



Living Legacy Trust

Annual Report

2001 / 2002



The Living Legacy Trust invests in projects that advance sustainable natural resource management and bring environmental, economic and social benefits to the people of Ontario.

Objectives

- To facilitate partnerships and cooperation amongst stakeholders with interests in the sustainable use and conservation of Ontario's natural resources.
- To support projects that extend resource management practices in Ontario and go beyond what industry and government have traditionally done.
- To leverage financial and in-kind support for projects that address the environmental, economic and social needs of northern Ontario.
- To support projects of the highest quality and of the greatest benefit to the citizens of Ontario.

Core Values

- The board of directors of the Living Legacy Trust seeks consensus on all granting decisions.
- The Living Legacy Trust provides eligible applicants with a fair and open application and project approval process.
- The Living Legacy Trust is committed to sharing knowledge and the results of all projects funded.
- The Living Legacy Trust disseminates up-to-date information about the Trust's programs and project funding through its website at www.livinglegacytrust.org and through ongoing communications activities.



The board of directors, standing, left to right: Frederick Gilbert, Marvi Ricker, Lorne Crawford, Michael Power, John McCutcheon, Kelly Mitchell. Seated: Ric Symmes, Maureen Prendiville. Absent, insets: Russ Hughes, John Burke, Charles Alexander.



Background

The Living Legacy Trust was established in 1999 as part of Ontario's Living Legacy – the end result of the provincial government's Crown land planning initiative called Lands for Life.

Ontario's Living Legacy is a strategy for ensuring the long-term health of Ontario's natural resources. It produced the largest expansion of parks and protected areas in the history of the province, and includes measures to improve the business climate for Ontario's resource-based industries.

The Living Legacy Trust was established primarily to invest in opportunities to enhance sustainable resource management on Crown land in northern Ontario. The Trust is also helping the forest industry deal with some of the transitional challenges that it faces as a result of the land use planning decisions. By facilitating partnerships and providing leverage, the Living Legacy Trust is contributing to the continued economic health of northern communities.

The board of directors of the Living Legacy Trust includes representatives from the Ontario Forest Industry Association, the Ontario Lumber Manufacturers' Association, the Federation of Ontario Naturalists, the World Wildlife Fund, the Association of Municipalities of Ontario, the Ontario Ministry of Natural Resources, and northern universities. Four members-at-large make up the balance of the eleven-member board.

The Living Legacy Trust has a five-year mandate that expires on March 31, 2004. The provincial government allocated \$30 million to the Trust to support its nine funding programs. The Trust is focusing on proposals and partnerships that leverage provincial funding so that the benefits of this support extend well beyond the life of the Trust.



Substantive results can be seen from many of the projects that the Living Legacy Trust is supporting. Interest in the Trust has been strong, and the quality of the submissions has been high. It is clear from reviewing the list of funded projects in this annual report that the Trust is fulfilling its mandate to bring economic, social and recreational benefits to the people of Ontario. Here are some of the highlights from the past year:

- The Trust is receiving funding proposals from a broad range of partnerships, including forest companies, economic development offices, First Nation communities, universities, government and non-government organizations, outdoor organizations and other community groups.
- The Trust is actively disbursing grants in eight of its nine programs, with over 60 projects funded to date.
- A total of \$15,436,305 has been granted by the Living Legacy Trust to date. Trust funded projects have leveraged \$14,726,944 in cash and \$10,032,007 in in-kind contributions from project partners.
- The Solid Wood Value-Added Sector Report indicates that new jobs can be created by diversifying

and expanding this sector. It goes further to say that northern Ontario's best leverage will come through investments in improving qualitative measures, including strengthening relationships within the value chain and clustering. Participation in regional meetings held across the North to discuss this report was very strong.

- The Forest Employment Opportunities program is supporting 200 new jobs in the forestry sector. On-the-job work experience is being directed to improving the quality and quantity of Crown wood through tree improvement, tending, and thinning. Many of these jobs are for young people who are getting their first work experience in forestry.
- Almost \$2 million has been allocated to First Nation communities for Far North Forestry projects, notably the Whitefeather Forest Initiative (Pikangikum First Nation) and the Moose Cree First Nation Forestry Project (Moose Cree First Nation). These projects enable community-based land use planning, and focus on protecting traditional values and natural resources while creating economic opportunities for First Nations.
- Several forest science research projects are improving on-the-ground management practices and exploring potential advances in

intensive silviculture. One of the Trust's more active participants, the Forestry Research Partnership, is ambitiously targeting a ten percent increase in fibre production over ten years, assuming a stable land base.

