



Forestry Futures Trust Program Guide for Ontario's Incremental Tree Planting Program

The Forestry Futures Trust (the "Trust") was established under the authority of a June 1994 amendment to the *Crown Timber Act* and continues under the *Crown Forest Sustainability Act* (the "CFSA"). The Trust is a single Trust and is not specific to forest management units. Assets of the Trust are managed by an independent trustee and decisions on the allocation of funds from the Trust are made by the Forestry Futures Trust Committee (the "Committee" or "FFTC").

On November 8, 2023 the Minister of Natural Resources and Forestry specified the following as a new purpose for the Trust:

The partial funding of costs for activities in the Ontario Crown managed forest eligible for funding under Government of Canada's 2-Billion Trees program, to be referred to as "Ontario's Incremental Tree Planting Program".

Pursuant to such new purpose, and with funding provided in part by the Government of Canada ("NRCan"), the Ontario Ministry of Natural Resources and Forestry (the "Ministry") has established the "Ontario's Incremental Tree Planting Program" (the "ITP Program") subject to the following terms and conditions.

1. PROJECT ELIGIBILITY

The Committee shall consider for acceptance and funding (from the Trust) under the ITP Program projects:

- a) that are submitted by holders of 'forest resource licenses' as defined in the CFSA in respect of areas to which their applicable 'forest resources licences' relate;
- b) whose primary purpose is for either (i) the planting of trees or (ii) to increase the readiness to plant trees (e.g. seed collection), including other treatments to ensure successful tree planting (e.g. site preparation) or survival (e.g. tending), provided that any such project (A) must include tree planting activities and (B) the scale of non-planting activities cannot exceed what is required to support the planting activities associated with such project (e.g., no future stockpiling of seed, seedlings, site prepared area that is not planted, etc.);
- c) whose activities will be contained within a single 'forest management unit' designed by pursuant to s.7 of the *Crown Forest Sustainability Act, 1994, S.O. 1994, c. 25* (each an "FMU") (projects whose activities would span across more than one FMU must be proposed as separate projects, each relating to only one FMU);
- d) whose planting-related activities relate only to 'incremental' tree-planting, meaning tree-planting that is not otherwise legally required to be conducted; and

e) that can and will be completed prior to March 31, 2026.

For clarity and without limiting the generality of the foregoing, eligible projects described above could include activities such as:

- Project development including planning, prioritization and site selection, surveying, and mapping
- Site level prescription development prepared by a Registered Professional Forester
- Obtaining suitable tree seeds including collecting or purchasing cones, processing, storing, testing, and stratification
- Growing of tree seedlings for planting including production, quality assurance, storage, packaging, and delivery
- Preparing of planting sites, including chemical and/or mechanical site preparation, ripping or mulching of roadbeds, when a Registered Professional Forester deems it necessary for establishment and/or survival
- Planting of trees including quality assurance and reporting
- Wildlife management measures necessary to support biodiversity objectives or functional forest habitat restoration, including use of exclusion fences where required
- Monitoring of trees and forests, such as monitoring survival of planted trees and monitoring development of restored forests as wildlife habitat where applicable
- Administration of call for proposals, project selection, finances, reporting, monitoring, and accountability

For greater clarity, costs related to the production, sale or export of softwood lumber are not eligible for reimbursement under the ITP Program.

Appendix A of this guide further discusses the ‘incrementality’ requirement and related frequently asked questions.

3. PROJECT APPLICATION

The Committee will, from time to time, issue calls for proposals under the ITP Program. Eligible applicants must submit a complete application for funding in response to any such call using the Project Application Form for the ITP Program (copies of which can be found under ‘Download Forms’ at www.forestryfutures.ca including all required attachments, such as .xls files specified therein) within the applicable timelines announced by the FFTC, and must attach a shapefile or geodatabase identifying proposed treatment areas by activity as well as separate map(s) showing the proposed project area that specify the base map number, show roads and other geographic features that would assist a person who wished to visit the treatment site.

The FFTC will determine the most appropriate way to manage the funds available under the ITP Program among the planned calls for proposals. Whenever oversubscribed, the FFTC shall prioritize selection among proposed eligible projects using the following principles:

- Proposed projects that have the highest forecast net carbon benefit will be preferred.
- When proposed projects have similar net carbon benefits, those with clearly defined biodiversity co-benefits, particularly for species at-risk, will be preferred.

- When proposed projects have similar biodiversity co-benefits, those with the greatest amount of afforestation will be preferred.
- Otherwise, projects that involve financial or in-kind contributions by the applicant or third parties will be preferred.

4. PROJECT EVALUATION CRITERIA

The Committee will evaluate projects proposed for funding under the ITP Program based on the following criteria:

- i) Consistency with Forest Management Planning – Are the activities contemplated by the proposed project consistent with the applicable forest management plan (as referred to in Section 8 of the CFSA, each an “FMP”), including any consultation obligations? Any amendments necessary for a proposed project to be compliant with the applicable FMP must be completed before such proposed project can be approved.
- ii) Project Effectiveness - Would the proposed project effectively result in incremental tree planting?
- iii) Probability of Success – What is the likelihood of success of the proposed project given the site and stand conditions?
- iv) Cost-Effectiveness – Are project costs reasonable when compared to regional rates for similar activities? If they significantly exceed regional rates, FFTC may require further explanation before approval is considered.
- v) Past Performance - Is the applicant’s past performance good with respect to carrying out similar projects and providing timely documentation to the FFTC?

