ENHANCED REFORESTATION OF LEGACY DISTURBANCES IN ALBERTA'S PUBLIC FORESTS

PROGRAM OUTLINE

1. DEFINITIONS

(a) "**Agreement**" means the program grant agreement made as between FRIAA and the Department effective April 1, 2018 in respect of the Program, as may be amended from time to time;

(b) "**Applicant**" means an applicant to FRIAA who applies for Funds under the Program by submitting a Proposal;

(c) "**Approval**" means the written approval of a Proposal issued by FRIAA, including any additional terms set by FRIAA to implement an approved Proposal;

(d) "**Approved Applicant**" means an Applicant whose Proposal has received Approval;

(e) "**Board**" means the Board of Directors of FRIAA;

(f) "**Department**" means Alberta Agriculture, Forestry and Rural Economic Development;

(g) "**Eligible Activity**" means those activities carried out to implement the Program including but not limited to:

(i) development and preparation of Silviculture Plans;

(ii) assessment of Eligible Disturbed Areas including pre-treatment surveys, site preparation, Seed acquisition, seedling acquisition and planting, seeding, and any other silviculture treatments identified in approved Silviculture Plans;

(iii) carrying out operational field activities prescribed in an approved Silviculture Plan or otherwise authorized in writing by the Department;

(iv) field monitoring and auditing of operational field activities prescribed in an approved Silviculture Plan or otherwise authorized in writing by the Department;

(v) construction and erection of signs;

(vi) public engagement activities;

(vii) transportation and administration directly related to a Project; and

(viii) other activities as may be prescribed in an approved Silviculture Plan or those mutually agreed to in writing by the Department and FRIAA.

(h) "**Eligible Disturbed Areas**" means those areas within a Natural Disturbance Area that:

(i) supported pure spruce stands;

(ii) were disturbed not more than five (5) years prior to the then current Fiscal Year;

(iii) are within 1.5 kilometres of road access;

(iv) are of a medium or good timber productivity rating as defined in the *Alberta Vegetation Inventory Interpretation Standards Manual*, March 2005, published by the Department as amended or replaced, and

(v) are not subject to any reforestation obligations under the *Forests Act* or the *Timber Management Regulation* as amended or replaced, or

(vi) are otherwise approved by the Department.

(i) "**Eligible Expenditures**" means expenditures necessary to carry out Eligible Activities in support of the Program including but not limited to:

(i) costs of preparing Silviculture Plans for approval by the Department;

(ii) costs of assessing Eligible Disturbed Areas including costs of pre-treatment surveys, site preparation costs, seedling and planting costs, Seed acquisition and seeding costs and the costs of carrying out any other silviculture treatments identified in approved Silviculture Plans;

(iii) costs of carrying out operational field activities prescribed in an approved Silviculture Plan or otherwise authorized in writing by the Department;

(iv) costs of field monitoring of Projects and auditing operational field activities prescribed in an approved Silviculture Plan or otherwise authorized in writing by the Department;

(v) costs of construction and erection of signs;

(vi) costs of carrying out public engagement activities;

(vii) material and supplies costs;

(viii) printing, production, and distribution costs;

(ix) equipment and rental costs;

(x) vehicle rental and operating costs;

(xi) a share of overhead and/or administrative costs not to exceed five percent (5%) of an Approved Applicant's total funding allocation;

(xii) any GST/HST that is not reimbursable by the Canada Revenue Agency and any PST not reimbursable by a province,

(xiii) incremental human resource costs, including salaries and benefits; and

(xiv) other costs that, in the opinion of the Department, are considered to be direct and necessary for the successful implementation of the Program and have been approved by the Department;

but does not include:

(xv) costs incurred for withdrawn or cancelled Projects; land acquisition; purchasing, leasing or renting land, buildings and other facilities; leasing or renting equipment other than equipment directly related to the construction of a Project; real estate fees and related costs; financing charges, legal fees, and loan interest payments, including those related to easements (*e.g.* surveys); provincial sales tax and GST/HST, for which the Approved Applicant is eligible for a rebate, and any other costs eligible for rebates. any good or service received as a donation or in-kind contributions; new construction projects; capacity building; government engagement; policy development; gathering market intelligence; innovative financing; scoping and feasibility studies; focus group testing; in-kind contributions; or operating costs and costs of regularly scheduled maintenance work.