- Funding from the Trust's fish and wildlife related science programs is linking information on habitat disturbance to fish and wildlife populations at multiple scales. Projects are also calibrating new technologies and tools to measure fish abundance and sustainability, for example acoustic technologies and netting methods, respectively.
- Although diverse in its makeup, the Living Legacy Trust board of directors is working well together. Project-funding decisions are made by consensus. Submissions are being processed expeditiously and no backlogs have been experienced.



The Living Legacy Trust has passed the halfway point in its five-year mandate. The organizational challenges of launching the Trust and its funding programs are behind us. We are now focusing all of our efforts on evaluating and funding the best possible projects for the advancement of sustainable resource management in Ontario.

Our progress during the past year is very impressive. We are now supporting projects in eight of the Trust's nine funding programs. Grants totaling more than \$15 million have been allocated. Of even greater significance, the Trust's funds have been used to leverage almost \$25 million from our partners – approximately \$15 million in cash and \$10 million worth of in-kind contributions.

The Living Legacy Trust has been able to move forward with its program funding efforts because of the strong commitment and

dedication of its board members, committee members and staff. I would like to thank everyone involved for their outstanding contributions. We are a diverse group of individuals, but our common interest is that of ensuring the future health of Ontario's forests and our forest economy. I am particularly proud of our achievements in promoting positive discussions about the future of Ontario's solid wood value-added sector. The Trust commissioned a strategic report examining this vital sector and also organized a series of regional meetings to disseminate and discuss the report. As Ontario's forest industry evolves, value-added wood products will play an increasingly important role.

The Trust is functioning as a catalyst for researching and developing sustainable forest management. We have succeeded in brokering partnerships to make several long-term investments in forest science research when no one company had the resources to make such a commitment alone. The scientific research that the Trust is helping to fund shows exciting promise.

Another key element of the Living Legacy Trust is its Forest Employment Opportunities Program. We have funded a number of projects, resulting in increased employment of young people in forestry where they are learning the latest silvicultural skills.

Looking ahead over the next two years, the Trust will continue to review and fund responsible projects that meet its goals and objectives. Board members and staff will also ensure that all of the information gleaned by these important projects is easily accessible and in the public domain.

We have built strong momentum for the Trust and its programs. We have made impressive progress. We will continue to move forward to ensure that benefits of the Living Legacy Trust are seen far into the future. When the work of the Trust is finished, we will have left a legacy for future generations.



Michael Power



The Living Legacy Trust is providing stakeholders in natural resource management with an opportunity to increase their participation in all aspects of resource management, from project design and planning, through to project implementation and monitoring for results. In the process, the Trust believes that resource sustainability will be strengthened. We are now seeing that resource management projects funded by the Trust are helping to find ways to balance economic, environmental and social interests.

The board of directors and staff of the Living Legacy Trust have made excellent progress in the past year in recruiting, assessing, and supporting project proposals. A complete list of funded projects is contained in

this annual report, and we have also profiled the outstanding efforts of four of our grant recipients. Our extensive list of funded projects, particularly in the area of scientific research, proves that the Trust provides much more than transitional assistance to resource based industries.

During the past year I have been impressed by the efforts of program participants. Many of the projects involve strong partnerships. Most of the partners also brought funding to the table to leverage the Trust's financial support. The combined potential benefit of these resource management projects is huge and demonstrates that partnerships are indeed the way forward.

As we look to the future, our immediate task is to complete granting for all of our funding programs. This includes commissioning a phase two report directing future opportunities in the solid wood value-added sector. At the same time, we are monitoring project implementation and reporting on project results.

The board and staff at the Living Legacy Trust are working to ensure that all of the results achieved through projects funded by the Trust are in the public domain. Knowledge transfer is paramount to the success of the Trust. I am asking all of our stakeholders and grantees to tell us how this information sharing can best be accomplished.

Also, as part of our commitment to communications, the Trust is enhancing its website <www.livinglegacytrust.org>. The site will soon offer comprehensive and up-to-date information about each project, as well as links to project websites. Together, the Trust and its program partners are building a valuable knowledge network to advance the cause of sustainable resource management in Ontario.



Karan Aquino



1. Loss of use of roads and bridges \$1.0 million

To provide compensation to forest companies for loss of use of capital investments in permanent infrastructure that are directly related to Lands for Life regulated land withdrawals.

2. Multi-purpose access roads \$5.0 million

To fund improvements to multi-purpose access roads on Crown land required due to changes in resource access as a result of Lands for Life land use planning decisions.

3. Far North forestry development \$3.0 million

To help fund community-based land use planning projects and strategic data collection in areas north of the currently licensed Forest Management Units.

