



Ministry of International Trade

and Minister Responsible for
Asia Pacific Strategy and Multiculturalism

Ministry Overview

July 18, 2017

Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism

Ministry Transition Binder, July 2017

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July 30, 2015

Honourable Teresa Wat
Minister of International Trade and Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Minister:

On behalf of the people of British Columbia, I would like to thank you for the contributions made by you and your ministry over the past 12 months to make our province stronger.

You have been part of a government that has continued to deliver on the promises we made in our election platform, Strong Economy, Secure Tomorrow during the past 24 months. Balancing the budget for a third time, having our triple A credit rating confirmed and re-confirmed as stable by Moody's Investors Service, and continuing to support the growth of a diverse economy are all accomplishments of which we collectively and you individually can be rightly proud.

I am very pleased to note that you and each of your colleagues were again able to live within your voted legislative budgets. The people of our province elect us to work on their behalf—to control spending.

Living within our means is demonstrating our respect for the people of our province and the tax dollars they send to Victoria. By keeping government lean and reducing the cost of administration, we can make significant investments in people and the infrastructure on which they depend to succeed in a strong and growing economy.

As a result of our strong fiscal position, we have been able to provide new assistance to single parents as they return to the workforce, greater income exemptions for single parents on income assistance and continued record investments in funding for public health care, education and transportation—services on which families depend.

Our government is resolute in our desire to grow the economy as a way to enable more British Columbians to participate in the economy and obtain meaningful, family-supporting work. The work your ministry does each and every day to contribute to these efforts are noticed and valued.

Office of the
Premier

Mailing Address:
World Trade Centre
740 - 999 Canada Place
Vancouver BC V6C 3E1

In particular, I would like to congratulate you and your ministry for:

- Launching the HQ Vancouver project with the federal government and BC Business Council as committed in Strong Economy, Secure Tomorrow
- Continuing to implement the Report of the Chinese Historical Wrongs Consultation including the creation of the Legacy Initiatives Advisory Council
- Your coordination of all provincial trade missions to maximize the value of each mission and ensure ministries are delivering maximum results for taxpayers

As you know, the annual mandate letter you receive is designed to be an ongoing workplan for your ministry that is updated on an annual basis. You will undoubtedly notice some changes since last June.

Your mandate for the following year is as follows:

1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia.
2. Coordinate trade missions across all ministries to ensure maximum coverage and minimal duplication as ministries execute BC Jobs Plan strategies.
3. Work with the BC chapter of the Canadian Manufacturers and Exporters Association to further export opportunities for BC business that were identified by your ministry last year.
4. Continue to work with Canada and the BC Business Council and HQ Vancouver to attract major Asian firms to invest in BC and locate their North American presence in our province as committed in Strong Economy, Secure Tomorrow.
5. Work with the federal government to ensure British Columbia's interests are protected in the Trans-Pacific Partnership trade negotiations.
6. Work with the BC construction industry to fight the federal tariffs imposed on imported rebar and ensure construction costs remain as low as possible in BC.
7. Work with the Ministries of Advanced Education and Technology, Innovation and Citizens' Services to develop and present options to Cabinet on ways to improve the availability of venture capital funding in British Columbia.
8. Develop and present options to Cabinet on a trade strategy for China focussing on mid-sized Chinese cities.
9. Work with the Premier's Office to recognize the 20th anniversary of the sister province relationship between British Columbia and Guangdong, China.

10. Develop options and present to Cabinet a strategy for increasing our trade with India and presence in the ASEAN nations.
11. Continue to implement the recommendations of the Chinese Historical Wrongs Consultation Report and provide an update to Cabinet on their status by December 31, 2015.
12. Work with the Ministry of Education to ensure the Historical Wrongs Educational Curriculum Supplement is available to BC schools in the 2015/16 school year.
13. Work with the Minister of State for Small Business and Tourism to review and make options to Cabinet on ways to expand the LNG-Buy BC online tool to other sectors of the provincial economy.
14. Implement the Medal of Good Citizenship and ensure potential nominees are aware of the program in advance of its first investiture ceremony in 2016.

In addition, as discussed and approved by Cabinet, our government is committed to ensuring British Columbia government services are easily accessed by our citizens and businesses. Minister Coralee Oakes will be leading this initiative on my behalf and over the following 12 months she will be reaching out to all ministries to assist in reducing unnecessary red tape and regulation.

It is hard to believe but it has been two years since the people of British Columbia put their faith in us to lead their province. We have accomplished much in those two years, but much work remains to deliver the promise of a strong economy and secure tomorrow for our citizens. I look forward to working with you over the coming year.

Yours truly,



Christy Clark
Premier of British Columbia

Mandate Letter Commitments 2015	Status	Staff Lead
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia.	COMPLETE – MIT balanced its ministerial budget in 2015/16. MIT met expenditure targets.	
2. Coordinate trade missions across all ministries to ensure maximum coverage and minimal duplication as ministries execute <i>BC Jobs Plan</i> strategies.	<p>ONGOING – MIT continues to work with all Ministries across Government to ensure approved Trade Missions align with the BC Jobs Plan priorities. MIT is coordinating all international travel to ensure there is no duplication in market.</p> <p>6 Month Focus: <u>2016-17 Annual Mission Plan:</u> The 2016-17 Mission Plan was submitted to the PO on May 11, 2016. Mandate commitment is complete for 2016-17.</p> <p>The 2016-17 mission planning cycle will end as scheduled on March 31 2017. No further out-bound travel is forecast for Ministers and/or the Premier.</p> <p><u>2017-18 Annual Mission Plan</u> The 2017-18 annual plan will be tabled with Cabinet Operations March 2017 but reviewed post election against the new government mandate.</p>	

<p>2. (continued) - Coordinate trade missions across all ministries to ensure maximum coverage and minimal duplication as ministries execute <i>BC Jobs Plan</i> strategies.</p>	<p>Completed:</p> <ul style="list-style-type: none"> ▪ Minister Steve Thomson Mission to China and Japan (Nov 2016) ▪ Premier's T&I Trip to London, UK ▪ Minister Michael de Jong Mission to Israel and UK (Nov 2016) ▪ Minister de Jong's Mission to India and Malaysia (October 2016) ▪ Minister of Advanced Education Trip to USA for Bio2016 (June 2016). ▪ Premier's Mission to Korea, Philippines and Japan. (May 23-30, 2016). ▪ 16-17 Annual Mission Plan submitted for Premier's Office endorsement (May 11 2016) NB: This meets mandate letter commitment ▪ Minister of Technology Mission to USA (May 2016) ▪ Minister of Finance Investor trip to USA (April 13 – 19) ▪ Minister of Finance Investor trip on mission (March 15-31). ▪ Minister of Natural Gas Development trip to Malaysia and Japan (March 28-April 7) ▪ 2016/17 Annual Mission Plan Submission and final MIT Led Mission Outcomes Final Report Back to CCSE (April 11, 2016) <p>Cancelled:</p> <ul style="list-style-type: none"> ▪ s.13 ▪ ▪ ▪ ▪ ▪ 	
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<p>3. Work with the BC chapter of the Canadian Manufacturers and Exporters Association to further export opportunities for BC business that were identified by your ministry last year.</p>	<p>COMPLETE – The Province worked closely with CME BC through ongoing dialogue from August to December 2015, exploring the export experiences of businesses and ways to encourage more businesses to export. On December 8, 2015 CME BC and the Province hosted a roundtable with CME members on furthering export opportunities for B.C. businesses. Feedback and resulting recommendations were shared with CME members in April, along with the province's export report, which used CME input to develop recommendations for how to further export opportunities for B.C. businesses. 'Insights Into Exporting' Report shared with stakeholders, including the Small Business Roundtable.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ▪ Summary of broader export engagement Report shared with key stakeholders. 	
<p>4. Continue to work with Canada and the BC Business Council and HQ Vancouver to attract major Asian firms to invest in BC and locate their North American presence in our province as committed in <i>Strong Economy, Secure Tomorrow</i>.</p>	<p>ONGOING – The project was announced by Minister Wat and Federal Minister Moore in early February 2015. The first Head Office announcement was made on May 1, 2015. A number of subsequent announcements and commitments have been made under the HQ Vancouver logo, including Poly Culture, Aikang and Zhiye.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ▪ Quarterly meetings scheduled for Minister Wat and HQV to discuss accounts, communications and operational alignment. ▪ Operational alignment meetings scheduled between ADMs and HQV. 	
<p>5. Work with the federal government to ensure British Columbia's interests are protected in the Trans-Pacific Partnership trade negotiations.</p>	<p>COMPLETE – TPP countries reached final agreement; ^{s.13} The US has subsequently announced it will not be part of the TPP. The remaining 11 countries are now considering whether to make any adjustments to the agreement, and bring it into force without the US.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ▪ Expected economic benefits/impact assessment and analysis of necessary legislative amendments is done. ▪ Staff continue to engage with the federal government and stakeholders. 	

<p>6. Work with the BC construction industry to fight the federal tariffs imposed on imported rebar and ensure construction costs remain as low as possible in BC.</p>	<p>Completed – Rebar I: The CITT issued its opinion and supporting reasons report on Dec 22, 2015. The Tribunal found that the public interest does not warrant a reduction or elimination of the duties. s.14</p> <p>s.14</p> <p><u>Update:</u> In May 2017, the CBSA launched a re-investigation of Rebar I after determining that Chinese producers were state owned enterprises and the prices used to calculate dumping may not be competitive market prices. As part of this re-investigation, the CBSA will also be conducting an inquiry respecting the steel industry in China as the domestic prices are substantially determined by the Government of China (GOC) and there is sufficient reason to believe that they are not substantially the same as they would be if they were determined in a competitive market. The re-investigation is expected to conclude September 1, 2017.</p> <p>ONGOING – Rebar II: CBSA launched an anti-dumping investigation into international imports of concrete reinforcing bar (rebar) originating in or exported from Belarus, Chinese Taipei, Hong Kong, Japan, Portugal and Spain. The CBSA completed a preliminary determination and assessed duties between 0% and 109.2%. The CITT completed its injury inquiry on May 3, 2017 and confirmed the findings of dumping and injury. CBSA will continue to assess the duties until a 5 year review. This is separate from Rebar 1.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ■ s.13,s.17 	
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<p>7. Work with the Ministries of Advanced Education and Technology, Innovation and Citizens' Services to develop and present options to Cabinet on ways to improve the availability of venture capital funding in British Columbia.</p>	<p>COMPLETE – MIT staff completed the Province's Venture Capital Policy Review, to address the shortage of BC-based, early-stage venture capital to support growing technology businesses in BC, and to align with the Province's Technology Strategy. Cabinet direction received in summer 2015 and TB reviewed in October 2015. BC Tech Fund was announced in December 2015, and the Fund was launched on Oct 21, 2016.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ■ s.12,s.17 	
<p>8. Develop and present options to Cabinet on a trade strategy for China focussing on mid-sized Chinese cities.</p>	<p>COMPLETE – MIT East Asia Branch is working with ISC Division to develop a strategy for mid-sized Chinese cities, seeking to identify new trade and investment opportunities that align with BC sector priorities and building upon current engagement with key coastal cities in China over the past several Premier and Ministers missions to China.</p> <p>Achievements:</p> <ul style="list-style-type: none"> ■ ISC Division and East Asia Branch have undertaken research on key Chinese mid-sized cities and opportunities for alignment with BC exports and investment needs, including cities where BC has existing economic partnership agreements and ties, including Qingdao in Shandong Province, Nanjing in Jiangsu Province and Hangzhou in Zhejiang Province. The Ministry has also undertaken consultations with key stakeholder groups to confirm selection of priority mid-sized cities on shortlist and share their perspectives on trade and investment opportunities in China or BC. The mid-sized Chinese cities Strategy was presented to DMSCE and CCSE in early April. 	
<p>9. Work with the Premier's Office to recognize the 20th anniversary of the sister province relationship between British Columbia and Guangdong, China.</p>	<p>COMPLETE – The Premier's mission to Guangdong Province in November 2015 marked the culmination of a year-long celebration of the 20th anniversary of sister province relations. Over 200 B.C. participants from a diversity of sectors and community members the Premier's mission to Guangdong to celebrate the occasion.</p>	

