

Policy Name: NFMC Strategic Initiatives Policy		
Effective Date: December 12, 2016	Revision Date: December 11, 2016	Approved By: NFMC Board of Directors

POLICY STATEMENT

The Nawiinginiikima Forest Management Corporation (NFMC) through its founding legislation, the Ontario Forest Tenure Management Act 2011 (OFTMA), has a corporate social responsibility (see below) to strategically invest revenues in initiatives that are strategic, financially responsible, and make a positive impact in growing the forestry sector affecting the NFMC management area.

The policy is intended to assist First Nations, Municipalities and Industry in bringing forward eligible, forestry-related projects affecting the NFMC management area. Ideally these initiatives will develop capacity and promote, attract and support economic growth in the existing and emerging forestry sector.

POLICY OBJECTIVE

The Strategic Initiatives Policy is intended to allow communities, corporations and organizations in and around the NFMC management area to respond to their economic opportunities and challenges, address priorities, and pursue regional collaboration in order to advance common goals that will help strengthen the forestry sector's competitive advantages.

The Policy gives the Board of Directors the opportunity to grow the economy through forestry related initiatives and help to create good jobs that are fundamental to building more opportunity and security, now and in the future. This critical priority is supported by making strategic investments in the talent and skills of our people, from childhood to retirement. It is supported by a dynamic business climate that thrives on innovation, creativity and partnerships to foster greater prosperity.

The Board will choose to invest wisely and strategically through "conditional contributions" in initiatives that strengthen NFMC's and ultimately Ontario's competitive advantage, create jobs and provide vital opportunities to our partners and stakeholders.

The NFMC will work with forestry companies, environmental organizations, First Nations and municipal representatives to ensure that Crown forest resources are being put to their best use and in an economically, socially and environmentally sustainable fashion. The NFMC Strategic Plan will be the guiding document on the vision and objectives the Corporation wishes to achieve.

The Board will use this policy to help the Corporation meet its objects as set out in the OFTMA as follows:

1. To hold forest resource licenses and manage Crown forests in a manner necessary to provide for the sustainability of Crown forests in accordance with the CFSA, 1994 and to promote the sustainability of Crown forests.
2. To provide for economic development opportunities for aboriginal peoples.
3. To manage its affairs to become a self-sustaining business entity and to optimize the value of Crown forest resources while recognizing the importance of local economic development.
4. To market, sell and enable access to a predictable and competitively priced supply of Crown forest resources.
5. To carry out such other objects as may be prescribed by regulation made under the Act.

In order for proposed Strategic Initiatives to be considered, at least one of the above objects must be advanced through the initiative.

This Policy helps the NFMC achieve these objects and is also recognized as a requirement in both Strategic Plan and Business Plan documents. The use of “conditional contributions” permits the NFMC to provide funding through a non-grant and non-loan vehicle consistent with the NFMC Accountability Framework for use of Revenues.

APPLICATION

The Board of the NFMC will give consideration to Strategic Initiatives through the application and review process set out below. Eligible requests will be brought forward to the Board for consideration through the General Manager.

All requests made to the NFMC must include a letter from the proponent describing the project/initiative and the extent of the commitment requested from the NFMC including a full costs breakdown (if applicable in multi-year format) of the project/initiative. The information required for Board Approval will be gathered by the General Manager through correspondence with the proponent.

Once an initiative is approved by the Board, a legal binding agreement will be executed by all parties.

The Board will be presented with information demonstrating:

- The forestry-related project/initiative for which funding is being requested.
- The Municipalities, Corporation(s) and Organizations that are expected to benefit from the initiative.
- Which Object(s) of the NFMC mandate will be advanced through this project/initiative.
- Project/initiative expected outcomes and impacts (short term and long term) from an employment, financial, social and forest industry perspective.
- How the project/initiative is innovative.

- How the project/initiative is sustainable and has the potential to thrive independently without ongoing support.
- How the project/initiative is collaborative, involves multiple communities/organizations and benefits the forest industry through enhanced forestry practices or sustainable forestry practices.
- Prior strategic initiative(s) approved by the Board for the same proponent and the current status of the prior strategic initiative(s).
- A list of other sources of funding included within the proposal. A minimum 50% source of funding must be committed by the project proponent.
- How the strategic initiative will be monitored and measured.
- Total proposed financial, in-kind and other commitments to be considered by the Board.
- If required, a report from a third party review on the financial status of the proponent.
- If required, an opinion in writing from the NFMC legal counsel.