4. Forest science data collection and research \$7.0 million

To advance forest science research and knowledge specifically relating to increased utilization of Crown timber, and to investigate intensive silvicultural practices. Projects must have matching contributions of cash or in-kind support.

5. Forest employment opportunities \$5.0 million

To increase the quality and quantity of Crown wood and create training and employment opportunities, with a focus on youth employment. The Trust will provide a maximum of \$20,000 per new worker annually.

6. Value-added wood manufacturing \$0.5 million

To provide strategic information on the solid wood value-added sector in Ontario, specifically baseline and benchmark information on products and markets, and the definition of future opportunities for growth and expansion.

7. Scientific data on fish and wildlife \$3.5 million

To improve resource management practices that impact on fish and wildlife populations and habitat.

8. Ecological approach to fish and wildlife management \$2.0 million

To develop science-based guidelines and tools promoting an ecological approach to fish and wildlife management.

9. Benefiting northern communities through fish and wildlife resources \$1.5 million

To benefit small rural communities by improving access to fish and wildlife resources and by improving habitats. Funding from the Trust must be matched by local cash and in-kind contributions.



Project: *Product Parameter-Based Decision Support System for Jack Pine*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$90,000 over three years*



Project: *Permanent Sample Plot Program*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$285,000 over three years*

Project: *Technology Transfer*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$405,000 over three years*

Project: *Competition Studies and Demonstration*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$109,300 over three years*

Project: *Maximizing the Value of Ontario's
Jack Pine Resource*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$330,000 over three years*

Project: *Logging Damage Impacts and Mitigation in the
Boreal and Great Lakes-St. Lawrence Forests*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$94,000 over three years*

Project: *Forest Vegetation Simulator Model Validation
for Ontario*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$40,000 over three years*

Project: *Synthesis of Hardwood Research*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$60,000 over two years*

Project: *Response of Advanced White Pine to Release*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$20,000 over three years*



Project: *Characterization of Young, Fire Origin Forests in
the Far North for Inventory Updates and Planning*

Grantee: *Long Lake Forest Products*

Amount: *\$48,950*

Project: *Assessing the Effects of a Spruce Budworm
Outbreak in the Boreal Forest*

Grantee: *Kimberly-Clark*

Amount: *\$20,500*

Project: *Stand Level Decision Support Systems for
Allowable Cut Effect*

Grantee: *Forestry Research Partnership,
Canadian Ecology Centre*

Amount: *\$107,500 over three years*



Intensive Forest Management Trials Underway

The Upper Lakes Environmental Research Network, a non-profit corporation based in Sault Ste. Marie, has been granted \$903,000 by the Living Legacy Trust to pursue new research into intensive forest management.

The organization's most ambitious research undertaking to date, the NEBIE project (an acronym for Natural, Extensive, Basic, Intensive and Elite) is comparing forests managed by a range of intensive silviculture techniques to forests shaped by natural disturbances. Under an elite management system, for example, sites would be fully stocked with only the desired tree species, and there would be ongoing efforts to control insects and disease and to eliminate competing vegetation.

The goal of the NEBIE project is to develop a comprehensive database that can be used to accurately forecast allowable timber cuts, while maintaining the ecological viability of forests. Researchers are examining tree survival, growth rate, wood quality and species diversity, as well as the environmental impacts of numerous forest management applications on soil structure, nutrient cycling, microclimate, vegetation diversity and wildlife habitat. "We're trying to balance the economic and ecological effects of various intensities of forest management," says Margo Shaw, project facilitator.

Four NEBIE research sites covering more than 500 hectares have been established in the Boreal and Great Lakes-St. Lawrence forest regions. Data on timber yield, economic feasibility and environmental impacts is being gathered from each of these sites. The knowledge gained through the NEBIE trials will allow forest managers to choose the most appropriate level of forest management for each forest type. Forest companies will be better able to minimize environmental impacts, while maximizing their return from the harvest.

The total budget for the NEBIE project is \$4.3 million; the Living Legacy Trust is contributing almost one-quarter of this funding. According to Vic Gillman, president of the Upper Lakes Environmental Research Network, the Trust's support was critical to getting NEBIE off the ground. "We could not have started a project of this magnitude and complexity without the Trust's help." Currently, 17 partners are involved in the NEBIE project from government, industry, academic and non-profit organizations.