<p>10. Develop options and present to Cabinet a strategy for increasing our trade with India and presence in the ASEAN nations.</p>	<p>COMPLETE: Both ASEAN and India strategies were presented and approved by cabinet. The subsequent request to Treasury Board was also approved and funding was allocated for implementation of a TIR presence in ASEAN. FII received a budget increase for India in February 2016 budget.</p> <p>ASEAN presence implementation is on schedule with the RFP process completed and TIR offices in Manila and Jakarta operational.</p> <p>India strategy cabinet submission was presented and approved by cabinet. FII incremental funding for strengthening ties with India approved. New TIR started in August 2016. Office is fully operational with four staff. Year 1 strategy implementation is underway. Year 2 planning in progress.</p>	
<p>11. Continue to implement the recommendations of the Chinese Historical Wrongs Consultation Report and provide an update to Cabinet on their status by December 31, 2015.</p>	<p>COMPLETE: Of the 13 recommendations committed to by the Premier, the Ministry has implemented 8 and continues to make progress in implementing the remaining 5. A progress report to the Cabinet Committee on a Secure Tomorrow was tabled on December 14, 2015 and presented to CCST on January 26, 2016 fulfilling this mandate letter commitment.</p>	
<p>12. Work with the Ministry of Education to ensure the Historical Wrongs Educational Curriculum Supplement is available to BC schools in the 2015/16 school year.</p>	<p>COMPLETE –MIT worked with the Ministry of Education to develop learning objectives related to Asian and South Asian discrimination in the updated education curriculum. The updated education curriculum was announced in August 2015. The education curriculum supplement for Chinese Historical Wrongs developed by MIT and the Ministry of Education was announced and made available to BC schools in September 2015.</p>	
<p>13. Work with the Minister of State for Small Business and Tourism* to review and make options to Cabinet on ways to expand the LNG – Buy BC online tool to other sectors of the provincial economy.</p> <p><i>*now Minister of Small Business, Red-Tape Reduction and Minister Responsible for the Liquor Distribution Branch</i></p>	<p>COMPLETE – MIT is continuing to increase the number of suppliers in the tool and to provide these suppliers with information that helps them prepare for LNG opportunities.</p> <p>The review has been completed and a submission and recommended path forward was presented to the Chair of CCSE. Submission to the full committee is not required.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ▪ Continue outreach to LNG proponents, major contractors and suppliers to increase engagement with online tool (ongoing) 	

14. Implement the Medal of Good Citizenship and ensure provincial nominees are aware of the program in advance of its first investiture ceremony in 2016.	COMPLETE – GCPE worked with IGRS to announce the award. The nomination period has closed and the selection committee recommendations have gone forward to the LG in Council. Regional presentations will take place throughout the year. (IGRS lead)	
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Jobs Plan Commitments 2015	Status*	Staff Lead
1 -Staff/Contractors in overseas Offices	Deliverables: A target of 70 overseas office staff/ contractors was set in FY 12/13 for 2014/15 prior to contingency funding being reduced.	
2-Leads Generated	Deliverables: MIT's target was to generate 1,000 leads in 2014/15.	
3-FDI Influenced by MIT	Deliverables: MIT had a target to facilitate \$1.6 billion in foreign direct investment (FDI) in 2014/15	
4-Operation & Construction jobs Created		
5-New Foreign offices Attracted to BC	Deliverables: MIT's target in 2014/15 was to attract 20 international offices to BC	
6-New BC Business Network Clients	Deliberables: MIT's target in 2014/15 was to attract 400 new clients to the BC Business Network	
7-International Business Agreements - Trade, Education, and Innovation	Deliverables: MIT's target for 2014/15 was to generate 120 international business agreements	

8-Outbound and Inbound Missions	<p>Deliverables:</p> <p>MIT's target in 2014/15 was to support 50 outbound and inbound trade missions</p>	
9-Participation in Trade Negotiations and Disputes launched/Resolved	<p>Deliverables:</p> <p>MIT had a target of 6 participation instances</p> <p>2016/17 outcomes:</p> <p>Number of trade negotiations: 3</p> <ul style="list-style-type: none"> • CFTA • NWPTA • WTO TISA <p>Number of disputes: 6</p> <ul style="list-style-type: none"> • WTO Wine • Softwood • Mercer • Catalyst • Rebar • Drywall 	

*list and deliverables as per, 2014-15 Jobs plan report back

Mandate Letter Commitments 2014	Status	Staff Lead
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia.	COMPLETE – MIT balanced its ministerial budget in 2014/15. Public Accounts, which will be released in July 2015, will verify that MIT met expenditure targets.	

2. Develop a government-wide trade mission plan by August 1, 2014 for the upcoming fiscal year.	COMPLETE – MIT has submitted the annual trade mission plan for fiscal 2014/15 and 2015/16 to the Premier's office.	
3. Coordinate trade missions across all ministries to ensure maximum coverage and minimal duplication as ministries execute <i>BC Jobs Plan</i> priorities.	COMPLETE – MIT worked with all Ministries across Government to ensure approved Trade Missions align with the BC Jobs Plan priorities and that international travel was coordinated to ensure there is no duplication in market.	
4. Undertake a sectorial analysis of export opportunities for BC manufacturers and exporters by December 31, 2014.	COMPLETE – The Ministry completed this analysis in early December and submitted the findings to PO. The findings of the report were reflected in JTSTL's Manufacturing Strategy and informed MIT's business case for expansion in the ASEAN region.	
5. Continue to work with Canada and BC Business Council to attract major Asian firms to invest in BC and locate their North American presence in our province as committed in <i>Strong Economy, Secure Tomorrow</i> . (June 2013/2014)	COMPLETE – The project was announced by Minister Wat and Federal Minister Moore in early February 2015. The first Head Office announcement was made on May 1, 2015. The project spans three years and ongoing operational alignment between MIT and HQ Vancouver is required.	
6. Work with the Ministry of Forests, Lands and Natural Resource Operations to ensure British Columbia's interests are well understood by Canada and represented in our negotiating position as we approach the 2016 renewal date for the Softwood Lumber Agreement. (June 2013/2014)	<p>ONGOING – Ministry staff continue to provide support to these important negotiations, representing BC at meetings and bilaterals, and in completing economic analysis and support.</p> <p>6 Month Focus:</p> <ul style="list-style-type: none"> ▪ s.13,s.16,s.17 ▪ Assist FLNRO with the completion of the US Department of Commerce's supplemental questionnaires. ▪ Support the Deputy Ministers strategy sessions with industry. 	

	<ul style="list-style-type: none"> Support for BC Trade Envoy to the United States, David Emerson, to work with Canada and the new US administration on securing a new Softwood Lumber Agreement. 	
7. Work with provincial multicultural organizations to ensure they are connected to and are participating in the activities of the provincial government. (June 2013/2014)	COMPLETE – MIT staff continue to implement province-wide multicultural programming and leverage BC's multicultural advantage.	
8. Work with the Ministry of Education as they develop the new Asian and South Asian curriculum.	COMPLETE – As an initiative related to the Apology to the Chinese Community for Historical Wrongs, MIT worked with the Ministry of Education to develop the Asian and South Asian curriculum.	

Jobs Plan Commitments 2014	Status	Staff Lead
1 -Staff/Contractors in overseas Offices	Deliverables: The Ministry of International Trade (MIT) had a target of having 70 overseas staff or contractors	
2-Leads Generated	Deliverables: MIT had a target of generating 900 leads, potential opportunities that MIT and TIRs have identified which are expected to generate potential current or future benefits for BC and in some cases associated employment opportunities.	
3-FDI Influenced by MIT	Deliverables: MIT had a target to generate \$1.4 billion in FDI influenced	
4-Operation & Construction jobs Created		

5-New Foreign offices Attracted to BC	Deliverables: MIT had a target to attract 15 new international offices to BC	
6-New BC Business Network Clients	Deliverables: MIT had a target to add 400 new clients to the BC Business Network	
7-International Business Agreements - Trade, Education, and Innovation	Deliverables: MIT had a target to generate 110 international agreements. Agreements include international purchases of BC goods and services as well as partnerships and agreements that improve and support the development of new relationships that yield future benefits and results.	
8-Outbound and Inbound Missions	Deliverables: MIT had a target to support 50 inbound and outbound missions.	
9-Participation in Trade Negotiations and Disputes launched/Resolved	Deliverables: MIT had a target of 7 participation instances	
10-Business & Individuals Encountered Trade Barriers Assisted	Deliverables: MIT had a target of 100 participation instances	

Mandate Letter Commitments 2013	Status	Staff Lead
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia.	COMPLETE – The Ministry balanced its ministerial budget in 2013/14.	

2. Develop our Asian trade export strategy as outlined in <i>Strong Economy, Secure Tomorrow</i> that will include annual ministerial-level sectoral trade missions.	COMPLETE – MIT has developed a trade and investment strategy that supports the BC Jobs Plan and accelerates export opportunities (Mandate Commitment 4, 2013). The strategy also incorporates best practices from Australia. The Strategy was endorsed by CCSE on March 16, 2015 and approved for public release by CCSE on May 27 th , 2015.	
3. Work with Canada and the BC Business Council to attract major Asian firms to invest in BC and locate their North American presence in our province. (June 2013/2014)	COMPLETE – HQ Vancouver was established in February 2015. First Head Office relocation decision announcement was made on May 1, 2015. See 2014 table for more info.	
4. Work with the Ministry of Jobs, Tourism and Skills Training to review the status of current <i>BC Jobs Plan</i> targets for exports and make recommendations to Cabinet on how to accelerate export opportunities.	COMPLETE – The work completed supports the Ministry's Trade and Investment Strategy and will be incorporated in to the final strategy.	
5. Work with the Ministry of Forests, Lands and Natural Resource Operations as we approach the end of the softwood lumber agreement in 2016 to ensure British Columbia's position is understood and well represented by Canada in any upcoming negotiations. (June 2013/2014)	COMPLETE – Ministry staff provided support to these important negotiations, representing BC at heads of Delegations meetings and bilaterals, and in completing economic analysis and support.	
6. Work with provincial multicultural organizations to ensure they are connected to and are participating in the activities of the provincial government. (June 2013/2014)	COMPLETE – Ministry staff held community engagement forums to connect with multicultural organizations to inform of multicultural programs and services.	

<p>7. Represent British Columbia's interests with the federal government in current and future international trade agreement discussions.</p>	<p>ONGOING – Ministry staff continue to participate and represent BC in Canada's ongoing international negotiations and market access issues.</p> <p>BC's input has been requested on WTO agreements (Environmental Goods Agreement, Trade in Services Agreement) and on the exploratory discussions towards a potential free trade agreement with China.</p> <p>Completed:</p> <ul style="list-style-type: none"> • Work with federal partners to pursue negotiations on product specific agreements: securing fresh cherries access into China (completed November 2014) and fresh blueberries into China (completed June 2015) and Korea (completed 2015). <p>6 Month Focus:</p> <ul style="list-style-type: none"> • Actively engage with Global Affairs Canada (GAC) in international trade negotiations to ensure key goods and services of interest to the province are being well represented. • Coordinate with Global Affairs Canada (GAC) on its outreach on the Canada-Korea Free Trade Agreement (CKFTA) and the Canada-EU Comprehensive Economic and Trade Agreement (CETA). • Work with federal partners to improve market access and pursue negotiations on product specific agreements. • s.13,s.16,s.17 • Manage provincial response to trade disputes (SC paper, Mercer, wine drywall, and Rebar II). 	
<p>8. Examine the strategy executed by Australia to aggressively pursue Asian trade and economic development and report back to Cabinet on what B.C. can learn and implement from their successful strategy.</p>	<p>COMPLETE – Best practices have been incorporated in to the Ministry's trade and investment strategy, and further includes a diversified trade and investment portfolio, a strategic investment attraction approach and building an Asian Business literacy program that can be used to support BC businesses and government.</p>	

9. Ensure that our multicultural programming is relevant and useful to our ethnic communities and that they are able to participate fully in the programs of our government.	COMPLETE – Ministry staff organised events to discuss community best practices in multicultural planning and barriers in accessing provincial programs. This continues to be an ongoing priority for government.	
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Jobs Plan Commitments 2013	Status	Staff Lead
1 -Staff/Contractors in overseas Offices	Deliverables: The Ministry of International Trade (MIT) had a target of having 70 overseas staff or contractors	
2-Leads Generated	Deliverables: MIT had a target of generating 800 leads, potential opportunities that MIT and TIRs have identified which are expected to generate potential current or future benefits for BC and in some cases associated employment opportunities.	
3-FDI Influenced by MIT	Deliverables: MIT had a target to generate \$1.025 billion in FDI influenced	
4-Operation & Construction jobs Created		
5-New Foreign offices Attracted to BC	Deliverables: MIT had a target to attract 10 new international offices to BC	
6-New BC Business Network Clients	Deliverables: MIT had a target to add 400 new clients to the BC Business Network	
7-International Business Agreements - Trade, Education, and Innovation	Deliverables: MIT had a target to generate 100 international agreements. Agreements include international purchases of BC goods and services as well as partnerships and agreements that improve and support the development of new relationships that yield future benefits and results.	

8-Outbound and Inbound Missions	Deliverables: MIT had a target to support 50 inbound and outbound missions.	
9-Participation in Trade Negotiations and Disputes launched/Resolved	Deliverables: MIT had a target of 6 participation instances	
10-Business & Individuals Encountered Trade Barriers Assisted	Deliverables: MIT had a target of 60 participation instances	

MINISTRY PROFILE

Ministry:

International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism

Ministry Mandate:

The Ministry pursues strategic opportunities to promote British Columbia internationally as a preferred place to invest and do business. This is done by delivering services that accelerate B.C.'s exports, attracting strategic investments—including international offices, developing international partnerships, increasing awareness of B.C.'s competitive advantages, and by negotiating and managing trade agreements and delivering venture capital programs.