ELIGIBILITY

Beyond the seven municipalities and First Nation communities located within the NFMC land base, the Policy will also make funding available to applicants from specific communities located outside the land base but where the land base forms part of their traditional territories or where proposed activities can be demonstrated to positively impact the NFMC area. Thus, applicants must be located in the Communities of Marathon, Pic River First Nation, Manitouwadge, White River, Wawa, Pic Mobert First Nation, Hornepayne, Hornepayne First Nation (“on the land base”) and, Terrace Bay, Hearst, Constance Lake First Nation, Ginoogaming First Nation, Long Lake #58 First Nation, Michipicoten First Nation or Longlac (“surrounding the land base”) in order to qualify. In addition:

- The proposed project, at the sole opinion and discretion of the Board, should not unreasonably impact existing businesses negatively within the NFMC management area.
- First Nations, community organizations, forestry companies and environmental organizations within and surrounding the NFMC management area are eligible under this policy conditional on the project/initiative being implemented within the NFMC management area.
- Consideration of funding will be based upon the potential for the creation of full-time equivalent jobs on the NFMC management area either during or/and at the conclusion of the project/initiative.
- The applicant is expected to apply for balance of funding/financing necessary to implement the project/initiative. Proof of confirmation from other funding sources is required.
- Eligible projects must be forestry related and can support for example research and development, infrastructure improvements or heavy equipment purchases.
- Business plans and/or feasibility studies providing information on long term project viability, employment opportunities and market research, must be submitted as part of the application but such undertakings will not normally themselves be eligible for funding.

- The project/initiative should result in net economic benefits to the NFMC (eg increased revenue, long term job creation, improved forestry productivity and sustainability).
- Assistance will generally not exceed 50% of eligible project/initiative costs to a maximum of \$1 million. The Board may consider approval of higher contributions on a case by case basis.

GUIDELINES

- Not all projects/initiatives meeting the Policy criteria will receive approval.
- Whenever possible, the approved initiatives will be performance based to ensure the NFMC minimizes its exposure and financial risk.
- Loans are not the preferred method for using funds within this Policy. Should loans be considered, it will only be in special circumstance and will be subject to Ministry approvals.
- This Policy is not intended to displace other funding sources. Initiatives being considered will be encouraged to leverage NFMC funds with other government sources when applicable (i.e. NOHFC, CFDC).
- The Policy will be made available on the NFMC website for public access.

AVAILABLE FUNDING

The NFMC will finance these initiatives through conditional contributions, defined as “financial assistance that does not need to be repaid provided certain conditions are satisfied”.

The NFMC will budget annually within its 3 year business plan an amount to be used towards Strategic Initiatives. This amount will be set and approved by the Board during the NFMC budgeting processes. The planned and ongoing financial commitments made by the Board through these initiatives will be included in the annual Agency Business Plan.

Priority will be given to projects/initiatives that align with the NFMC Strategic Direction and further the objects of the Corporation.

The terms of the funding, including disbursements, will be set out in the legal agreement to be agreed upon NFMC and the Applicant.

TIMELINES

NFMC support toward individual projects/initiatives will generally be limited to a minimum of one year and a maximum of five years.

Applications will be reviewed quarterly coinciding with the regular NFMC Board Meetings in the months of March, June, September and December.

A complete package must be received a minimum of 45 days prior to the next scheduled Board meeting. Should information be received less than 45 days prior to the Board meeting date, the review of the project/initiative will be held over to a future meeting.

POLICY RESPONSIBILITIES

Proponents

- Provide General Manager with letter of application outlining project/initiative.
- Meet as required with the General Manager to discuss project/initiative and provide all necessary documentation to be brought to the Board for review.
- Provide a minimum 50% contribution toward the project/initiative.
- If a public sector application, provide municipal/band council resolution in support of the project.

Management

- Assist the General Manager in gathering all necessary information to be brought forward to the Board for review.
- Provide guidance to the General Manager in respective area of expertise to be considered in the report to the Board.
- Support the application of the Strategic Initiatives Policy.

General Manager

- Promote the Strategic Initiatives Policy within and beyond the NFMC area.
- Liaise with Stakeholders such as First Nations, Communities and Industry representatives, as appropriate.
- Liaise with Managers and, as required, external legal and financial advisors in preparing for informal and formal review processes.
- Provide guidance to the Board during the decision making process including the gathering of all necessary documents, reports and third party opinions and recommendations.
- Establish and maintain accurate records of Strategic Initiatives requested, materials brought forward to the Board for review, Strategic Initiatives approved by the Board, monitoring and measuring Strategic Initiatives.
- Work with the Finance Committee to establish scoring matrix for Strategic Initiatives

NFMC Board

Provide Policy oversight by:

- Advocating the benefits of the Strategic Initiatives Policy.
- Acting as a role model through the support for and promotion of economic development opportunities through the Policy.
- Upholding the integrity of the NFMC Strategic Initiatives Policy through transparent, fair and thorough review and decision making for all projects/initiatives brought forward to the Board.
- Ensuring all decisions are recorded with necessary documentation supporting the final decision.

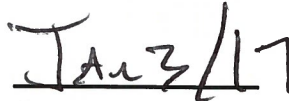
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- Through the Finance Committee, providing ongoing oversight and review of projects based on established performance measures, monitoring and measurement of goals and objectives.
- Ensuring the Agency Annual Report reflects the performance of these initiatives.
- Reviewing the Policy on an annual basis to ensure that its effectiveness and intent are being realized.



Grant Goodwin, Chair
On behalf of the Board of Directors



Date