Approved Projects 2001 / 2002

*Project: Intensive Forest Management Science Partnerships:
NEBIE Plot Network*

*Grantee: Upper Lakes Environmental Research Network
(ULERN)*

Amount: \$903,500 over three years

*Project: Refinement of CENTURY, an Ecosystem Model for
Black Spruce in Ontario*

*Grantee: Faculty of Forestry and the Forest Environment,
Lakehead University*

Amount: \$39,375 over three years



*Project: Acquisition of Ecologically-Based Site Index
Information for Seven Major Hardwood Species
in Central Ontario*

*Grantee: Faculty of Forestry and the Forest Environment,
Lakehead University*

Amount: \$131,750 over three years

*Project: Development of Focal Point Seed Zones for
White Spruce in Northern Ontario*

*Grantee: Faculty of Forestry and the Forest Environment,
Lakehead University*

Amount: \$140,210 over three years

Project: Boreal Permanent Growth Plot Program

Grantee: Forest Ecosystem Science Co-operative

Amount: \$679,000 over four years

*Project: Application of Remote Sensing Technology to
Improve Forest Resources Inventories*

Grantee: KBM Forestry Consultants

Amount: \$96,500

Project: New Second Generation Breeding Programs

Grantee: Forest Ecosystem Science Co-operative

Amount: \$1,812,000 over three years



*Project: Field Guides for Seed Orchard Management and
Second Generation Progeny Test Management*

Grantee: Forest Ecosystem Science Co-operative

Amount: \$42,500 over two years

Project: Can Boreal Forest Management Safely Emulate

Natural Disturbance Patterns in Shoreline Forests?

Grantee: Forest Ecosystem Science Co-operative

Amount: \$617,000 over three years

Project: Developing Mapping and Evaluation Methods

to Help Resource Managers Lead Wetland

Conservation in Ontario

Grantee: Ducks Unlimited Canada

Amount: \$150,000 over two years



Living Legacy Trust Supports Ambitious Goal to Increase Wood Supply

The Forestry Research Partnership (FRP) has been awarded \$1.54 million over three years by the Living Legacy Trust to support ten innovative forest research projects. The FRP is a joint venture of Tembec Incorporated, the Canadian Ecology Centre, the Canadian Forest Service and the Ontario Ministry of Natural Resources.

The overall strategic objective of the projects is to increase the wood supply for Tembec. "The target that we've set for ourselves is ten in ten," says George Bruemmer, manager of research and development. "Our goal is to grow an additional ten percent of allowable cut over a ten-year period and to do this in a sustainable and socially acceptable manner."

Can this be done? "A lot of people have said to me that our target is too low," says Bruemmer. "An equal number have said it's a crazy goal, and we will never do it."

Two years into the partnership, the FRP is starting to see some results emerge. "In some forest management units it looks like we will achieve a ten percent increase rather easily," states Bruemmer. "In other management units, it's just not going to happen. So overall, I'd say that ten percent is a fairly ambitious target, but not an impossible one."

Enthusiastic About Knowledge Transfer

Of the ten FRP projects that the Living Legacy Trust is assisting, the Technology Transfer Project is receiving the largest single allocation of Trust funding, at \$405,000.

In simple terms, technology transfer or knowledge transfer is telling others what researchers have learned. It is a vital yet often overlooked step that is needed to ensure that the findings of scientific research become part of everyday practice. "Tech transfer is a problem for everyone involved in research," says Bruemmer. "We're trying to beat that problem with this project."

"Our approach is a bit unique. The Forestry Research Partnership has ten projects funded through the Trust, but we have many other research projects also underway – more than 40," states Bruemmer. "Rather than self-contain the tech transfer in each one of these projects, we're essentially going to provide a technology transfer service for all of them. We're going to knit the projects together and deliver a very synthesized and focused package that is of use to the people on the ground."

Bruemmer's knowledge transfer plans also include a tactic which amounts to forced facilitation. "After two years of research, we're going to bring together all of the people who have worked on these various projects. We're going to put them into a workshop environment with the people who work in the field, and we're going to force them to talk to each other about how to operationalize this research," Bruemmer says.

Research is usually shared through written reports or journal articles. "Our approach is a bit different and it's far more invasive," says Bruemmer. "Not all research lends itself to these pressure tactics, but with applied research, it really requires it."

By the time the Trust's five-year mandate is over, the Forestry Research Partnership will be solidly on its feet and should be able to access research funding from other sources. Bruemmer thinks the Trust's support for the FRP came at a critical time. "I believe that the partnership, and the research benefits that it will provide, are something that the people at the Trust should really be proud of. It would not have happened without them."