Specifically, the Ministry works to:

- Open and expand priority markets for B.C. goods and services, particularly in Asia, Europe and the United States, and engage B.C. exporters in new opportunities.
- Attract strategic investments to B.C.'s priority sectors that create jobs and grow competitiveness.
- Leverage investment capital programs (venture capital and infrastructure) to support a competitive business environment.
- Leverage B.C.'s cultural diversity to connect the province with global markets and promote the value of diversity and inclusiveness in B.C. communities.

These efforts promote economic prosperity in communities across B.C. while simultaneously positioning the province for long-term growth and job creation.

The Ministry also promotes the benefits of B.C.'s diverse cultures within the province and connects communities with services to eliminate racism and foster the full and free participation of all British Columbians in the economic, social, cultural and political life of the province.

The Ministry has an oversight role for the following Crown corporations: the BC Immigrant Investment Fund, Forestry Innovation Investment and B.C. Trade and Invest Ltd.

2017/18 Budget (in \$000's):

International Business Development	\$22,216
International Strategy and Competitiveness	\$8,991
Corporate Initiatives and Multiculturalism	\$1,631
Executive and Support Services (Management Services)	\$1,712
Transfers to Crown Corporations and Agencies	\$19,050
Total	\$53,600

Full Time Equivalents (FTEs):¹

Representative of average FTE burn for 2016/17

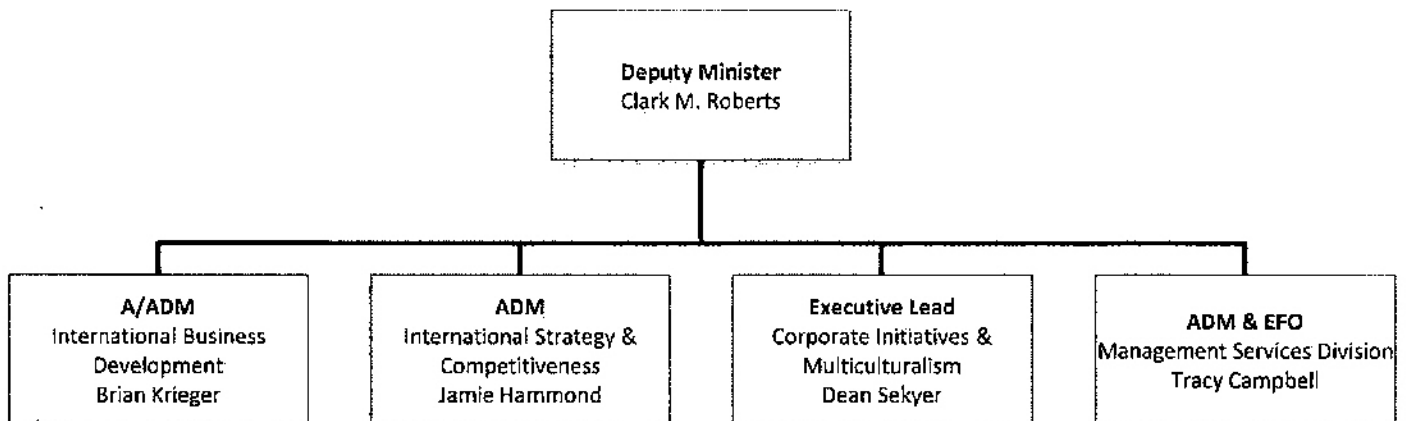
International Business Development	65
International Strategy and Competitiveness	41
Corporate Initiatives and Multiculturalism	11
Executive and Support Services	9
Total	126

Notes:

¹ Includes tribunal and boards.

² International Business Development includes 4 FTEs that provide management services functions for the Ministry.

Executive Organizational Chart:



Key Contacts List:

	Contact	Office	Cell
Deputy Minister's Office			
Deputy Minister	Clark M. Roberts	Victoria: 250-952-0242 Vancouver: 604-775-2251	s.17
Director, Executive Operations	Pam Shatzko	250-952-0710	
International Business Development Division			
A/Assistant Deputy Minister	Brian Krieger	604-660-0220	
A/Executive Admin. Assistant	Joyce Yap	604-660-5913	
International Strategy and Competitiveness Division			
Assistant Deputy Minister	Jamie Hammond	250-952-0367	
Executive Admin. Assistant	Sarah Wempe	250-952-0517	
Corporate Initiatives and Multiculturalism Division			
Executive Lead	Dean Sekyer	250-952-0409	
Management Services Division			
Assistant Deputy Minister and EFO	Tracy Campbell	250-387-8705	
A/Executive Coordinator	Lorna Hay	778-698-3485	

MINISTRY OF INTERNATIONAL TRADE

The mission of the Ministry of International Trade is to provide integrated trade and investment programs and services to help British Columbia increase its exports, develop international partnerships, increase awareness, negotiate trade deals, and attract investment and company head offices. The ministry also promotes multiculturalism and engages in initiatives to eliminate racism.

MINISTRY SUMMARY

(\$000)

	Estimates 2016/17 ¹	Estimates 2017/18
VOTED APPROPRIATION		
Vote 30 — Ministry Operations.....	50,291	53,600
OPERATING EXPENSES	<u>50,291</u>	<u>53,600</u>
CAPITAL EXPENDITURES ²	1	1
LOANS, INVESTMENTS AND OTHER REQUIREMENTS ³	—	—
REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES ⁴	—	—

NOTES

¹ For comparative purposes, figures shown for the 2016/17 operating expenses; capital expenditures; loans, investments and other requirements; and revenue collected for, and transferred to, other entities are restated to be consistent with the presentation of 2017/18 *Estimates*. A reconciliation of restated operating expenses and capital expenditures resulting from transfers between ministries is presented in Schedule A.

² A listing of estimated capital expenditures by ministry is presented in Schedule C.

³ A summary of loans, investments and other requirements by ministry is presented in Schedule D.

⁴ A summary of revenue collected for, and transferred to, other entities by ministry is presented in Schedule E.

MINISTRY OF INTERNATIONAL TRADE

SUMMARY BY CORE BUSINESS
(\$000)

	2016/17	2017/18 ESTIMATES		
	Net	Gross	External Recoveries	Net
OPERATING EXPENSES				
Core Business				
International Business Development.....	19,678	22,218	(2)	22,216
International Strategy and Competitiveness.....	8,974	8,993	(2)	8,991
Corporate Initiatives and Multiculturalism.....	1,627	1,632	(1)	1,631
Transfers to Crown Corporations and Agencies.....	18,300	19,050	—	19,050
Executive and Support Services.....	1,712	1,713	(1)	1,712
TOTAL OPERATING EXPENSES.....	50,291	53,606	(6)	53,600
CAPITAL EXPENDITURES				
	Net	Disbursements	Receipts	Net
Core Business				
Executive and Support Services.....	1	1	—	1
TOTAL CAPITAL EXPENDITURES.....	1	1	—	1

MINISTRY OF INTERNATIONAL TRADE

VOTE DESCRIPTIONS

(\$000)

Estimates

Estimates

2016/17

2017/18

VOTE 30 — MINISTRY OPERATIONS

This vote provides for the programs, operations, and other activities described in the voted appropriations under the following core businesses: International Business Development, International Strategy and Competitiveness, Corporate Initiatives and Multiculturalism, Transfers to Crown Corporations and Agencies, and Executive and Support Services.

INTERNATIONAL BUSINESS DEVELOPMENT

Voted Appropriation

International Business Development.....	19,678	22,216
---	--------	--------

Voted Appropriation Description: This sub-vote provides for facilitating trade and investment in strategic sectors and industries in all regions of the province; promoting British Columbia internationally; showcasing British Columbia at national and international events; the operation of the province's international network of trade and investment representatives, offices, and agencies; development and delivery of outbound trade and investment missions in conjunction with public and private sector partners; programming to assist British Columbian companies to conduct international business; and partnerships with public and private sector organizations to achieve trade and investment objectives. Costs may be recovered from ministries, Crown agencies, other levels of government, organizations, and individuals for activities described within this sub-vote.

INTERNATIONAL STRATEGY AND COMPETITIVENESS

Voted Appropriation

International Strategy and Competitiveness.....	8,974	8,991
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Voted Appropriation Description: This sub-vote provides for the delivery of investment capital and venture capital programming by administering tax credits under the *Small Business Venture Capital Act* and the *Employee Investment Act*, and by acting as the lead and working with the BC Immigrant Investment Fund Ltd. and the B.C. Renaissance Capital Fund Ltd. This sub-vote provides for the delivery of all international marketing activities; and the development and delivery of geographic market strategies and sector strategies, including acting as lead and working with Forestry Innovation Investment Ltd. This sub-vote also provides for the management of British Columbia's participation in domestic and international trade agreements and initiatives; the facilitation of trade and investment through resolution of trade disputes; the promotion of business development opportunities provided by trade agreements; and the provision of strategic advice with respect to the province's trade obligations. Costs may be recovered from ministries, Crown agencies, other levels of government, organizations, and individuals for activities described within this sub-vote.

CORPORATE INITIATIVES AND MULTICULTURALISM

Voted Appropriation

Corporate Initiatives and Multiculturalism.....	1,627	1,631
---	-------	-------

Voted Appropriation Description: This sub-vote provides for the policy, administration, operation, delivery, and support of multiculturalism programs and services. Programs and services include public education, leveraging British Columbia's multicultural advantage, community engagement, and developing networks to fight racism and hate. Costs may be recovered from ministries, organizations, and the federal government for activities described within this sub-vote.

TRANSFERS TO CROWN CORPORATIONS AND AGENCIES

Voted Appropriation

Forestry Innovation Investment Ltd.....	18,300	19,050
---	--------	--------

Voted Appropriation Description: This sub-vote provides for transfers to Crown corporations and agencies including Forest Innovation Investment Ltd.

MINISTRY OF INTERNATIONAL TRADE

VOTE DESCRIPTIONS

(\$000)

	Estimates 2016/17	Estimates 2017/18
EXECUTIVE AND SUPPORT SERVICES		
Voted Appropriations		
Minister's Office.....	596	596
Corporate Services.....	1,116	1,116
	<u>1,712</u>	<u>1,712</u>
<p>Voted Appropriations Description: This sub-vote provides for the office of the Minister of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, including salaries, benefits, allowances, and operating expenses for the minister and the minister's staff. This sub-vote also provides for executive direction of the Ministry of International Trade; and administrative services for the operating programs of the Ministry of International Trade, including financial administration and budget coordination, strategic and business planning and reporting, human resources, office management, and accommodation and information systems, some of which are provided by the Ministry of Community, Sport and Cultural Development and the Ministry of Jobs, Tourism and Skills Training. Costs may be recovered from ministries and Crown corporations and agencies for activities described within this sub-vote.</p>		
VOTE 30 — MINISTRY OPERATIONS	50,291	53,600

MINISTRY GROUP ACCOUNT CLASSIFICATION SUMMARY

GROUP ACCOUNT CLASSIFICATION

Salaries and Benefits	13,677	14,198
Operating Costs	16,902	18,941
Government Transfers	19,435	20,185
Other Expenses	287	286
Internal Recoveries	(4)	(4)
External Recoveries	(6)	(6)
TOTAL OPERATING EXPENSES	50,291	53,600

Clark M. Roberts, Q.C.

Deputy Minister

Ministry of International Trade and Responsible
for Asia Pacific Strategy and Multiculturalism



Clark M. Roberts is the Deputy Minister to the Ministry of International Trade and has held the position since March 2016. Previously, he held the position of Assistant Deputy Minister, International Business Division, Ministry of International Trade.

Clark oversees trade and investment activities in British Columbia's priority international markets; international trade missions; trade strategy and policy, including international and domestic trade agreements; international marketing; and venture capital programs. As well, Clark leads the development and implementation of provincial multiculturalism programs and initiatives.

Prior to joining government, Clark was a partner in an international law firm for twelve years. For four years, Clark was the law firm's Chief Representative of their Beijing office, focusing on energy, mining, financial services and clean technology.

Clark was awarded a Queen's Counsel by the Province of British Columbia in December of 2013. He is also admitted to the rolls as a solicitor (non-practising) in England and Wales.

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Brian Krieger
Acting Assistant Deputy Minister
International Business Development Division
Ministry of International Trade



Brian started his career with the Government of British Columbia 24 years ago. Prior to that, he was involved in a number of entrepreneurial business ventures spanning the food, technology and automotive sectors. In 1992, Brian joined the Ministry of Economic Development and has worked on a number of priority projects for the Province of British Columbia over the years including:

- A public-private partnership that attracted 15 back-office operations to the province, creating more than 10,000 new jobs.
- The development of the 2010 Commerce Centre, with supported BC companies in winning more than \$800 million in 2010 Olympic Winter Games contracts.
- And, the development of the Ministry's Technology and Innovation Branch to increase trade and investment activity in the key sectors of ICT, Wireless, Life Sciences, Digital Entertainment, Clean Technology, Aerospace, Ocean Technology and International Education.

Now, as Acting Assistant Deputy Minister, Brian continues to champion the Ministry's mandate to grow the economy by increasing British Columbia's international trade activity, and attracting foreign direct investment in all sectors.