The Committee may reject any proposed project that does not, in its opinion, sufficiently satisfy the foregoing criteria.

5. PROJECT APPROVAL

The Committee shall not consider project applications submitted by any person that is delinquent in paying any Crown charges related to the licensing or harvest of Crown timber.

Prior to approving any project application, the Committee shall share such project application with the Ministry for review of the eligibility of the proposed planting area. If the Ministry does not respond or provide any feedback on a given application within two weeks after receipt, the Committee may assume that the Ministry has no concerns.

The Committee may approve projects which cannot be completed within a single year and, therefore, require multi-year funding, subject to the funding periods articulated by the FFTC from time to time.

6. PROJECT AUTHORIZATION FORM AND TERMS OF ITP PROJECT AGREEMENT

Upon approval of a project, the Committee will provide the approved project applicant with a Project Authorization Form and the Terms of ITP Project Agreement, copies of which can be found under ‘Download Forms’ at www.forestryfutures.ca.

Upon receipt of the Project Authorization Form, the approved project applicant shall review the Project Authorization Form and the Terms of ITP Project Agreement and return a signed copy of the Terms of ITP Project Agreement to FFTC.

7. PROJECT REIMBURSEMENT

The Committee shall direct the Trustee to make reimbursement payments in respect of approved projects under the ITP Program for actual costs in amounts that shall not exceed the maximum funding amount approved for the entire project as approved, provided that the proponent is in compliance with its obligations (e.g. submission of annual reporting).

Approved project proponents may request reimbursement funding through the submission of Interim Request for Reimbursement and a Final Request for Reimbursement (copies of which can be found under 'Download Forms' at www.forestryfutures.ca), accompanied by supporting evidence of expenses, including invoices for work completed by **all** contractors (including third party), as further described in the Terms of ITP Project Agreement. Reimbursement for multi-year projects shall be reconciled with actual costs on an individual fiscal year basis.

8. PUBLICATION

The Committee may, in accordance with the Ontario's Digital and Data Directive, 2021 (<https://www.ontario.ca/page/ontarios-digital-and-data-directive-2021>) and as part of its commitment to open data, to publish and allow the public to use:

- (i) contract data for each approved project, including the name of the applicant and total approved funding; and,
- (ii) data created or collected as an output of a contract,

except where the Committee chooses not to publish the data, such as for privacy, confidentiality, security, legal or commercially sensitive reasons.

Any publicity or publication related to the ITP Program or any application or approved project thereunder shall be at the sole discretion of the Committee. No applicant (whether approved or not) may at any time directly or indirectly communicate with the media in relation to the ITP Program or any application or approved project thereunder, unless it has first obtained the express written authorization to do so by the Committee.

Appendix A

Ministry of Natural Resources and Forestry’s Understanding of “Incrementality” for Two Billion Trees Projects

Natural Resources Canada’s (NRCan) Two Billion Tree program funding is for “incremental” tree planting projects. The relevant documents related to the program in Ontario describe “incremental” as “tree-planting that is not otherwise legally required to be conducted.”

Legal Requirements and Determining Incrementality

A legal requirement to plant would be one required under any law or regulation or as a condition of any permit or approval. For Ontario’s managed Crown forest, legal requirements to plant trees are found as part of obligations to regenerate a forest that are articulated in Forest Management Plans (FMPs), Forest Resource Licences and Forestry Agreements (which are approved, granted and entered into under the *Crown Forest Sustainability Act, 1994*). To be considered “incremental” for the purposes of the 2BT program, the project proponent (i.e., forest manager) must therefore undertake planting that does not relate to actions required by an FMP, FRL or Forestry Agreement to establish trees, regardless of regeneration method.

Specific to harvest: The scope of planting and regeneration activities that are required under an FMP, FRL or Forestry Agreement are triggered by harvesting activities, which are permitted to occur in specific geographic areas described in the applicable FMP. Since legally-required planting could be triggered in any of these specifically-described geographic harvesting areas, Ontario is considering any proposed planting within those geographic harvesting areas to not be incremental for the purposes of the ITP Program. By contrast, since proposed planting outside of those specifically-identified geographic harvesting areas can not be legally required under the applicable FMP, Ontario would consider planting outside those specifically-identified geographic harvesting areas to be incremental for the purposes of the ITP Program.

Frequently Asked Questions from forest managers

Is planting in natural disturbances that have been salvaged eligible for 2BT funding?

