held by independent agencies.

NFIS provides Web tools, ranging from simple portrayal to sophisticated analyses, to users from anywhere in the world. It means users can discover, integrate, and display this current, authoritative and accurate information on Canada's forests and on sustainable forest management.
(http://nfis.org/index_e.shtml)

CanFI 2001 is a compilation of existing inventories. Since CanFI 2001 differs from the previous inventory (CanFI 1991) in a number of ways, these data cannot be compared meaningfully. Definitions and methodologies have been changed, the inventory coverage has been extended to include all of Canada's land area, and more land cover classes are used to reflect a focus on the forest rather than on timber. Measurement methodology has also been enhanced, particularly in northern Canada. These differences mean that comparisons between the 1991 and 2001 CanFI inventories would be misleading. Additional information of CanFI is available at: http://www.pfc.forestry.ca/monitoring/inventory/canfi/index_e.html.

But even beyond these differences, we need to make comparisons over time to answer questions about the sustainable development of Canada's forests. Therefore, a new approach to **National Forest Inventory** (NFI) is being developed, one that continually updates the picture of our forests and allows assessment of changes over time. The new NFI will replace the current CanFI, with the first statistical report using the new inventory expected by 2006. Throughout Canada, NFI projects continued during 2003-2004. New agreements were signed between the federal government and Saskatchewan, Manitoba, Prince Edward Island, Newfoundland and Labrador, and the Northwest Territories to further develop the NFI in their jurisdictions. Fieldwork continued in British Columbia, Ontario and Nova Scotia and was completed in New Brunswick and Prince Edward Island. Quebec continued with the development and testing of procedures to analyze its forest inventory in relation to NFI attributes, while the Yukon and Nunavut Territories rely on classified satellite image products to provide data to NFI specifications. (For more information see http://nfi.cfs.nrcan.gc.ca/index_e.html)

Environmental Assessment

The Class Environmental Assessment Approval for Forest Management released June 25, 2003 was a significant development for forest management in **Ontario**. The approval was based on a comprehensive review of performance under the previous Class Environmental Assessment and extensive public involvement. The approved Environmental Assessment identifies acceptable forest management practices in most Crown forests, covering an area of more than 38.5 million hectares in central and northern Ontario. The approval affects forest policy on public involvement, Aboriginal Peoples, wildlife habitat management, protection of water, forest harvesting, roads, forest renewal, reporting, and scientific research and technology development.

The **National Round Table on the Environment and the Economy** (NRTEE) released *Environment and Sustainable Development Indicators for Canada* in May 2003. Six indicators are contained in the report: freshwater quality, air quality, green house gas emissions, **forest cover**, wetlands and human capital (educational attainment of the population). These indicators will track, at the national level, the impacts of current economic practices on the natural and human assets that will be needed by future generations of Canadians. The "forest cover" indicator, to be reported annually, measures the percentage of Canada's total area covered by forests. As stated in the above report, the NRTEE believes the Forest Cover Indicator will be most useful when it is calculated over a period of a few years, thereby revealing the trend in the area covered by forest.

Innovation

In March 2004, the **New Brunswick** Community College in Miramichi announced it would acquire a high-tech forest harvester/processor and simulator to modernize the delivery of its forest operator program. Thanks partly to this acquisition, the college will have one of the best forestry schools in the region and will attract students across Atlantic Canada. At the Université de Moncton, a new Bachelor's

Program in Applied Agro-forestry was introduced. The program will train professionals to integrate forestry into the agricultural landscape, thus contributing to the sustainable development of farmland and forestland.

The **Canadian Forest Innovation Council**, an executive-level body composed of representatives from industry, the Government of Canada, and the provinces and territories collectively, was established by Canadian Council of Forest Ministers and the Forest Products Association of Canada in September 2003. The Council's mandate is "to ensure the innovative capacity of the Canadian forest sector is maximized in a way that promotes industry profitability, environmental quality and community sustainability."