Jamie Hammond, OMM, CD

Assistant Deputy Minister

International Strategy & Competitiveness Division

Ministry of International Trade



Jamie Hammond is the Assistant Deputy Minister, International Strategy & Competitiveness Division and has held the position since September 2015. As ADM for International Competitiveness and Strategy, Jamie is responsible for international trade and investment strategy, and international marketing for BC. He also oversees trade negotiations and the investment and venture capital strategies for the Province.

Previously, he held the position of Private Secretary to the Lieutenant Governor for four years, where he supported two Lieutenant Governors, advising on their constitutional, celebratory and promotional roles across British Columbia, as well as their work with First Nations and the hosting of Royal and diplomatic guests to the province.

Prior to that, Jamie was a Colonel in the Canadian Forces and served across Canada, in Germany, England, Brunei, Hong Kong, Bosnia, and Afghanistan in a variety of command and staff positions in the Infantry and Special Forces. He also worked on policy issues at the national level, was a member of Canadian delegations to international negotiations and was seconded to the Privy Council Office.

Jamie has a BA (Hons) in History from the University of Victoria, a Master's of Arts in International Affairs from Carleton University, and a Master's of Strategic Studies from the US Army War College. He pursued doctoral studies, taught political science at Carleton University and has published a number of articles.

Tracy Campbell
Assistant Deputy Minister and EFO
Management Services Division
Ministry of International Trade



Tracy Campbell is the Assistant Deputy Minister, Management Services Division and Executive Financial Officer, and has held the position since February 2016. In this position, Tracy heads a leadership team with over 125 years of collective public sector experience. Previously, she held the position of Chief Financial Officer for the Ministries of Jobs, Tourism and Skills Training; International Trade; and Small Business and Red Tape Reduction.

Tracy brings extensive financial management experience, a strong client focus and in-depth understanding of the Economy Sector to her job. With her Management Service Division (MSD) team, she leads the strategic delivery of a suite of corporate services to support the Ministry, and the broader Economy Sector, in the areas of: budget and financial management, information technology, human resources and internal communications, corporate planning and compliance reporting, and FOI/records management.

Tracy began her professional career as a management consultant in the IT industry. She joined the BC Public Service more than a decade ago in the financial services stream, assuming progressively more senior roles within the Economy Sector.

Tracy also shares her knowledge and expertise as a Board member for the BC Immigrant Investment Fund, the BC Renaissance Capital Fund Ltd., and British Columbia Trade and Invest Ltd.

Deputy Minister's Office Overview

Deputy Minister: Clark M. Roberts, QC

Description:

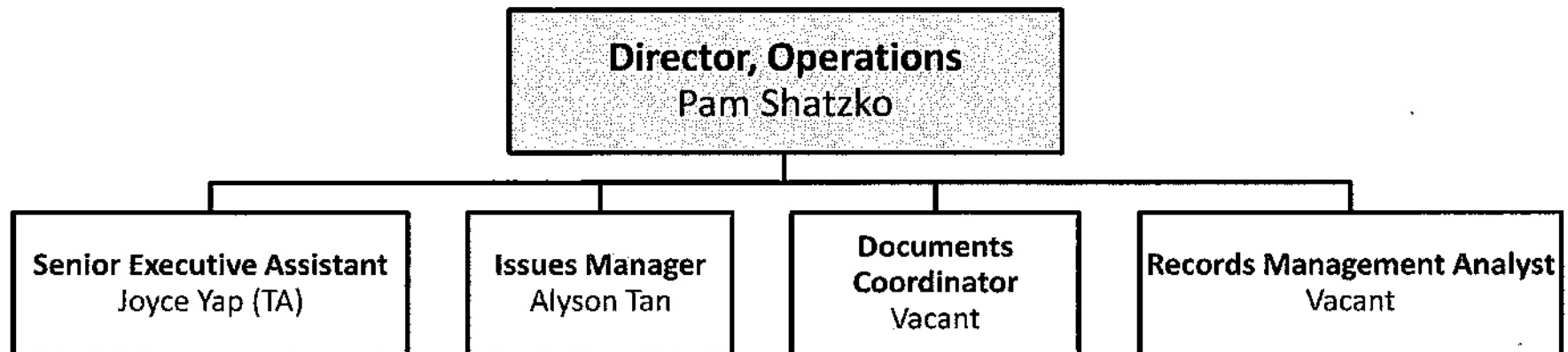
The Deputy Minister is accountable for meeting the provincial government's objectives related to international trade and multiculturalism. The position is accountable for developing a professional, motivated, highly engaged team, and building collaborative working relationships with governments, ministries, and stakeholders.

The Deputy Minister's Office (DMO) is responsible for all aspects of information that flows from Elected Officials and the Executive Council (Cabinet) to the ministry by acting as the touchpoint between the elected arm of government and the public service. The office provides strategic advice on issues management, oversees the development of Cabinet material, and provides strategic direction to staff. The DMO also ensures the ministry is in compliance with Cabinet approved mandates, Treasury Board directives and other specific issues.

The DMO builds strategic alliances across government and works with the Executive team and ministry staff to ensure efficient collaboration, the flow of information and increased integration within the Ministry to support the achievement of the Ministry's strategic direction and government's overall objectives for international trade.

Contact: Pam Shatzko, Director of Operations, Deputy Minister's Office

MIT Deputy Minister's Office



International Business Development Overview

International Business Development Division has two sector branches, two geographic branches and a logistics team to support missions and events:

- East Asia Markets (EAM)
- International Markets (IM)
- Technology and Innovation (T&I)
- Natural Resources, Infrastructure and Professional Services (NRIPs)
- International Missions and Corporate Events (IMCE)

The division delivers British Columbia's international trade promotion and investment attraction program, and oversees a network of overseas offices. Activities include promoting B.C. internationally and facilitating global business partnerships to grow B.C.'s economy.

The branches work collaboratively to operationalize the province's trade and investment strategies for key sectors in priority markets. All branches deliver investment attraction and export promotion programs that contribute to increasing foreign investment in B.C., and growing B.C. exports abroad.

Geographic branches oversee both domestic and overseas, including the province's Trade and Investment Representatives (TIRs) operations. They focus on providing in-market expertise and support, including servicing outbound activities from B.C.

Sector branches oversee domestic operations with a focus on servicing inbound activities into the province. Sector teams also work closely to assist B.C. companies in their export efforts to open up new markets and find customers abroad. Close collaboration is also undertaken with local industry / sector associations.

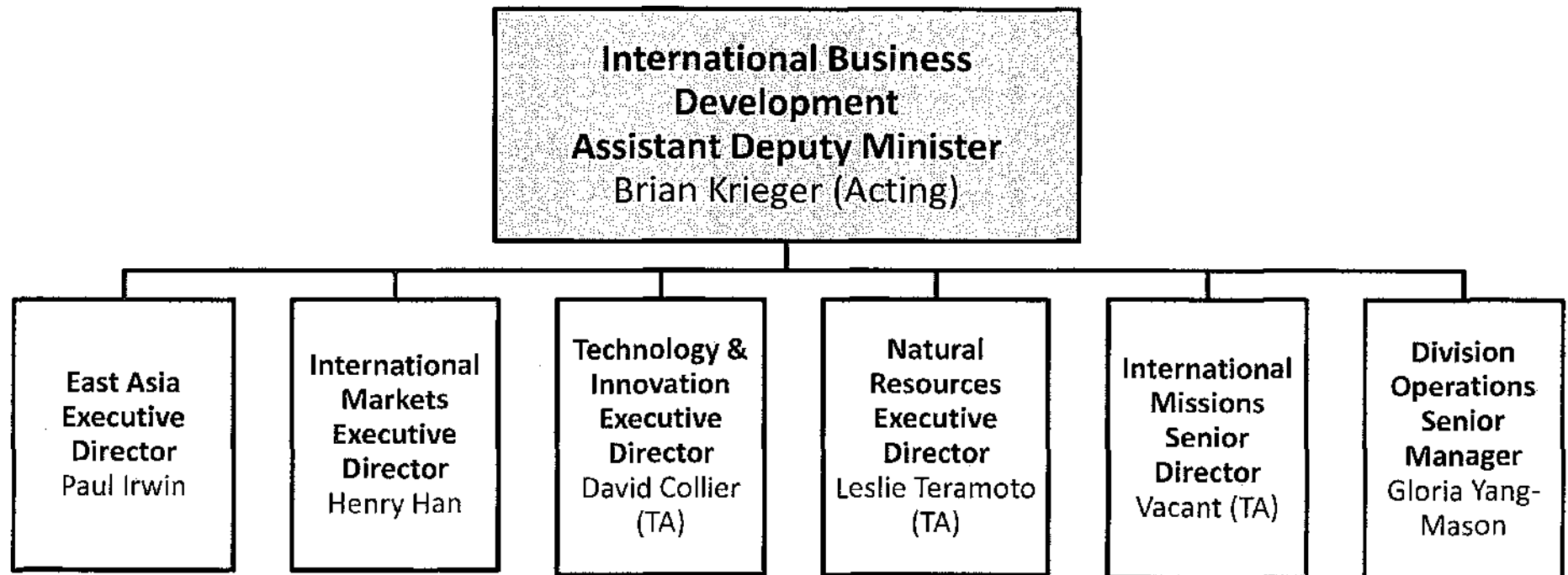
Branch	Overview
EAM	Overseas offices in China, Japan, and Korea markets.
IM	Overseas offices in India, Southeast Asia, Europe, and U.S. markets. Also responsible for business development engagement with other international markets (e.g. Australia, Americas, Middle East, etc.)
TI	Covers key sectors of: information and communication technologies; digital entertainment; wireless; life sciences; clean technology; international education; aerospace; and ocean and marine technology.
NRIPs	Covers key sectors of: agrifood; oil and gas; forestry; mining; professional and financial services; and infrastructure.
IMCE	Logistics team responsible for supporting trade missions and event management.

Contact: Brian Krieger, A/ADM, International Business Development

Last update: April 5, 2017

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MIT International Business Development



International Strategy and Competitiveness Overview

International Strategy and Competitiveness Division consists of three branches:

- Strategy, Business Intelligence and International Marketing (SBIIM)
- Trade Policy and Negotiations (TPN)
- Investment Capital Branch (ICB)

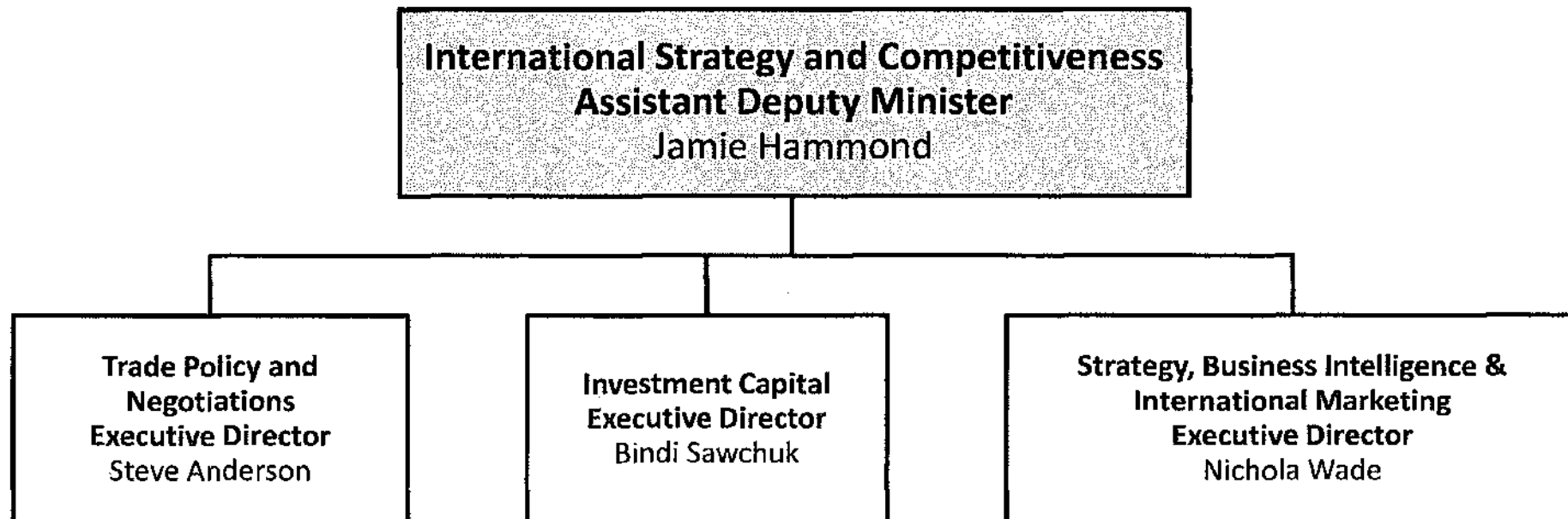
The primary function of the division is to provide a long-term vision and coherent strategy for the development of opportunities to promote British Columbia internationally as a preferred place to invest and do business. This is done by delivering services that accelerate British Columbia's exports; attracting strategic investments, including international offices; and increasing awareness of B.C.'s competitive advantages, as well as negotiating and managing trade agreements and delivering venture capital programs that support innovation and job retention.

The three branches work closely with the International Business Development Division, other ministries, stakeholders and all levels of government to ensure that British Columbia's economy is best positioned to grow and prosper in the competitive global environment.