Project: *Multi-scale Habitat Selection by Northern Flying Squirrels in the Great Lakes-St. Lawrence Forests (GL-StL)*

Grantee: *Faculty of Forestry, University of Toronto*

Amount: *\$65,360 over three years*

Project: *Ontario Breeding Bird Atlas*

Grantee: *Federation of Ontario Naturalists*

Amount: *\$190,000*

Project: *Bridge Replacements on the Redpine Road Corridor*

Grantee: *Smooth Rock Falls Anglers and Hunters*

Amount: *\$43,320*



Project: *The Forest Fish*

Grantee: *Watershed Science Centre, Trent University*

Amount: *\$462,700 over three years*

Project: *Effects of Timber Harvest on the Use of Aquatic Feeding Sites by Moose in the GL-StL and Transition Forests*

Grantee: *Westwind Forest Stewardship*

Amount: *\$122,750 over three years*

Project: *Environmental Impacts of Partial Harvesting in Riparian Reserves in Ontario's Mixedwood Forests*

Grantee: *Great Lakes Forestry Centre, Canadian Forest Service*

Amount: *\$575,000 over three years*

Project: *Cat Lake and Slate Falls First Nations*

Community-Based Land-Use Planning Initiative

Grantee: *Windigo First Nations Council*

Amount: *\$283,000*

Project: *Whitefeather Forest Initiative – Biophysical Data Collection*

Grantee: *Whitefeather Forest Management Corporation
Pikangikum First Nation*

Amount: *\$501,843*



Project: *Consultation with Respect to Meaningful Participation of CLFN in Forest Management Activities*

Grantee: *Constance Lake First Nation (CLFN)*

Amount: *\$127,000*

Project: *Moose Cree Forestry Project*

Grantee: *Moose Band Development Corporation
Moose Cree First Nation*

Amount: *\$497,978*

Project: *Community Land-Use Planning and Supporting Activities*

Grantee: *Whitefeather Forest Management Corporation
Pikangikum First Nation*

Amount: *\$240,918*

Project: *Silviculture Employment Opportunities on the Kenogami Forest*

Grantee: *Geraldton Community Forest*

Amount: *\$220,000 over two years*

Project: *To Increase Forest Employment in the French/Severn Forest*

Grantee: *Westwind Forest Stewardship*

Amount: *\$40,000 over two years*

Project: *First Nation Ranger Program*

Grantee: *Bowater Forest Products Division*

Amount: *\$46,800 over two years*



Trust Giving Forestry Grads A Helping Hand

A small forestry services contractor in northwestern Ontario is making a big contribution to the forest industry by helping to upgrade the skills of new forestry graduates. Haveman Brothers of Kakabeka Falls teamed with Bowater Forest Products to launch Ontario's Silviculture Foresters of Tomorrow. The program uses a variety of workshop training sessions and field experience to help participants acquire valuable skills in all aspects of forest management planning and intensive silviculture.

The Living Legacy Trust contributed \$280,000 over three years to support this worthwhile endeavour which, according to Dave Haveman, will have a positive long-term impact. "The program gives new forestry grads the skills they need to contribute to intensive forest management," says Haveman. "It's helping to improve our forests and the forest yield."

The students are involved in a wide range of forest management activities and tree improvement work. They learn how to properly apply herbicide to release planted seedlings; they help to select and gather seed from genetically superior trees for nursery stock; and they are involved in thinning young jack pine stands.

This program was needed because there is no replacement for on-the-job experience. "New forestry grads have a diploma or degree in forestry, but our program gives them hands-on experience in all aspects of silviculture," says Haveman. "They're better trained after spending time with us and they are able to compete successfully for forestry jobs."

As for the involvement of the Living Legacy Trust, Haveman says the program would not have been possible without the Trust's support. "We had good communication with the people at Living Legacy Trust. They were very receptive to our ideas and helpful with advice. The funding process went very smoothly."

The Ontario's Silviculture Foresters of Tomorrow program had a modest start with only six students in 2001. This year 25 new forestry grads are participating in the program.



Project: Youth Employment Opportunities in the
Whiskey Jack and Dryden Forests

Grantee: Moose Creek Reforestation

Amount: \$398,000 over two years



Project: Forest Employment Opportunities on the
Armstrong Forest

Grantee: Clearwater Reforestation

Amount: \$120,000 over three years

Project: Forest Employment Opportunities in the
Crossroute Forest

Grantee: TimberRidge Land and Forestry Services

Amount: \$120,000 over two years

Project: Ontario's Silviculture Foresters of Tomorrow –
Phase 2

Grantee: Haveman Brothers Forestry Services

Amount: \$80,000

Project: Loring Deer Yard Tolerant Hardwood Stand
Improvement

Grantee: Nipissing Forest Resource Management

Amount: \$465,000 over three years

Project: "Conservation Starts at the Tree"