Since its inception, the Council has made significant progress toward the development of a national innovation vision based on the principle that innovation is a strategic tool in meeting corporate and government needs. As reflected in their mandate, the Council is working toward building an effective and efficient innovation system to enable the forest sector to be a model of sustainable development. Each organization represented in the Council will determine its role in meeting the sustainable development goals and advancing the innovation strategy of the Council.

A pilot project is underway to demonstrate how an organization can align its research to the proposed national innovation agenda. Over the next year, the Council will characterize the efforts of all the Canadian forest research organizations towards the overarching goals outlined by the Council. This mapping will stimulate national discussions on the relationships and governance to foster an efficient and effective innovation system.

The Canadian Forestry Association has designated the town of Lac La Biche and Lakeland County in Alberta as the **Forest Capital of Canada for 2004**. This designation allows the region to celebrate its historic and forward-looking ties to the forest with a yearlong campaign of special events and promotion. Established in 1979, the Forest Capital of Canada program focuses on the valuable role forests play in the socio-economic and environmental health of Canadian communities.

As part of its efforts to enhance forest-sector innovation, in the Government of Canada continues its support of the five-year **Value-Added Research Initiative** for Wood Products aimed at helping small and medium-sized enterprises in the value-added wood products sector to improve their competitiveness and skills, develop new products and applications, and help move forest products up the value-added chain. The funding provides resources for research to be conducted by a consortium formed by Forintek and the universities of British Columbia, Laval and New Brunswick.

Aboriginal Activities

The Government of **Manitoba** continues its follow-up of *Next Steps: Priorities for Sustaining Manitoba's Forests*. This document outlines ways for government, industry and First Nations to help Manitoba's forests continue to thrive by adding to scientific and traditional forest knowledge, enhancing forest stewardship, increasing economic opportunities for Aboriginal communities, promoting a sustainable forest economy, and updating and improving existing legislation.

Saskatchewan Environment and seven First Nations signed a joint memorandum of understanding in July 2003. The MOU focuses on economic development opportunities in the First Nations' traditional lands in the Island Forests area and surrounding fringe forests.

In October 2003, an area-based Term Supply Licence (TSL) was issued to the Kitsaki-Zelensky Partnership, an alliance between Kitsaki Management Limited Partnership, the business arm of the Lac La Ronge Indian Band, and Zelensky Brothers Sawmill. The area of the TSL was previously under licence to Weyerhaeuser Saskatchewan, but was relinquished in 1999.

First Nations Forestry Program

The forest plays an integral role in the social, spiritual and cultural lives of First Nations across Canada. It also offers a foundation upon which First Nations peoples and communities can develop an economic base, while maintaining their traditional connection with the land.

Since 1996, the First Nations Forestry Program has funded some 1 500 projects. These partnerships among First Nations, the Government of Canada and industry have created opportunities for over 5 800 First Nations people to improve their skills and apply sustainable forest management practices. This program builds upon Canada's commitments to ensuring a clean, healthy environment and to creating and sharing opportunity with First Nations to build a better future and stronger communities. The Program's annual funding of \$6.5 million leads on average to \$12 million in project funding from First Nations and industry. The First Nations Forestry Program has been renewed for the period 2004 - 2008.

The **Tli Cho First Nations**, the government of the **Northwest Territories** and the **Government of Canada** signed a land claims and self-government agreement covering the land area of the Tli Cho peoples (Dogrib First Nation). The agreement provides for management and title over the lands they hold, and participation in natural resource management over other lands in the agreement area. It also provides for the application of Tli Cho laws to forest management and natural resource management. The Tli Cho agreement represents a significant advance, being a settlement of both land and self-government.

Highlights of the **Alberta** government's Traditional Use Studies (TUS) initiative: The province is in the second year of a three-year initiative to provide a portion of the financial and technical support for traditional use studies being undertaken by Aboriginal communities. The objective is to identify sites that have high cultural, historical, or spiritual values to Aboriginal communities and to minimize potential impacts from resource development. Funding and technical support has been provided for the development of 14 traditional use study proposals involving 22 Aboriginal communities. In addition, further support has been provided to 11 ongoing studies involving 13 Aboriginal communities. The total provincial funding available is \$750,000 per year for the three-year period.