Branch	Overview
SBIIM	The Strategy, Business Intelligence and International Marketing Branch contributes to the outcomes of the ministry's strategic goals by developing strategic and policy objectives; tracking and reporting on performance measures; developing action plans; and providing strategy implementation support. The branch also develops international marketing material, strategies and messaging to support the Ministry's investment attraction and export development efforts.
TPN	The Trade Policy and Negotiations Branch works to gain international and interprovincial market access, develop policy options, and lead negotiations and disputes to remove restrictive and unnecessary barriers to trade, investment and labour mobility.
ICB	The Investment Capital Branch provides strategic delivery of investment capital programs to stimulate economic growth, targeting B.C.'s venture capital and technology sectors by actively coordinating venture capital investment attraction, administering the province's Venture Capital Tax Credit Programs, and by managing government's venture capital fund initiatives, including the BC Tech Fund.
	Provincial Crown Agency Responsibilities: Forestry Investment Innovation (FII), BC Immigrant Investment Fund (BCIIF) and its subsidiary, the BC Renaissance Capital Fund (BCRCF).

Contact: Jamie Hammond, ADM, International Strategy and Competitiveness

MIT International Strategy and Competitiveness



Corporate Initiatives and Multiculturalism Overview

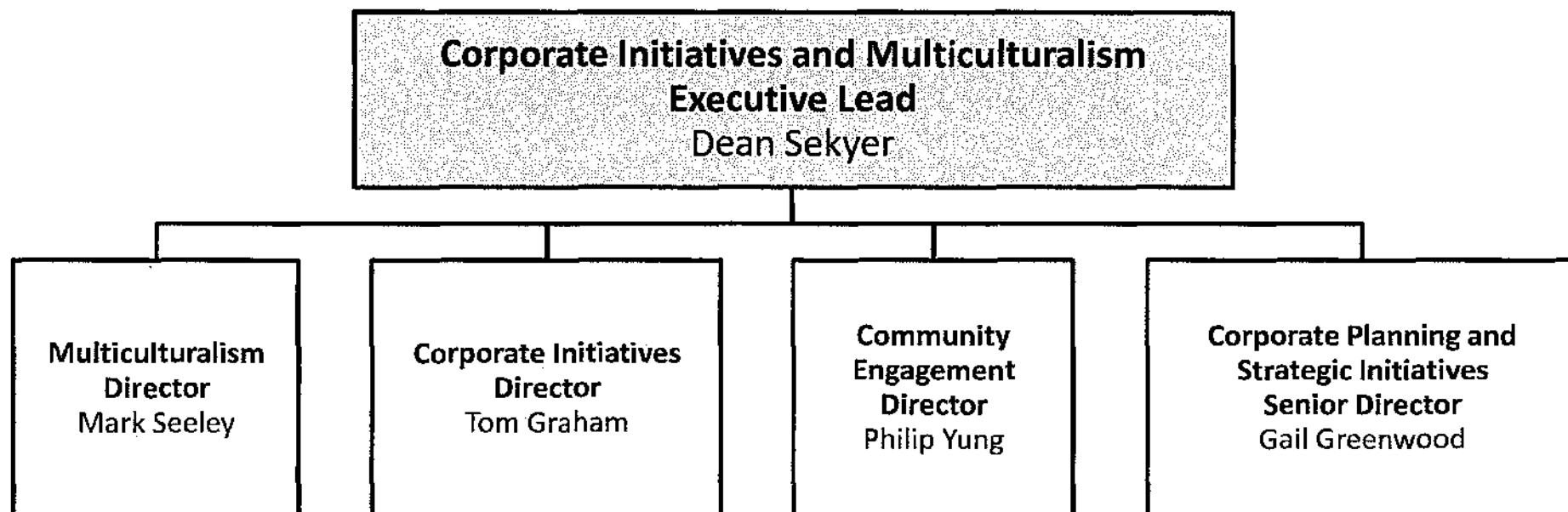
Corporate Initiatives and Multiculturalism Division consists of three branches: Corporate Initiatives, Multiculturalism, and Corporate Planning and Strategic Initiatives.

The primary function of the division is to provide project management expertise on unique projects of strategic importance to the Deputy Minister's Office, lead corporate planning and strategic initiatives for the Ministry and actively engage with B.C.'s multicultural communities to ensure they are participating in provincial government programs.

Branch	Overview
Corporate Initiatives	Assigned corporate projects with unique challenges which are consistent with the Ministry's mandate, but not part of existing programs or ministry capacities. The Apology for Historical Wrongs is a current example. Projects reflect the Ministry mandate but are more likely to include economic development related projects with a focus on trade and investment.
Multiculturalism	The branch is responsible for the delivery and administration of multicultural programs in adherence to the B.C. <i>Multiculturalism Act</i> . Current programs include Organizing Against Racism and Hate Network, the <i>Report on Multiculturalism</i> , the BC Multiculturalism Awards and a variety of multicultural community engagement initiatives.
Corporate Planning and Strategic Initiatives	The branch has oversight for corporate priority and planning functions for MIT. The branch determines the goals and objectives required to achieve the strategic vision for planning within the ministry and reporting requirements. Key accountabilities include leading key corporate internal communications initiatives required by the Deputy Minister's office; and the internal ministry coordination of service planning, estimates preparation, and ministry business planning.
	Provincial Agency Responsibilities: Multicultural Advisory Council, Legacy Initiatives Advisory Council

Contact: Dean Sekyer, Executive Lead, Corporate Initiatives and Multiculturalism

Corporate Initiatives and Multiculturalism



Management Services Overview

The Management Services Division (MSD) develops the internal infrastructure and systems that support ministry programs and contribute to improved service delivery. This includes supports in the areas of:

- Budget and financial management
- Information technology
- Human resources & internal communications
- Corporate planning, legislation & compliance reporting
- FOI & records management

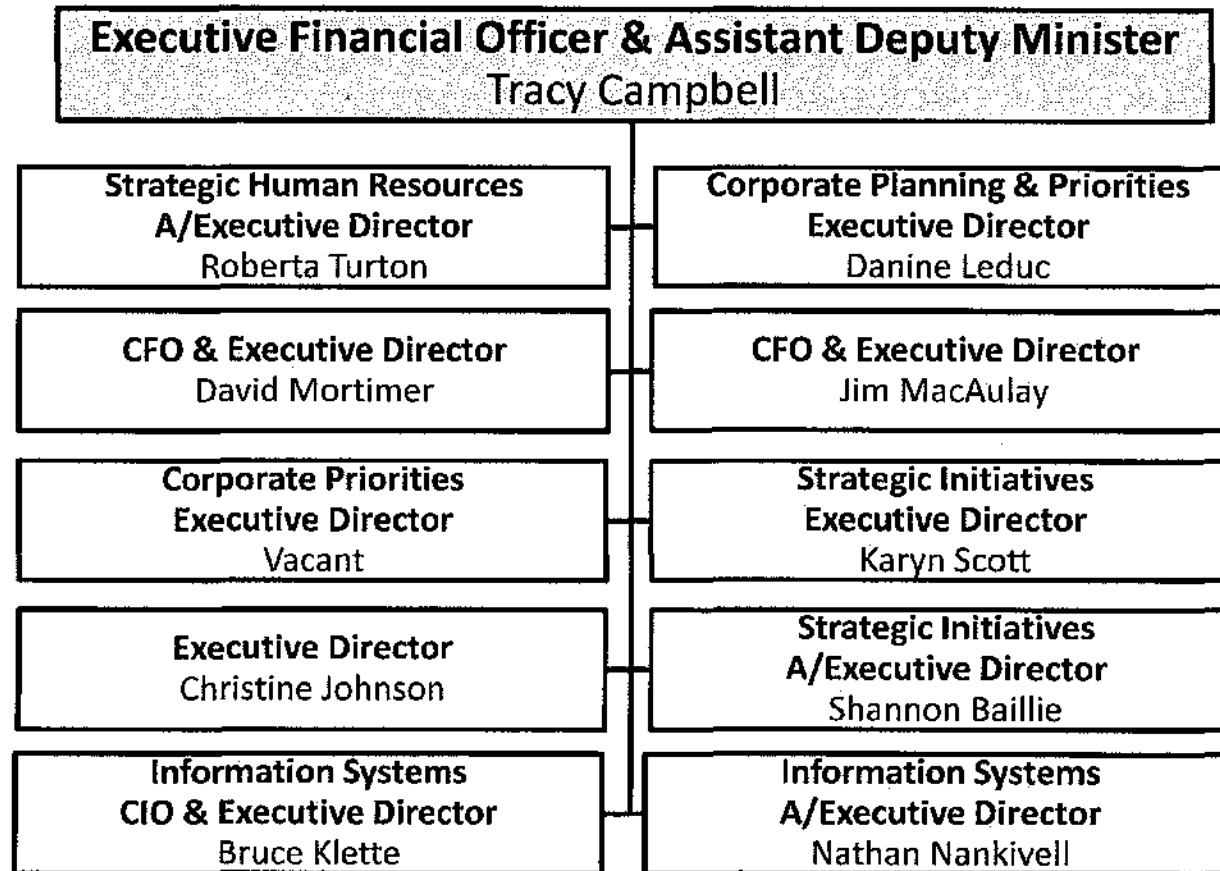
MSD provides services to the Economy Sector, including: the Ministry of Community, Sport and Cultural Development; the Ministry of Jobs, Tourism and Skills Training and Responsible for Labour; the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism; and the Ministry of Small Business and Red Tape Reduction.

Branch	Overview
ADM's Office	Oversees a range of corporate management services provided to Ministry programs.
Financial Services	Provides financial management and oversight of ministry budgets. Includes financial planning and reporting (budgets); financial operations (accounts); and contracts policy and review.
Information Systems	Provides information technology services including business needs analysis; technology acquisition and support (help desk); training; and standards compliance. This branch is also responsible for facilities and administration services.
Strategic Human Resources	Provides professional strategic HR services including workforce planning; organizational design assistance; engagement, recognition and wellness programs; learning and development programs; and diversity strategy.
Corporate Planning and Priorities	Provides key corporate supports, including: Executive support for Estimates, UBCM and transitions; corporate and compliance reporting (e.g. service plans and reports); legislative portfolio management; Crown portfolio management; risk management, business continuity planning and FOI and records management.

Contact: Tracy Campbell, ADM & EFO, Management Services
250-387-8705 (office)

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Management Services



British Columbia Trade and Invest Ltd. Profile

Statutory authority: *Business Corporations Act*

Type of organization: Crown Corporation

Appointment Process: Shareholder Consent Resolution

Mandate:

The Ministry of International Trade is expanding its Trade and Investment Representative (TIR) network into Malaysia. The opening of a BC Trade and Investment Office in Johor Bahru, Malaysia was publically announced on November 2, 2016. The Minister of Finance has committed to establishing an office in Malaysia in early 2017.

The Malaysian Investment Development Authority (MIDA), an agency of the Malaysian Government, authorizes offices (known as Representative Offices) to carry out trade and investment activities in Malaysia.

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British Columbia Trade and Invest Ltd. was incorporated on April 4, 2017 to conduct Trade and Investment activities as a Representative Office in Malaysia.

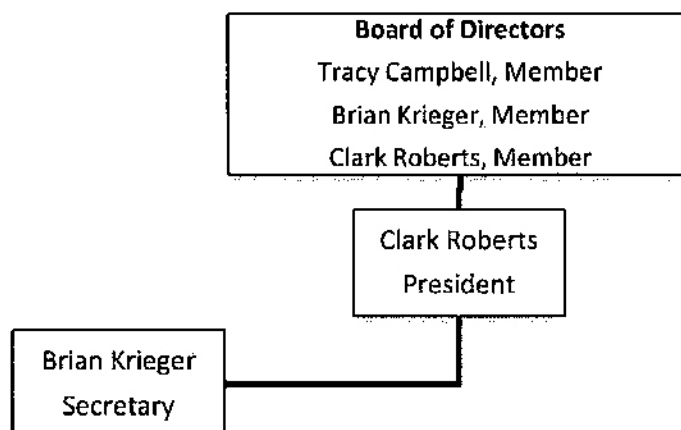
Financial Information (high level):

Summary Financial Outlook	
(\$000's)	2017/18 Budget
Total Revenue	
Contribution from the Province of B.C.	325
Other Revenue	0
Total Revenue	325
Total Expenses	325
Excess of Revenue over Expenses	0

Issue(s):

- N/A

Organizational Chart:



Appointment Status:

- No board appointments are expiring within the next 90 days.

EXECUTIVE MEMBER BIOGRAPHIES

Clark Murray Roberts, Q.C.

President



Clark M. Roberts is the Deputy Minister to the Ministry of International Trade and has held the position since March 2016. Previously, he held the position of Assistant Deputy Minister, International Business Division, Ministry of International Trade.

Clark oversees trade and investment activities in British Columbia's priority international markets; international trade missions; trade strategy and policy, including international and domestic trade agreements; international marketing; and venture capital programs. As well, Clark leads the development and implementation of provincial multiculturalism programs and initiatives.

Prior to joining government, Clark was a partner in an international law firm for twelve years. For four years, Clark was the law firm's Chief Representative of their Beijing office, focusing on energy, mining, financial services and clean technology.