Grantee: Ontario Professional Forest Workers Training Registry

Amount: \$20,000

Project: Youth Employment Opportunities on the
Whiskey Jack Forest

Grantee: Abitibi-Consolidated – Kenora

Amount: \$28,333

Project: Forest Employment Opportunities in the
Bancroft Minden Forest

Grantee: Bancroft Minden Forest Company

Amount: \$60,000 over three years

Project: Employment Opportunities in the
Mazinaw-Lanark Forest

Grantee: Mazinaw-Lanark Forest

Amount: \$19,800 over three years

Project: Forest Employment Opportunities in the
Smooth Rock Falls Forest

Grantee: Tembec Industries

Amount: \$20,000

Project: Ontario's Silviculture Foresters of Tomorrow

Grantee: Haveman Brothers Forestry Services

Amount: \$200,000 over two years

Project: Employment Opportunities – Dryden area

Grantee: Outland Reforestation

Amount: \$600,000 over three years



Project: Youth Employment Opportunities on the

High Rock and Fort Frances-Flanders Forest

Grantee: Abitibi-Consolidated – Fort Frances

Amount: \$40,000 over three years

Project: Road 100 Multi-Purpose Road Improvement

White River Forest

Grantee: Domtar – White River

Amount: \$287,095

Project: A Project to Improve Forest Access on the

Algoma Forest

Grantee: Clergue Forest Management

Amount: \$323,000 over two years

Project: Road 1002 Multi-Purpose Road Improvement

Pineland-Martel Forest

Grantee: Domtar – Timmins

Amount: \$230,698



Smooth Rock Falls Anglers and Hunters

Living Legacy Trust Helps Sportsmen Save Bridges to Wildlife

For almost 50 years, people living near Smooth Rock Falls have used Redpine Road to get to some of the region's best hunting and fishing areas. However, recently it seemed that the community would lose this important recreational access route.

The Tembec forest company no longer needed the old logging road. The Ministry of Natural Resources ordered Tembec to remove two aging bridges in the Muskego River watershed because of safety concerns.

"The bridges provide access to about 70 kilometres of bush roads," says Luc LaBonté, president of Smooth Rock Falls Anglers and Hunters. "It's a great area for hunting, fishing and sightseeing, almost anything that you want to do outdoors."

"We had to keep this road open for the good of our community," says LaBonté. "Hunting, fishing and trapping are very important here – for our own recreation and for economic reasons."

The Anglers and Hunters approached Tembec and MNR to explore options for keeping the access road open.

A partnership was formed with the goal of replacing the old bridges with two engineered steel crossings, suitable for ATVs and snowmobiles. The cost was estimated at \$150,000.

"There's no way that we could have done this project without the Living Legacy Trust's help, no way in the world," states LaBonté. "Raising that kind of money is a big challenge in a small community."

The Living Legacy Trust contributed \$43,000 to Smooth Rock Falls Anglers and Hunters for the project. Tembec was responsible for removing the old bridges and preparing the site for the new structures – at a cost of about \$60,000. MNR provided the expertise needed to rehabilitate the riverbed and other in-kind support, valued at \$30,000. The 200 members of the Anglers and Hunters club raised another \$11,000 from the community.

"All of the shore work was done properly under MNR's guidance," says LaBonté. "The bank was covered with tarps and crushed rock, the river was restored to its original state, and it looks great."

The Smooth Rock Falls Anglers and Hunters club is now responsible for maintenance on both of the new river crossings and for carrying liability insurance.

"The Redpine Road is used by tourists as well as local people – we've got lots of people who come up here to hunt," says LaBonté. "The fishing is good too. We've stocked five lakes with trout and there's also pickerel and pike. The hunting is excellent – moose, bear and small game. For anyone interested in enjoying the outdoors, this is a great place to visit."



Project: Multi-scale Habitat Selection by American Martens in the GL-StL Forests of Central Ontario

Grantee: Algonquin Forestry Authority / University of Toronto Forestry Faculty

Amount: \$54,740 over three years

Project: The Link between Aquatic Habitat and Fish Productivity

Grantee: ULERN

Amount: \$364,800 over three years

Project: An Operational Methodology for Measuring and Analyzing Bio-indicators to Support Sustainable Forest Management

Grantee: Great Lakes Forestry Centre, Canadian Forest Service

Amount: \$538,890 over three years

Project: Development of an Acoustic Methodology for Estimating Fish Abundance and Sustainability

Grantee: J.C. Headwaters Canada

Amount: \$399,292 over three years

Project: Development of an International Standard for Fish Community Assessment

Grantee: Department of Biology, Laurentian University

Amount: \$440,082 over three years



Project: 19 separate forestry-related projects in the FRP program

Grantee: Forestry Research Partnership (FRP), Canadian Ecology Centre

Amount: \$382,545

Project: Community Land-Use Planning – Interim Program

*Grantee: Whitefeather Forest Management Corporation
Pikangikum First Nation*

Funding: \$160,000

Project: Community Land-Use Planning – Interim Program

Grantee: Moose Band Development Corporation

Amount: \$150,000



Project: Phase One – Assessment of Ontario's Solid Wood Value-Added Sector

Grantee: Jaakko Poyry Consulting

Funding: \$295,000



The conservation community in Ontario came of age during the Lands for Life consultations. Never before have conservation groups worked together so effectively and with such dramatic results. It is a wonderful success story.