The Forest Management Planning Manual (Sections 1.3.3.1, 4.3.7, etc.) identifies salvage as a harvest area that requires assignment of a silviculture ground rule and establishment standard. Sustainable Forest Licenses commit Licensees to “implement the necessary silvicultural prescriptions to meet silvicultural standards described in the approved FMP”. As such, there is a legal requirement to regenerate any naturally disturbed area where salvage harvest takes place, and those areas would be included in the specific geographic harvesting areas identified for required activities under the FMP, and therefore planting within such a salvage harvest area would not be incremental and not eligible for 2BT funding.

I normally plant 1500 stems per hectare to meet FMP requirements. If I increase that to 2000 stems per hectare are the extra 500 trees eligible for 2BT funding?

While planting a higher density of trees would result in more trees planted in the forest, they would be planted within the geographic harvesting areas identified in an FMP; therefore, this would not be eligible for 2BT funding.

The silviculture strategy in my FMP indicates we will plant 40% of harvest areas to meet FMP requirements, relying on aerial seeding and natural regeneration for the rest. If I instead plant 50% of harvest areas is that extra 10% eligible for 2BT funding?

While planting a higher proportion of harvest areas would result in more trees planted in the forest, they would be planted within the geographic harvesting areas identified in an FMP and, therefore, not eligible for 2BT funding.

We are considering some experimental treatments to underplant trees in advance of a harvest operation to increase diversity and/or resilience. Is that eligible?

Provided the underplanting is not a requirement of the applicable FMP (i.e. would not be out of compliance if the activity didn't happen) or occurring in areas identified for required activities under the FMP, this activity could be eligible for 2BT funding (subject to meeting all other requirements of the program).

To increase tree species diversity and/or resilience, we are considering underplanting in older harvest areas that are already regenerated. Is this eligible?

Provided the underplanting is not a requirement of the applicable FMP (i.e. would not be out of compliance if the activity didn't happen) or occurring in the geographic harvest areas identified in the applicable FMP, and the area was previously reported as *established* (or *free-to-grow*) to a suitable regeneration standard, this activity could be eligible for 2BT funding (subject to meeting all other requirements of the program).

I noticed some of NRCan's online materials indicate that tree planting that is "business as usual" or "for which funding from 2BT would replace or displace other secured funding sources" would not be eligible. Over the past decade our SFL has received Forestry Futures Trust funding to plant in natural disturbance areas, can we receive 2BT funding for this same activity in the future?

The binding documentation for the 2BT program in Ontario describes 'incremental' only as "not otherwise legally required to be conducted." While concepts such as "business as usual" and the like can be helpful for expressing the high-level concept of the federal program, in the context of the FFT (whose usual business is to fund the exact kind of activities that projects under the 2BT program require, and who does not guarantee funding for any project), it creates exactly the kind of confusion that this question raises. Accordingly, Ontario will be administering the ITP Program on the basis of planting being eligible if it is "not legally required" as discussed above.

This means that incrementality will be determined based on the then-current legal obligations, whose scope is defined by the specific geographic areas (harvest, roads, aggregate pits, etc.) identified in the applicable FMP (with anything inside that identified geographic scope not being incremental).

Some of the recent forest fires in my area are much better suited to aerial seeding (remote and shallow soils). Is this method of regenerating naturally disturbed areas eligible for 2BT funding?

NRCan has advised that given 2BT is a planting program aerial seeding is not eligible for funding at this time. However, NRCan has expressed an openness to discuss the potential of aerial seeding becoming an eligible activity in the future. MNRF will update forest managers of any changes in status.

Some parts of my forest are in a degraded condition (low stocked, low quality, heavy brush) as a

result of past insect related mortality, blowdown, historic high grading, etc. Many of these areas are on very productive sites but will remain in a degraded condition indefinitely without intervention. Are these eligible for 2BT planting?

Provided the planting is not a requirement of the FMP (i.e. would not be out of compliance if the activity didn't happen) or occurring in the geographic areas (harvest, roads, aggregate pits, etc.) identified in the applicable FMP, planting and related activities in degraded areas could be eligible for 2BT funding (subject to meeting all other requirements of the ITP Program). However, it's recognized that treatments to remediate degraded conditions can be very costly. While there is no set maximum per hectare cost or limits on treatment intensity, like all proposals for 2BT funding, remediation and planting of degraded conditions will be evaluated case by case to determine if the cost-benefit is reasonable, including any opportunity costs.

Note that any salvage harvest occurring in such areas would trigger regeneration requirements under the FMP and therefore not incremental and not eligible under the ITP Program (see previous FAQ on salvage harvest).

Additionally note that while prescribed burning can be an effective tool for remediating degraded stands, this activity is not eligible for 2BT funding (see list of eligibility activities in program guide part 1 above).

We are likely to rehabilitate some aggregate pits in the next few years and are considering planting trees. Is this eligible for 2BT funding?

Provided the planting is not a requirement of the FMP (i.e. would not be out of compliance if the activity didn't happen), planting and related activities as part of aggregate pit rehabilitation could be eligible for 2BT funding (subject to meeting all other requirements of the ITP Program). To clarify, if the FMP requires that the rehabilitated area is simply revegetated then planting trees would be incremental. Conversely, if the FMP requires establishment of trees or regeneration of a forest in the rehabilitated area planting trees would not be incremental.