

## Forest Investment Council Recommendations

### January 23, 2003 Meeting

- The Ministry should pursue federal contributions to forestry research as a component of Canada's "Life Sciences" initiative. Forestry Innovation Investment has been a significant participant in the early days of this initiative.
- The Council reviewed PricewaterhouseCoopers' 3<sup>rd</sup> quarter report which is available on the PricewaterhouseCoopers website at <http://www.fialicensees.com/Login/login.asp>
- PricewaterhouseCoopers has not encountered any significant problems in any of the audits done to date and are working to set the stage for a more streamlined administration next fiscal year.
- With respect to a potential LBIP funding surplus, the Council recommended that:
  - PricewaterhouseCoopers should assess the merits of projects proposed to consume funding that will otherwise be surplus in a given management unit;
  - The longstanding working group of PricewaterhouseCoopers and Ministry staff should vet PricewaterhouseCoopers' recommendations for funding such projects;
  - In order to give all recipients a chance to compete for the otherwise surplus funding, PricewaterhouseCoopers will offer them all an opportunity to submit proposals to this end.
- Four policy and administration issues identified in the December 2002 workshops were discussed by the Council, and their recommendations were that:
  1. BC Timber Sales is encouraged to participate in crafting Land Base Investment Rationales for 2003-04, but that BCTS not receive any LBIP funding next year.
  2. Recipients are encouraged to sort proposed projects into three categories:
    - a) projects which will be done to posted provincial-level standards;
    - b) projects which recipients want to undertake on the basis of an explicit approved variance from the provincial-level standard; and
    - c) projects that are unique and do not lend themselves to either a provincial-level standard or local variance. *These projects should be approved or rejected by PricewaterhouseCoopers on the basis of a set of pre-set, high-level principles and criteria.*
  3. The Ministry retains the existing three-tiered approach to providing a delivery allowance, but the percentage allowance should be increased for expenditures that exceeded \$100,000.
  4. Recipients are to be reimbursed for extraordinary costs incurred in facilitating a PricewaterhouseCoopers audit, over and above the standard delivery allowance with funds for such reimbursement being drawn from the licensee's allocation.
- Council members further recommended that:
  - Recipients be allowed to transfer up to 10 percent of their funding allocation out of a management unit, without requiring Ministry approval, provided other licensees in the management unit substantially concurred with the transfer.
  - LBIP funds be allocated "off the top" each year for re-planting sites where reforestation fails despite proper due diligence on the part of the party carrying an obligation for the reforestation.
  - Approximately \$700,000 of LBIP funds be earmarked in year to replant sites in the northwest part of the province where free-growing lodgepole pine stands have been partially or fully killed by *Dothistroma* needle blight.

- The next regular quarterly meeting will be held in Vancouver on April 24, 2003.