We put aside our personal differences and goals to work in a united and focused way. This cohesion allowed the conservation community to negotiate effectively

with the forest industry and with government, resulting in the remarkable achievements of Ontario's Living Legacy. Everyone emerged from this process feeling that they had not lost much, and that they all had gained.

This unity, goodwill and commitment to work together cooperatively have carried over to the board of the Living Legacy Trust. Everyone has tried to understand the different points of view of other board members, and we have worked hard to accommodate them. At times this was a challenge. Board members representing specific sectors often saw more

value in certain projects than other members did. Despite these different opinions, most of our funding decisions have been the result of consensus.

I look forward to my continued participation on the board during the next two years and to completing our task of allocating project funds. I am proud of our efforts to date. The projects that the Trust is helping to fund will contribute to the continued health and sustainability of Ontario's natural resources in the future.



Marvi Ricker

Marvi Ricker

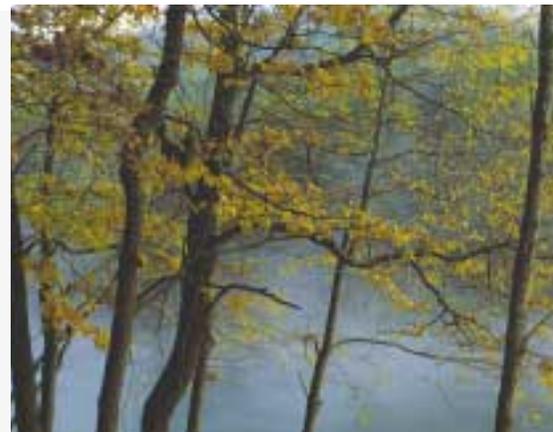


The Living Legacy Trust is proving to be an excellent opportunity for those who harvest timber in Ontario. The forest industry is obtaining financial assistance to ensure the sustainability of the forest resource, in partnership with government agencies, academic research institutions, environmental groups and others who are concerned about the future of our forests. In the process, many of the projects supported by the Trust provide the opportunity to improve the forest industry's image in the eyes of its critics and the public.

While the forest industry is an active participant in many of the Living Legacy Trust funding programs, the fish and wildlife community is not taking advantage of the benefits that the Trust can

provide. For this reason, hundreds of thousands of dollars in potential project funding for fish and wildlife remain untapped. This is due in part to a funding formula that requires two-to-one matching contributions to access grants for community fish and wildlife projects. Small outdoors groups in northern Ontario often do not have the financial resources or the fundraising ability to compete for grants. However, in-kind contributions, including volunteer time, can make up the difference.

It is my hope that during the remaining two years of funding for the Living Legacy Trust this situation will correct itself. Angling and hunting organizations must realize that the Trust is a one-time opportunity to enhance access to local fish and wildlife resources. Community groups need to work together to find a way to take advantage of this important funding.



Charles Alexander

Charles Alexander



Member's Message – Lorne Crawford

The Living Legacy Trust has been very successful. We have a strong board of directors, with good representation from all stakeholders. The staff at the Trust is excellent. The process developed to assess applications is functioning smoothly, and the quality of the submissions has been high. As a result, the board has been able to make good progress in implementing its funding programs.

As a member of the science advisory committee, I have been involved in helping to screen all research applications. The Trust has helped to focus forest science research to support the overall strategy of Ontario's Living Legacy – the long-term health and sustainability of the province's natural resources. It has helped to facilitate

partnerships and to generate new funding for research. The Living Legacy Trust has revitalized forest science research in Ontario.

The challenge that we now face is how to sustain this new level of research activity. This is an important topic for the board of the Trust to pursue over the next two years. We must encourage discussions involving all of our partners – industry, government and the environmental community – about ways to foster this renewed commitment to research in order to keep forest science alive in Ontario.



A handwritten signature in blue ink that reads "Lorne Crawford".