Clark was awarded a Queen's Counsel by the Province of British Columbia in December of 2013. He is also admitted to the rolls as a solicitor (non-practising) in England and Wales.

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Brian T. Krieger
Secretary



Brian Krieger is the Acting Assistant Deputy Minister for the Ministry of International Trade. Previously, he was an Executive Director for the Ministry of International Trade and the Director for the BC Olympic Games Secretariat. During his career, he developed the 2010 Commerce Centre which supported B.C. companies to win more than \$800 million in 2010 Olympic Winter Games contracts. Prior to joining the BC Public Service, Mr. Krieger was involved in a number of entrepreneurial business ventures spanning the food, technology and automotive sectors. Mr. Krieger completed his Bachelor of Business Administration from Simon Fraser University.

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Tracy Ann Campbell
Assistant Deputy Minister and EFO

Tracy began her professional career as a management consultant in the IT industry. She joined the BC Public Service over nine years ago as a Senior Financial Analyst, taking on progressively more senior roles within the Economy Sector including the Director of Financial Planning and Reporting and the Chief Financial Officer. Currently, Ms. Campbell is the Assistant Deputy Minister and Executive Financial Officer for the Ministries of Jobs, Tourism and Skills Training; International Trade; Community Sport and Cultural Development; and Small Business and Red Tape Reduction.



Brian T. Krieger
Acting Assistant Deputy Minister

Brian Krieger is the Acting Assistant Deputy Minister for the Ministry of International Trade. Previously, he was an Executive Director for the Ministry of International Trade and the Director for the BC Olympic Games Secretariat. During his career, he developed the 2010 Commerce Centre which supported B.C. companies to win more than \$800 million in 2010 Olympic Winter Games contracts. Prior to joining the BC Public Service, Mr. Krieger was involved in a number of entrepreneurial business ventures spanning the food, technology and automotive sectors. Mr. Krieger completed his Bachelor of Business Administration from Simon Fraser University.

BC Immigrant Investment Fund Ltd. Profile

Statutory Authority: *Company Act*

Type of Organization: Crown Corporation

Appointment Process: Shareholder Consent Resolution.

Background:

- The BC Immigrant Investment Fund Ltd. (BCIIF) was incorporated in 2000 under the *Company Act* of British Columbia. It is a Crown Corporation wholly-owned by the Province of British Columbia.
- The BCIIF participates as an "approved fund" in the federal Immigrant Investor Program (IIP), which provides an opportunity for experienced business persons to immigrate to Canada after depositing a prescribed sum of money (\$800,000) with the federal Minister of Citizenship and Immigration. The federal minister then disburses these monies to approved funds according to an allocation formula set out in the Immigration and Refugee Protection Regulations.
- In February 2014, the federal government announced that it was terminating the IIP and in response the B.C. government conducted a mandate review of the BCIIF in 2015. As an outcome of the review, the governance and operations of the BCIIF were moved into the Ministry of International Trade on April 1, 2016.
- The BCIIF receives and manages the provincial allocation of funds under the IIP. The IIP confers discretion on the provinces to manage their allocation of the IIP's immigrant investor funds ("Funds") for investment in economic development and job creation. Provincial allocations are repayable to immigrant investors without interest on the fifth anniversary of their receipt. In order to participate in the IIP, the province has provided the federal government with a repayment guarantee of the Funds.

Program Description:

- **Mandate:** The BCIIF promotes economic development and job creation through its investments in public infrastructure projects and venture capital funds that are focused on four key technology sectors: information technology, digital media, clean technology, and life sciences.
- BCIIF manages approximately \$285 million in assets, which includes \$178 million in outstanding infrastructure loans, \$66 million in venture capital fund investments, and \$41.6 million in cash and short-term investments (figures are as of March 31, 2017).
- The BCIIF's infrastructure loans have helped to fund the construction of university research facilities, schools, and health care facilities. Projects include the BCIT Aerospace Technology Campus, the University of Victoria Technology Enterprise Facility, Revelstoke Secondary School, and the Gateway Prince George Health Care Complex.
- The BCIIF, through its subsidiary, the B.C. Renaissance Capital Fund, invests in venture capital funds that focus on four key sectors: information technology, digital media, clean technology and life sciences.

B.C. Renaissance Capital Fund (BCRCF):

- The BCRCF is a wholly owned subsidiary of the BCIIIF which complements existing early-stage venture capital tax-credit programs and pre-commercial research funding by providing venture capital financing that is invested in companies by venture capital fund managers. These funds help investee companies commercialize innovative products and services.
- By targeting institutional investors capable of financing the growth of companies, the BCRCF fills a void and builds on B.C.'s existing success in generating early stage opportunities.
- The BCRCF has committed \$90 million to eight fund managers to bring funding into up-and-coming B.C. companies in information technology, clean technology, digital media and life sciences.
- Through its fund managers, the BCRCF expects to leverage more than \$360 million of investment to help B.C. technology companies succeed. Together, these fund managers have access to over \$2.5 billion in capital under management for investment.
- The eight fund managers are: ARCH Venture Partners, Azure Capital Partners, iNovia Capital, Kearny Venture Partners, Tandem Expansion Fund, Vanedge Capital, VantagePoint Venture Partners, and Yaletown Venture Partners.

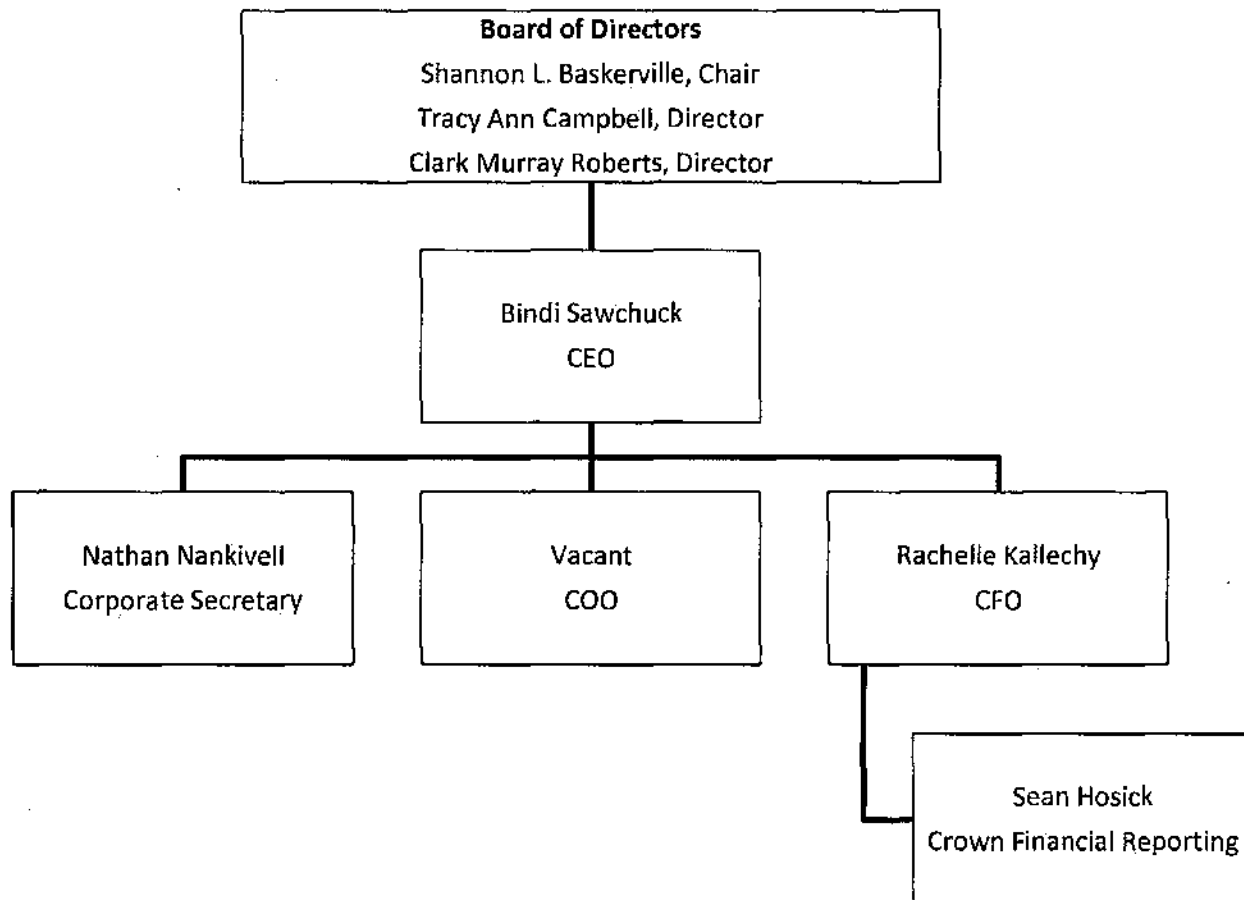
BC Tech Fund:

- In October 2016, the \$100-million BC Tech Fund was launched as part of the BCRCF portfolio. The BC Tech Fund is a fund-of-funds that invests in B.C.-based venture capital funds and makes some co-investments into B.C.-based companies.
- The BC Tech Fund is managed by an expert private sector fund manager who was selected through a competitive procurement process.
- As of January 24, 2017, the BC Tech Fund made two investments, one into B.C.-based venture capital fund Vanedge II (\$15 million committed) and the other in B.C.-based company Mojo for \$1.5 million.

Current Issues:

- Although the federal government announced in its 2014 Budget that it is terminating the Federal Immigrant Investor Program, the BCIIIF has an ongoing mandate to oversee the BC Tech Fund and current BCRCF portfolio, support development of the venture capital system in B.C. and to minimize exposure of triggering the provincial loan guarantee for monies received under the IIP. To this end the BCIIIF received a small amount of funds from the Immigrant Investor Program in 2016. These funds will need to be repaid to the federal government in 2021. Other, previous IIP obligations will also be repaid over the next five years.
- The BCRCF is the signatory on behalf of government to the BC Tech Fund limited partnership agreement. The BC Tech Fund portfolio of investments is expected to mature between 13 and 15 years. During this time, the BCRCF will oversee the terms of the BC Tech Fund partnership agreement. The private sector fund manager will make all BC Tech Fund investment decisions, as well as manage the existing portfolio of BCRCF venture capital investments.

Organizational Chart:



Current Appointees:

Members of the BCIIF/ BCRCF board of directors are appointed by Shareholder Consent Resolution:

- Shannon L. Baskerville, Chair, term expires at pleasure.
- Tracy Ann Campbell, Director, term expires at pleasure.
- Clark Murray Roberts, Q.C., Director, term expires at pleasure.

Appointments required:

- There are no board appointments expiring within the next 90 days.

Website: www.bcrf.ca/bciif

Contact: Bindi Sawchuk
Executive Director, Investment Capital Branch
(250) 952-0614

BOARD OF DIRECTORS BIOGRAPHIES



Shannon Baskerville

Deputy Minister, Ministry of Jobs, Tourism and Skills Training

An executive with significant leadership and corporate governance experience in the BC public sector, Shannon Baskerville was appointed Deputy Minister, Ministry of Jobs, Tourism and Skills Training, and Responsible for Labour in March 2016. Shannon oversees Labour Market Development and Information, Immigration, Economic Development, the Major Investment Office and Tourism, and Labour programs. Shannon also has responsibility for Destination BC and the Industry Training Authority, and is Chair for the Labour Market Priorities Board and the Centre for Data Driven Innovation.

Shannon has over 24 years of experience with the Province of British Columbia. Prior to her appointment as Deputy Minister in her current role, Shannon held the position of Deputy Minister of International Trade and Ministry Responsible for Asia Pacific Strategy and Multiculturalism. Previous appointments also include Assistant Deputy Minister of Labour Market Development; Immigration and International Education; and Economic Development and Competitiveness.

Shannon is currently Chair of the BC Immigrant Investment Fund and Vice-Chair of the Board of Directors of Forestry Innovation Investment.

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JAN 18 2017

Ref: 16905

Ms. Shannon Baskerville
Chair
Board of Directors
BC Immigrant Investment Fund Ltd.
8th Floor, 1810 Blanshard Street
PO Box 9800 Stn Prov Govt
Victoria, BC V8T 4J1

Dear Ms. Baskerville:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year.

On behalf of the Province of British Columbia, thank you for your leadership and the contributions made by the BC Immigrant Investment Fund Ltd. over the past year and congratulations on the efforts made towards the following achievements:

- Bringing the BC immigrant Investment Fund Ltd. and B.C. Renaissance Capital Fund Ltd. (BCRCF) within the Ministry of International Trade and having them governed by a public sector board and managed by public sector officers;
- Implementing the BC Tech Fund, which will utilize the private sector fund manager's expertise to make venture capital investment decisions on behalf of government;
- Continuing to minimize the exposure of accessing the guarantee that the Province has given to the federal government on monies received under the Immigrant Investor Program, by maintaining best business and investment practices to realize positive investment returns;
- Monitoring and reporting on its capital commitments for the BC Renaissance Capital Fund Ltd.; and,
- Integrating the Taxpayer Accountability Principles into the daily operations of the BC Immigrant Investment Fund Ltd.