(j) "**Field Audit**" means an audit completed in accordance with protocols established by FRIAA to review Projects for Approved Applicants' compliance with the requirements of the Program and the Approval;

(k) "**Fiscal Year**" means the period of time commencing April 1 of a calendar year through March 31 of the next calendar year;

(l) "**FRIAA**" means the Forest Resource Improvement Association of Alberta;

(m) "**Funds**" means the Grant Money that FRIAA has received under the Agreement that is available for Projects;

(n) "**Natural Disturbance Area**" means a previously forested public land area identified by the Department that was disturbed by fire or other natural cause that is eligible for enhanced reforestation under the Program in each Fiscal Year;

(o) "**Program**" means the Enhanced Reforestation of Legacy Disturbances Program established pursuant to the Agreement and set out in this Program Outline as may be amended from time to time;

(p) "**Project**" means a Proposal that has received Approval under the Program which must be completed, including all reporting and the completion of any required Field Audit(s) and financial audit(s), **within four (4) years** of the date of the Approval;

(q) "**Proposal**" means a plan involving one or more Eligible Activities which is specific in nature, outlining the Eligible Activities being considered for Approval under the Program;

(r) "**Silviculture Plan**" means a plan prepared by or for FRIAA for approval by the Department.

2. OBJECTIVE OF THE PROGRAM

The objective of the Program is to support the Department by reforesting Eligible Disturbed Areas by applying Funds to Projects that undertake Eligible Activities to rehabilitate damaged forests, enhance forest carbon sequestration to mitigate climate change and to maintain and enhance the forest resource.

3. REVIEW AND APPROVAL OF PROPOSALS

(a) An Applicant may submit a Proposal for a Project to FRIAA in accordance with this Program Outline and the policies and objectives of FRIAA.

(b) a Proposal must be made in writing and may be submitted by:

(i) a member of the forest products sector;

(ii) any person or organization that demonstrates the experience, knowledge and technical capacity to undertake and manage complex projects related to silviculture or land reclamation; or

(iii) other organizations or groups mutually agreed to by the Department and FRIAA

in accordance with the project solicitation documentation that may be published by FRIAA from time to time.

(c) each Proposal shall be reviewed and evaluated using the following criteria:

(i) the Proposal must consist of one or more Eligible Activities;

(ii) the Proposal must be located on lands situated within an Eligible Disturbed Area;

(iii) the expenses set out in the Proposal must be reasonable in all the circumstances and must not exceed the fair market value of the goods and services being provided;

(iv) the Proposal must not be contrary to the objects of FRIAA, the Bylaws or the provisions of relevant regulations or legislation;

(v) the Proposal must not have a significant adverse impact on other forest resources or the environment as a whole;

(vi) the Applicant must agree to carry out the Project in an environmentally responsible manner;

(vii) a Proposal must demonstrate that the Applicant is able to complete the proposed project economically and efficiently, and in so determining, FRIAA may take into consideration the Applicant's proximity to the location of the proposed project, the Applicant's experience in performing such projects, the availability of resources to the Applicant, and whether the Applicant has in the past complied with applicable Acts and regulations;

(viii) all matters of the administration of and accountability for a Project shall be the sole responsibility of the Applicant;

(ix) notwithstanding paragraph 3(c)(viii), where the Applicant consists of more than one entity each of them shall be jointly and severally responsible and accountable for ensuring the Project is completed in accordance with the terms and in accordance with the Approval;

(x) the Proposal includes such permits, licences and authorizations or an indication in writing from the Department, other appropriate government organization, industry and tenure holders as may be required to undertake the Eligible Activities; and

(xi) the Proposal must demonstrate that the Applicant is able to implement an occupational health and safety program in accordance with the *Occupational Health and Safety Act* SA 2020, c.O-2.2.

(xii) the Proposal must include the Applicant's written acknowledgment that it has entered into an agreement with the Department such that in the event that there are two or more employers involved in work at the work site at the same time, the Applicant shall be the "prime contractor" as defined in the *Occupational Health and Safety Act*, and will comply with such Act and all regulations enacted thereunder.

(d) Where a Proposal includes work that is the responsibility of a disposition holder, only that portion of the Proposal that is not the responsibility of a disposition holder may be eligible for funding under the Program.

(e) FRIAA shall not consider any applications or Proposals that, in its reasonable opinion and having regard to all the circumstances, has the effect of providing subsidies to the forest products industry and will therefore require all applications and Proposals to comply with FRIAA's objectives, policies, the Program purpose, and the criteria set out in paragraph 3(c).

(f) Approval of a Proposal is at the sole discretion of the Board in accordance with project solicitation documentation.

(g) Notwithstanding any other term of this Program, Approvals shall be limited by the availability of Funds as determined by FRIAA.

(h) Where FRIAA accepts a Proposal, an Approval shall be prepared and forwarded by FRIAA to the Approved Applicant for execution outlining the terms and conditions to implement the Proposal, one of which being that the Approved Applicant covenants and agrees to carry out the Project to completion.

(i) The Approval shall address:

(i) the total maximum amount payable under the Approval;

(ii) a schedule of reasonable and justifiable payments under the Approval;

(iii) the terms and conditions of the Proposal;

(iv) any other terms and conditions required by FRIAA; and

(v) any other conditions that are necessary to carry out the Project, including Field Audit requirements, financial audit procedures and reporting requirements.