Lorne Crawford



Statement of Financial Position

Year ended March 31, 2002, with comparative figures for 2001

	2002	2001
Assets		
Investments:		
Cash and short-term investment funds	\$ 7,658,735	\$ 3,919,609
Interest receivable	322,185	521,427
Investments	19,049,104	26,486,215
Prepaid expense	7,912	2,355
	\$ 27,037,936	\$ 30,929,606
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	45,563	43,872
Grants payable	9,718,424	1,684,756
	9,763,987	1,728,628
Net assets	17,273,949	29,200,978
Lease commitments		
	\$ 27,037,936	\$ 30,929,606

Statement of Expenditures and Revenue and Changes in Net Assets

Year ended March 31, 2002, with comparative figures for 2001

	2002	2001
Expenditures:		
Grants:		
Loss of use of Roads and Bridges	\$ —	\$ —
Multi-purpose Access Roads	841,063	—
Far North Forestry Development	1,650,739	310,000
Forest Science Data Collection and Research	6,072,091	382,545
Forest Employment Opportunities	2,477,933	—
Value-added Wood Manufacturing	—	295,000
Scientific Data on Fish and Wildlife	763,110	1,797,804
Ecological Approach to Fish and Wildlife Management	802,700	—
Benefiting Northern Communities through		
Fish and Wildlife Resources	43,320	—
	12,650,956	2,785,349
Administrative:		
Human Resources	377,930	334,415
Operating	102,525	130,728
Program	154,273	199,841
Board	101,582	96,948
Professional	76,061	110,109
Office	17,997	22,835
	830,368	894,876
	(13,481,324)	(3,680,225)
Revenue:		
Interest	1,768,171	1,955,324
Realized loss	(213,876)	(55,764)
	1,554,295	1,899,560
Excess of expenditures over revenue	(11,927,029)	(1,780,665)
Net assets, beginning of year	29,200,978	30,981,643
Net assets, end of year	\$ 17,273,949	\$ 29,200,978

Statement of Cash Flow

Year ended March 31, 2002, with comparative figures for 2001		
	2002	2001
Cash provided by (used in):		
Operations:		
Excess of expenditures over revenue	\$ (11,927,029)	\$ (1,780,665)
Change in non-cash operating items:		
Interest receivable	199,242	18,007
Accounts payable and accrued liabilities	1,691	(64,436)
Grants payable	8,033,668	1,684,756
Prepaid expense	(5,557)	(2,355)
	(3,697,985)	(144,693)
Investments:		
Net proceeds on marketable securities	7,437,111	2,921,621
Increase in cash and short-term investment funds	3,739,126	2,776,928
Cash and short-term investment funds, beginning of year	3,919,609	1,142,681
Cash and short-term investment funds, end of year	\$ 7,658,735	\$ 3,919,609

Conflict of Interest Policy

Members of the board of directors of the Living Legacy Trust are active in their communities, participating in a wide range of interests and activities. This means that, from time to time, conflicts of interest may arise.

The Living Legacy Trust has a conflict of interest policy that prohibits board members with a conflict of interest relating to a specific proposal to the Trust from participating in the decision-making process relating to the proposal in question.

Board Members 2001 / 2002

Michael Power
Chair
Nominated by Association
of Municipalities of Ontario

Russ Hughes
Vice Chair
Member-at-Large

John McCutcheon
Secretary/Treasurer
Nominated by World Wildlife
Fund Canada

L.R.L. (Ric) Symmes
Nominated by Federation
of Ontario Naturalists

Frederick Gilbert
Nominated by Lakehead University

John S. Burke
Nominated by Ministry
of Natural Resources

Marvi Ricker
Member-at-Large

Lorne Crawford
Nominated by Ontario Forest
Industries Association

Maureen Prendiville
Nominated by Ontario Lumber
Manufacturers' Association

Kelly Mitchell
Member-at-Large

Charles Alexander
Member-at-Large

Executive Committee

Michael Power
Chair

Russ Hughes
Vice Chair

John McCutcheon
Secretary/Treasurer

Communications Committee

Marvi Ricker
Chair

Karan Aquino

Lara Inglis

Value-added Committee

Jim McClure
Ministry of Northern
Development and Mines

Russ Hughes

Dave Milton
Ontario Lumber Manufacturers'
Association

Riet Verheggen
Ministry of Natural Resources

Science Advisory Committee

Lorne Crawford

Frederick Gilbert

Cheryl Lewis
Ministry of Natural Resources

Rod Smith
Natural Resources Canada

Karan Aquino

Rose A. Menyes

Staff

Executive Director
Karan Aquino

Program Manager
Rose A. Menyes

Office Administration
Cheryl Kanwar

Program Assistant
Pam Gilliland

Program Analyst
Lara Inglis

Bookkeeper
Susan Cumming



The Staff, standing, left to right: Pam Gilliland, Rose A. Menyes, Lara Inglis, Cheryl Kanwar. Seated: Karan Aquino.



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