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Ministry of International Trade and Office of the Minister
Minister Responsible for
Asia Pacific Strategy and
Multiculturalism

Mailing Address:
PO Box 9063 Stn Prov Govt
Victoria BC V8W 9E2
Phone: 250 953-0910
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Room 342
Parliament Buildings
Victoria BC
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BC's Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of BC.

It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services.

Government provided the following mandate direction to the BC Immigrant Investment Fund Ltd., under the *Business Corporations Act*, to manage BC's allocation of funds under the federal Immigrant Investor Program (IIP): use the funds for economic development and job creation in the province by directing those funds into public sector infrastructure investments, venture capital fund investments, and money market and central depository investments.

To achieve this mandate, the BC Immigrant Investment Fund Ltd. is directed to take the following strategic actions:

- Implement and oversee the BC Tech Fund and current BCRCF portfolio and report out by providing bi-annual updates, starting on April 1, 2017, detailing how venture capital investments are supporting the growth of BC technology companies and helping to create jobs for British Columbians;
- Work with the Ministry of International Trade and the BC Tech Fund manager to support venture capital ecosystem building activities in BC and to show progress, develop a summary report of achievements by December 31, 2017; and,
- Minimize the exposure of accessing the guarantee that the Province has given to the federal government on monies received under the Immigrant Investor Program, by maintaining best business and investment practices to realize positive investment returns.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link: [Taxpayer Accountability Principles](#).

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Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of the BC Immigrant Investment Fund Ltd. and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, PSO Accountability Summary.

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against TAP, and working together to protect the public interest at all times.

Sincerely,



Teresa Wat
Minister

Enclosure



Shannon Baskerville
Chair, BC Immigrant Investment Fund Ltd.



Clark Roberts
Director, BC Immigrant Investment Fund Ltd.



Tracy Campbell
Director, BC Immigrant Investment Fund Ltd.

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pc: Honourable Christy Clark
Premier

Kim Henderson
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos
Deputy Minister and Secretary to Treasury Board Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Clark M. Roberts, QC
Deputy Minister
Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and Multiculturalism

Shannon Baskerville
Chair
BC Immigrant Investment Fund Ltd.

Clark Roberts
Director
BC Immigrant Investment Fund Ltd.

Tracy Campbell
Director
BC Immigrant Investment Fund Ltd.

Bindi Sawchuk
Chief Executive Officer
BC Immigrant Investment Fund Ltd.

B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

- | | |
|--|---|
| 1 Cost Consciousness (Efficiency) | Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to "bend the cost curve" and support sustainable public policies and programs as a lasting legacy for generations to come. |
| 2 Accountability | Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government's strategic mandate. |
| 3 Appropriate Compensation | Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer. |
| 4 Service | Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs. |
| 5 Respect | Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers' monies. |
| 6 Integrity | Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles. |

B.C. Immigrant Investment Fund Ltd.

2017/18 – 2019/20 SERVICE PLAN

February 2017



For more information on the B.C. Immigrant Investment Fund Ltd. (BCIIF) contact:

BCIIF
3rd Floor 1803 Douglas Street
Victoria, B.C.
V8T 5C3

or visit our website at
www.BCIIF.ca

Accountability Statement

The 2017/18 - 2019/20 B.C. Immigrant Investment Fund Ltd. (BCIIF) *Service Plan* was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the B.C. Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 27, 2016 have been considered in preparing the plan. The performance measures presented are consistent with the Taxpayer Accountability Principles, and BCIIF's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BCIIF's operating environment, forecast conditions, risk assessment and past performance.



Shannon Baskerville
Board Chair

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Strategic Direction and Context

Strategic Direction

The B.C. Immigrant Investment Fund Ltd. (BCIIF or the Corporation) underwent a mandate review in 2015/16, which resulted in a change in governance and revised strategic direction.¹ The review confirmed the Corporation's continued mandate to receive and manage B.C.'s allocation of funds under the Federal Immigrant Investor Program (IIP), in order to invest in economic development and job creation in B.C.² and set new priorities for the Corporation including the launch of the \$100 million venture capital BC Tech Fund to be managed by an experienced, private sector fund manager.

The BCIIF has been directed by Government in its 2017/18 Mandate Letter to:

1. Implement and oversee the BC Tech Fund and current BCRCF portfolio and report out by providing bi-annual updates, starting on April 1, 2017, detailing how venture capital investments are supporting the growth of B.C. technology companies and helping to create jobs for British Columbians;
2. Work with the Ministry of International Trade and the B.C. Tech Fund manager to support venture capital ecosystem building activities in B.C. and to show progress, develop a summary report of achievements by December 31, 2017; and
3. Minimize the exposure of accessing the guarantee that the Province has given to the federal government on monies received under the Immigrant Investor Program, by maintaining best business and investment practices to realize positive investment returns.

Operating Environment

BCIIF investments are targeted broadly to promote economic development and job creation in B.C. within three asset classes: public sector infrastructure loans, venture capital fund investments and cash and short-term investments through the Province's Central Deposit Program (CDP) and the British Columbia Investment Management Corporation (bcIMC).

Loan Portfolio: BCIIF long-term infrastructure loans have been made to entities in the provincial public sector (the Government Reporting Entities (GRE)), primarily post-secondary institutions,

¹ The review was in response to the federal government terminating the Immigrant Investor Program (IIP) in 2014 and the Corporation having fully committed all of the \$90 million it was allocated to venture capital funds. Building on the past success of the BCIIF, on April 1, 2016 a new board of directors and officers were appointed to govern and operate the BCIIF/BCRCF because the Corporations' operations were moved back into government.

² The federal government terminated the IIP in 2014 and wind-up of the program will continue until sometime after 2020.

thereby supporting student education and knowledge-based sectors. With the 2014 federal termination of the IIP, the BCIIIF is no longer offering new infrastructure loans.

Venture Capital Investments: The BCIIIF includes two venture capital portfolios through the B.C. Renaissance Capital Fund (BCRCF), a wholly owned subsidiary of the Corporation. Venture capital investments focus on funds and companies in the information and communications technology, digital media, clean tech, and life science sub-sectors. The Corporation's venture capital investments are managed by a private sector fund manager.

- **Portfolio 1 – the BCRCF** is comprised of investment commitments to eight fund managers between 2007 and 2011. The BCRCF is a mature \$90 million fund-of-funds intended to attract venture capital fund managers and their investments to B.C.
- **Portfolio 2 – the BC Tech Fund** is a \$100 million fund-of-funds³ launched in 2016 that makes investments into B.C.-based venture capital funds and direct investments into B.C. technology companies. The BC Tech Fund is focused on investments at the Series A stage⁴ of financing.

Cash & Short Term Investments: bcIMC manages the BCIIIF's short-term low-risk investments in government and corporate debt securities. Since 2013, cash funds have also been invested with the Ministry of Finance in the CDP, which deploys short-term cash primarily for financing government's Consolidated Revenue Fund.

Key risks faced by the Corporation, along with strategies for their management are:

- **Interest rate risk:** Very modest growth has kept interest rates low, resulting in reduced interest income from liquid investments. BCIIIF manages exposure to interest rate volatility by holding a portfolio of long-term fixed rate and short-term floating rate investments.
- **Currency risk:** Venture capital investments denominated in U.S. dollars pose a foreign currency risk. BCIIIF holds U.S. dollar liquid assets sufficient to meet all remaining U.S. dollar-based commitments.
- **Credit risk:** BCIIIF's loan portfolio is at risk in the event of non-repayment by borrowers. All loans are made to GRE borrowers and structured with a corresponding general obligation ranking equivalent to other loans by the borrowers.
- **Liquidity risk:** Timing differences exist between cash receipts from infrastructure loans and cash repayments to the federal government. BCIIIF manages this risk by holding a significant portfolio of short-term liquid investments, and seeking alternate financing when required.

³ A fund-of-funds is a fund that invests in investment funds. In the case of the BC Tech Fund, investments are also made directly into tech companies.

⁴ Series A financing is the first round of financing from institutional investors after friends, family and angel investment.

- **Returns risk:** Venture capital is a high risk asset class that does not afford guaranteed returns. Venture capital investments are subject to the “J-curve effect” typically over a 10-year fund lifecycle, whereby negative returns may occur in early years, while new investments are being made. Gains occur in later years as portfolio companies mature and exit. Historically, returns begin three to five years after a fund’s investment period ends, and caution should be exercised regarding the expected timing of venture capital returns.

BCIIF has fully embraced the [Taxpayer Accountability Principles \(TAP\)](#) established in July 2014.

Specific initiatives implemented include:

- Formalized [Standards of Conduct](#) have been developed for BCIIF staff. All staff and Directors have reviewed the employee code of conduct and signed a declaration affirming compliance;
- The [2017/18 Mandate Letter](#) provided by the Minister responsible was reviewed and signed by each Director, and will be posted on our website; Directors have attended relevant training addressing the requirements, intentions and spirit of TAP;
- Regular quarterly meetings are held between our Board Chair and the Minister, and regular discussions occur between the Deputy Minister and the Corporation’s CEO;
- TAP is addressed in the orientation of all new employees; and
- A cost-conscious environment prevails, whereby spending is closely monitored and commitments are made in accordance with B.C. Government procurement practices and follows Treasury Board Directives.

The organization embraces TAP initiatives and will continue to focus on communications with the Ministry, clear and transparent reporting and opportunities for operational efficiencies.

Performance Plan

Goals, Strategies, Performance Measures and Targets

The goals, strategies and performance measures reflect the ongoing transition of the BCIIIF and the Corporation's refreshed mandate. The Board of Directors and executive have provided capacity to the organization to meet compliance practices and implement the direction contained in BCIIIF's Mandate Letter.

Performance Measures Framework

BCIIIF's performance measures framework follows *Budget Transparency and Accountability Act* requirements for performance measures, benchmarks and targets that are linked to specific goals, objectives and strategies. The framework reflects BCIIIF's mandate to earn commercial returns and to promote economic development, while keeping the Province's debt burden affordable. The framework identifies broad goals, aligns specific corporate strategies to each goal, incorporates ongoing research regarding suitable benchmarks and targets and provides discussion of the significance of results.

Outlook

BCIIIF believes its performance measures highlight the most crucial aspects of its performance and reflect aspects where it has control or influence over outcomes. These performance measures are subject to refinement and evolution.

Source Data and Reliability

BCIIIF has sought to identify performance measures that are reliable and valid. While performance measures are not audited, they are largely based on audited information and information subject to third-party verification.

Goal 1: Generate Returns that Meet or Exceed BCIIIF's Current Investment Strategy Targets

BCIIIF's returns strategy supports Government's economic priorities and achieves commercial returns, while meeting BCIIIF's risk profile.

Strategies

- BCIIIF achieves commercial returns on low-risk infrastructure loans, which mitigates the higher-risk venture capital portfolio. BCIIIF's loan portfolio is comprised of long-term loans to

the Provincial Treasury, which in turn provides loan financing to GRE entities to support approved public sector infrastructure projects with loan yields equivalent to Government's cost of borrowing.

- BCIF deposits funds with CDP and bcIMC to have sufficient liquidity to meet five-year IIP repayment obligations to the federal government and to meet capital calls⁵ for venture capital investments.

Performance Measure 1: Achieve Targeted Average Yields on Investments

Performance Measure ⁶	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
1.1 Five Year Weighted Average BCIF Portfolio Return	2.53%	2.44%	2.36%	2.35%	2.67%
1.2 One Year Weighted Average BCIF Portfolio Return	2.21%	2.64%	2.64%	2.84%	2.84%

Data Source: Rates projected based on Canada 3-month T-bill 2.20% (long-term average spread between T-Bill and Prime), T-Bill rate based Bank of Canada Treasury Bill Yields.

Discussion

Targeted yields are comparable to returns that could be realized through similar investment vehicles. Targets have been adjusted upward from past Service Plans to reflect expected changes in the portfolio composition. As the BCIF stops receiving IIP allocations, cash balances in the BCIF will decline leaving the majority of investments in higher yield infrastructure loans.

Goal 2: Optimize BCIF's Investment Strategy and Operations

Strategies

- Develop and implement a Performance and Accountability Framework to optimize BCIF's effectiveness and ensure alignment with Government's direction, TAP and the *Budget Transparency and Accountability Act*.

⁵ The BCRCF has investment obligations to fund managers (referred to as 'committed capital'). When fund managers request capital to make investments into companies it is referred to as a "capital call".

⁶ Both the 1 and 5 year weighted averages include rates on Money Market (bcIMC and CDP) and Infrastructure investments and exclude Venture Capital investments.

Performance Measure 2: BCIF Operational Effectiveness⁷

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
2.1 Develop and adopt Performance and Accountability Framework	Framework under development	Framework under development	Draft framework to be submitted to Board for approval ⁸	Monitor performance and refine framework as appropriate	Monitor performance and refine framework as appropriate

Data Source: BCIF internal draft performance and accountability framework and internal BCIF calculations.

Discussion

The new Performance and Accountability Framework will allow BCIF to improve its operational effectiveness, while ensuring alignment with Government's mandate direction, TAP and *Budget Transparency and Accountability Act* requirements. It will include a clear set of performance and accountability metrics with a set of outcomes, and impacts corresponding to BCIF's mandate.