4. USE OF FUNDS

(a) Any amounts payable under an Approval shall be used exclusively by an Approved Applicant for Projects in accordance with the Approval.

(b) Funds shall not be made available, and shall not be used, for the purchase of any capital asset.

(c) If the Funds are used for any purpose other than as described in paragraphs, 4(a) and 4(b) by the Approved Applicant, FRIAA may immediately terminate the Approval with the Approved Applicant and demand the immediate return of any Funds paid or payable in respect of the Approval and the Project.

(d) All Funds will be advanced or paid by FRIAA as reimbursement for expenses already incurred and paid for by the Applicant. Where a payment is otherwise made by FRIAA prior to the expense being incurred or prior to the completion of a Project in accordance with its approved terms and conditions, the payment shall be an advance and shall be held in trust by the Applicant until completion of the Project, or returned to FRIAA immediately upon request.

(e) All Funds advanced prior to the completion of the Project are deemed to be held in trust by the Applicant until FRIAA has acknowledged in writing to the Applicant that the Project is completed in accordance with the terms of the Approval.

(f) All Funds advanced prior to the completion of a Project in accordance with the Project shall be returned to FRIAA if:

(i) the Project is terminated by FRIAA;

(ii) the requirement of paragraph 4(d) is not satisfied; or

(iii) as may be provided by the Program or the terms of the Proposal or the terms and conditions of the Approval.

5. REPORTING AND AUDIT REQUIREMENTS

(a) An Approved Applicant shall provide any information whatsoever that FRIAA requests respecting any Proposal, Project or request for Funds, and this provision shall be a

requirement of the Approval. This information may be required to be provided in a form prescribed by FRIAA from time to time.

(b) At any time FRIAA may request and shall receive from any Approved Applicant:

(i) a report from an independent, qualified accountant, in accordance with the *Canadian Institute of Chartered Accountants' Handbook*;

(ii) a Field Audit, financial audit, or prompt, complete responses to audit inquiries or requests;

(iii) financial reports co-ordinated to FRIAA's Fiscal Year end for each Project detailing how much has been spent for the specific Project and how much remains by approved cost categories;

(iv) technical reports for each Project summarizing the Eligible Activities completed and what remains to be done; and

(v) an end of Project technical report summarizing the results of the Project including:

A. a detailed list of the areas treated in a manner prescribed by FRIAA;

B. a description of activities, hectares treated and date of completion by activity completed for each Eligible Disturbed Area, and all other reporting requirements as prescribed by FRIAA, from time to time; and

C. any other information as prescribed by FRIAA from time to time required to support FRIAA's reporting requirements to the Department or the further development of criteria, definitions or other scientific knowledge related to the reforestation of an Eligible Disturbed Area.

(c) FRIAA has a right to conduct random audits on Projects and shall conduct random sample audits and post-Project audits from time to time as may be considered appropriate or expedient at the sole discretion of FRIAA.

(d) FRIAA has a right to have a third party on site at any time and for any length of time that FRIAA considers appropriate to ensure that quality assurance standards are met and the Project is carried out to FRIAA's satisfaction.

(e) Approved Applicants shall maintain or cause to be maintained full, accurate and complete records of their activities conducted in furtherance of and the results achieved through the conduct of the Project for a period of five (5) years following the Term or termination of the Project and shall upon request provide such records to FRIAA.

6. ADMINISTRATION OF APPROVALS AND PROJECTS

(a) If an Approved Applicant is in breach of or otherwise fails to perform, for any reason whatsoever, any provision or term or condition of an Approval, or is in contravention of any policy or rule of FRIAA, FRIAA may, in its sole discretion, do one or more of the following in addition to any other rights it may have at law or otherwise:

(i) terminate any and all agreements with the Approved Applicant;

(ii) demand and be entitled to receive from the Approved Applicant any and all paid, disbursed and undisbursed Funds advanced by FRIAA on account of any Project or pursuant to any Approval;

(iii) withdraw Approval of a Project at any stage of the Project;

(iv) if the Approved Applicant consists of more than one entity, where one or more of whom is a Member, suspend or cancel membership in FRIAA; or

(v) commence any action or take any steps that FRIAA may consider just or appropriate in the circumstances.

(b) If an Approved Applicant dies prior to the completion of the Project, the estate or personal representative of such individual may, upon meeting the reasonable requirements of FRIAA, complete the Project in accordance with the Approval entered into regarding that Project.

(c) In the event of the appointment of a receiver over the assets and affairs of an Approved Applicant, FRIAA, in its sole discretion, may allow the receiver to carry out the terms of the Approval prior to receivership, provided always the receiver be obligated to the same extent and in the same manner as the Approved Applicant. Further, FRIAA may, in its sole discretion, allow Funds to be utilized by the receiver of an Approved Applicant in a manner that is in accordance with the bylaws, rules and policies of FRIAA, the Program and the Approval, as well as any applicable agreement, all as if the receiver is the original Approved Applicant.