On January 30, 2004, the **Yukon** government and the Kaska First Nations signed an Agreement in Principle to establish a business relationship. A Forest Authority will be assigned the Annual Allowable Cut within the Kaska First Nations Traditional Territory, for both public and First Nations lands. The Authority's mandate will be to develop a small, sustainable forest economy in southeast Yukon.

On March 19, 2004, the Yukon government entered into a partnership with the Champagne and Aishihik First Nation to develop a plan that will address forests affected by the spruce bark beetle in southwest Yukon. The plan will have three primary focus areas: fuel abatement (protection from wildfires), economic opportunities and forest renewal.

On September 3, 2003, **Nunavut**, **Northwest Territories** and **Yukon** signed a Northern Cooperation Accord. The three-year accord is intended to strengthen the North of Canada's voice on the national stage in the areas of economy, devolution, Aboriginal rights, environment and social policy.

An Inuit Impact and Benefit Agreement (IIBA) was signed on August 23, 2003, between the Government of Canada, the government of Nunavut and the Kivalliq Inuit Association of Nunavut towards the

establishment of a national park in **Nunavut**. The new Ukkusiksalik National Park—Canada's 41st national park—is named after the soapstone found in the area, and is home to a large number of caribou, polar bear, musk oxen and other species. The park includes 2 050 000 hectares of eskers, mudflats, cliffs, rolling tundra banks and unique coastal regions. Part of the five-year federal action plan to create 10 new national parks, the IIBA also protects Inuit rights in the park and offers business and employment opportunities to the local Inuit communities.

Canada's Framework of Criteria and Indicators (C&I)

The **Canadian Council of Forest Ministers** (CCFM) released in September 2003 the publication *Defining Sustainable Forest Management in Canada: Criteria and Indicators*. The document outlines the results of the two-year review to develop more effective indicators for reporting on sustainable forest management in Canada.

The next CCFM report, using the revised framework, is currently scheduled for release at the Annual meeting of the Canadian Council of Forest Ministers in September 2005. This report will be Canada's second report on progress toward sustainable forest management. The goal is to provide information that will improve public dialog and decision making on what outcomes are desired and what actions are needed to move the nation toward sustainable forest management. The report will provide the basis for a broad public discussion concerning the interpretations of conditions and trends reported for the indicators and the actions needed to assure progress in sustainable forest management. It is planned that a statement and background report will be presented at the fifth session of the United Nations Forum on Forests in 2005. The statement and report will outline progress made in preparing the 2005 C&I report, will note efforts to build convergence between the National C&I framework and various other reporting obligations, will provide additional information on the national C&I review, and will provide more detailed information on the revised indicators including links to other reporting frameworks.

OECD Environmental Performance Review of Canada

In September 2004, the Organization for Economic Cooperation and Development (OECD) released its latest report on Canada's environment. The report is positive about the Canada's progress towards achieving its environmental domestic objectives and international commitments since the OECD's last assessment in 1995. In the chapter on forests the OECD points out a number of management challenges, for example in the areas of minimizing the negative impacts of wildfire, pests and diseases. Regarding forest certification, the report underscores the rapid increase in the area of forest certified and that by 2006 it is expected that an area the size of Sweden, Norway and Finland combined. Regarding providing assistance to developing countries, the OECD report cites that Canada devotes C\$ 40 million per year to bilateral efforts concerned with sound forest management, including resource assessment, agro-forestry, community forestry, conservation of genetic diversity and desertification. More information on the OECD review of Canada is available at:
http://www.oecd.org/document/30/0,2340,en_2649_201185_33744542_1_1_1_1,00.html.

III. Preparation of the Report

Canada's UNFF focal point notified provincial and territorial governments and federal departments of the preparation of Canada's national report to the 5th session of the UNFF. Notifications were also sent to interested parties in Canada. The notifications requested updated information on issues discussed in earlier national reports.

Canada's UNFF focal point prepared the initial draft report based on the views received and recently released reports. Comments were then solicited on the report. All comments were taken into account in the preparation of final report submitted to the UNFF.

While many groups and individuals contributed to the development of this report, the report does not necessarily reflect their views.