Goal 3: Contribute to a stronger B.C. Venture Capital System

The Province's 2015/16 venture capital policy review recognized that B.C. has an emerging, high-potential venture capital system, which will fuel sustained growth in the technology sector as it matures. To realize this growth, venture capital system development activities are focused on:

- Addressing the "series A-round" venture capital funding gap in B.C., so that technology companies can grow and stay in B.C.
- Expanding the number of high performing venture capital funds in B.C. to provide capital and expertise related to growing a business to emerging B.C. technology companies.
- Increasing the competitiveness of B.C.'s venture capital system by facilitating greater cohesion to respond effectively to rapid changes in the venture capital environment.

⁷ Performance Measure 2.2 from previous Service Plans (to create an expense ratio) has been removed because BCIF now operates from within the Ministry of International Trade. BCIF's new organizational structure is more efficient than previous models, making an industry expense ratio unnecessary.

⁸ The timing of this target has been adjusted since last year's Service Plan to account for BCIF's transition to the new governance model, selection of the private sector fund manager and launch of the new BC Tech Fund in 2016.

Strategies

- Continue to implement the \$100 million BC Tech Fund to address the A-round funding gap and ensure that investments benefit B.C. technology companies.
- Ensure that BC Tech Fund investments are made into B.C.-based venture capital funds to increase the number of funds and grow the number of fund managers.
- Collaborate with the BC Tech Fund manager to implement initial system building activities.

Performance Measure 3: Cumulative Investment Commitments to Funds and B.C. Businesses

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
3.1 Cumulative number of investment commitments made to B.C. Businesses from the BC Tech Fund	N/A	2	6	10	12
3.2 Cumulative number of investment commitments made to B.C.-based VC Funds from the BC Tech Fund	N/A	2	6	6	6

Discussion

In 2016/17, the BCIF / BCRCF made a \$100 million investment into the BC Tech Fund, and the new performance measures 3.1 and 3.2 support effective oversight of BC Tech Fund outcomes. The cumulative number of investment commitments made to B.C. businesses and B.C.-based venture capital funds demonstrates that the BC Tech Fund is benefiting B.C.'s venture capital system and technology sector growth.

Goal 4: Stimulate Commercialization of Innovation and Venture Capital Investment in B.C.

Venture capital fuels technology companies' growth as they commercialize and scale operations, which in turn drives innovation. The more venture capital that is available in B.C.; the more B.C. companies will have access to funding for their continued growth.

Strategies

To increase access to capital in B.C., the BCRCF has invested in two venture capital fund-of-funds portfolios:

- **Portfolio 1 – the BCRCF** is designed to attract world-class venture capital investors to B.C.

investment opportunities. From 2007 to 2011, nine investments totalling \$90 million in capital commitments were made with eight expert fund managers. The BCRCF fund-of-funds increases domestic and international linkages through its fund managers, many of whom have networks extending around the world. To increase the probability of investments in B.C. companies, fund managers have entered into side letter agreements with the BCRCF under which they commit to perform investment activities in B.C.

- **Portfolio 2 – the BC Tech Fund** is designed to stimulate the quantity of local venture capital available for B.C. businesses. To this end, the \$100 million Fund will invest the majority of its capital into B.C.-based venture capital funds and a portion of its portfolio (as direct investments) into B.C. companies. The BC Tech Fund manager⁹ has an extensive investment network which will help leverage capital from other sources into B.C.

Performance Measure 4: Cumulative Capital Called and Invested by the BCRCF Portfolio 1 (2007-2011)

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
4.1 Cumulative capital called on BCRCF's commitments to fund managers	\$76 million	\$81 million	\$85 million	\$89 million	\$90 million
4.2 Cumulative investment by BCRCF fund managers in B.C. companies	\$148 million	\$165 million	\$170 million	\$178 million	\$186 million
4.3 Cumulative investment by BCRCF fund managers and syndicate partners in B.C. companies	\$315 million	\$324 million	\$340 million	\$356 million	\$372 million

Data Source: Capital calls and investment amounts are based on invoices, BCRCF venture capital fund managers' audited financial statements and quarterly performance reports.

⁹ The BC Tech Fund manager also oversees existing Portfolio 1 - BCRCF investments.

Performance Measure 5: Cumulative Capital Called and Invested by the BC Tech Fund, Portfolio 2 (2016-2020)

Performance Measure	2015/16 Actual ¹⁰	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
5.1 Cumulative capital called on BC Tech Fund investments ¹¹	N/A	\$5 million	\$12 million	\$37 million	\$62 million
5.2 Cumulative investment by fund managers in B.C. companies	N/A	\$15 million	\$40 million	\$60 million	\$80 million
5.3 Cumulative investment by BC Tech Fund managers and syndicate partners in B.C. companies	N/A	\$35 million	\$60 million	\$140 million	\$180 million

Data Source: Capital calls and investment amounts are based on invoices, BC Tech Fund venture capital fund managers' audited financial statements and quarterly performance reports from the BC Tech Fund manager.

Discussion:

Measuring cumulative capital called and cumulative investments demonstrate that investments made by Portfolios 1 and 2 are increasing the amount of venture capital in B.C. and helping to leverage investments into B.C. technology companies.

For forecast and target purposes, Portfolio 1 has used an approximate leverage multiple of slightly over 4.0 times the capital called on BCRCF's commitments to fund managers for performance measures 4.2 and 4.3, respectively. Although BCRCF funds are fully committed, follow-on investments and corresponding capital calls may still be made by fund managers.

Forecasts and targets for Portfolio 2 were developed considering the investment period of the BC Tech Fund, past investment patterns of similar fund-of-funds, and investment restrictions.

Forecasts contain elements that are not within direct control of the BCIIF or its fund manager such as capital being invested by investee funds based on their investment strategy and capital being invested by the other syndicate partners.

¹⁰ The BC Tech Fund was implemented in fall 2016, hence no investments were made in fiscal year 2015/16.

¹¹ Venture capital industry practices would not generally view the pacing of when capital is called and invested as a measure of performance and instead would consider this an activity measure. These measures and targets are, however, appropriate to assess the effectiveness of the BC Tech Fund initiative in helping to increase access to capital for B.C. technology businesses.

Financial Plan

Summary Financial Outlook

(\$000's)	2015/16 Actual	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Total Revenue					
Realized Investment Gains	952	950	179	179	179
Interest Income	7,611	6,214	4,164	2,240	1,809
Venture Capital Investment Income	10,676	13,685	-	-	-
Total Revenue	19,139	20,849	4,343	2,419	1,988
Total Expenses					
Advertising and promotion	68	0	0	0	0
Amortization of promissory note discount	4,581	3,160	2,150	1,493	1,015
Investment fees	(1)	54	13	3	0
Board of Director fees	88	0	0	0	0
Director support services	72	0	0	0	0
Office and business expenses	94	0	0	0	0
Professional fees	261	0	0	0	0
Salary, wages and benefits	557	0	0	0	0
Venture capital investment losses	8,366	0	0	0	0
Debt service costs	0	0	0	409	973
Total Expenses	14,086	3,214	2,163	1,905	1,988
Net income/Excess of Revenue over Expenses/Annual Surplus(Deficit)	5,053	17,635	2,180	514	0
Total Liabilities/Debt (even if zero)	310,378	219,946	157,716	101,392	57,539
Accumulated Surpluses/Retained Earnings/Equity (even if zero)	54,976	72,611	74,791	75,305	75,305
Capital Expenditures	0	0	0	0	0

Key Forecast Assumptions

The above financial information and forecasts are prepared based on Public Sector Accounting Standards in Canada. This Service Plan incorporates “forward-looking statements” including information related to future anticipated investment performance and related revenues, along with expected expense levels. Actual results may differ materially from those in the forward-looking estimates as a result of various factors, some of which are beyond BCIIIF’s control, including, but not limited to, the risks discussed under the Operating Environment section of this Service Plan. Review and interpretation of forecasts should take into consideration the following:

1. Revenue assumes that all available funds, other than those required to meet near-term commitments, which includes repayments to the federal government, will be invested in liquid financial instruments with CDP and bcIMC, earning returns reflecting short-term, low-risk investments. Acknowledging uncertainties around the timing and amount of venture capital distributions, and to be conservative, venture capital investment income is reported as realized, with no amounts budgeted.
2. In fiscal year, (2016/17), the management and governance of the BCIIIF and BCRCF was transitioned to Ministry of International Trade (the Ministry), and all operating expenses other than amortization are and will continue to be borne by the Ministry, not by the BCIIIF or BCRCF.
3. Loans received through the IIP are received net of commission costs. BCIIIF amortizes those commission costs over the term of the loan (five years). The debt to Canada is supported by a Provincial guarantee.
4. Based on forecasted cash flow, the BCIIIF may experience a cash shortfall in 2018/19, which would require a loan to meet repayment obligations. This cash shortfall is a result of a timing mismatch between cash inflows from investments and repayment requirements.

Management Perspective on Future Financial Outlook

BCIIIF’s revenue budgets for realized investment gains and investment income are decreasing over the next three years due to the absence of new IIP allocations to invest as current investments mature and cash proceeds are used to repay the federal IIP obligation. Venture capital investment income is not included in the budget as returns are uncertain.

Venture capital investment in Canada has grown steadily year-over-year since 2012. Exit valuations for tech companies were \$4.3 billion in 2015, far surpassing 2014 (\$1.5 billion) and 2013 (\$1.3

billion)¹². The investment climate and recent strenght of exit values indicate that the outlook for the Canadian venture capital industry looks favourable.

Based on current cash flow projections, BCIF will require new financing in 2018/19 to meet its IIP repayment obligations and capital calls in the BC Tech Fund. This is a result of a timing mismatch between cash inflows from investments and repayment requirements. Future debt servicing costs may change in proportion to the amount of new financing needed. However, the Bank of Canada's October 2016 Monetary Policy Report projects that interest rates will remain low and as a result BCIF debt servicing costs are not expected to vary materially from the current forecasts

¹² Source: CVCA.

Appendix A:

Hyperlinks to Additional Information

B.C. Immigrant Investment Fund (BCIIF)

An organizational overview of BCIIF, mission and values, leadership, and corporate governance information (includes all information and disclosure requirements of the Crown Agencies Resource Office) can be found starting here: <http://BCIIF.ca/about-BCIIF/overview/> and by examining subsequent drop-down menu links.

Mission and values: <http://BCIIF.ca/about-BCIIF/missions-values/>

Leadership and governance including Board information: <http://BCIIF.ca/about-BCIIF/leadership/>

Standards of Conduct: <http://BCIIF.ca/wp-content/uploads/2015/06/Standards-of-Conduct-2014.pdf>

The most recent Mandate Letter, for 2017/18, can be found at: <http://bciif.ca/wp-content/uploads/2017/02/Mandate-Letter-2017-2018.pdf>

B.C. Renaissance Capital Fund Ltd. (BCRCF)

Additional information on investment strategy, venture capital fund managers and investee companies of BCRCF, a wholly-owned subsidiary of BCIIF, can be found at: <http://BCIIF.ca/about-BCRCF/overview/>

Fund manager profiles and B.C. investment details can be found at: <http://BCIIF.ca/about-BCRCF/fund-managers/>

BC Tech Fund

Additional information on investment strategy, manager of the BC Tech Fund, and portfolio investments can be found at: <http://www.kcpl.ca/bc-tech-fund/>

Appendix B:

Subsidiaries and Operating Segments

Active Subsidiaries

The B.C. Renaissance Capital Fund Ltd. is a Crown corporation wholly-owned by the BCIIIF. The members of the Board of Directors and management are the same as the BCIIIF. Like the BCIIIF, the BCRCF:

- Adheres to the Corporation's TAP framework; and
- Aligns its activities with the Corporation's mandate, strategic priorities and fiscal plan.

In August 2007, the provincial Treasury Board approved an allocation of \$90.2 million from BCIIIF to BCRCF for venture capital investments in key technology sectors of information technology, digital media, clean technology and life sciences. In 2016, a further \$100 million was approved to support the BC Tech Fund, bringing BCRCF's total allocation to venture capital investments to \$190.2 million. The objectives of the BCRCF's venture capital investments are to:

- Generate positive returns for the capital committed;
- Increase the probability that innovative new goods and services in B.C. gain full-scale commercialization;
- Increase the depth of the venture capital market and increase the quantity of venture capital available in B.C.; and
- Enhance the visibility of B.C. as an attractive market for venture capital opportunities in North America and globally.

The BCRCF, in addition to being a wholly owned and operated subsidiary of the BCIIIF, is the venture capital component of the larger BCIIIF investment portfolio. As such, any financial and operational risks or opportunities facing BCRCF are reflected in the BCIIIF Service Plan.

Summary of BCRCF's Fund-of-Funds Portfolios

Portfolio	Year	Fund	Company
1 – BCRCF	2007	ARCH Venture Partners VantagePoint Capital Partners Kearny Venture Partners	N/A
	2009	Vanedge Capital Partners LTD Tandem Expansion Yaletown Venture Partners	N/A
	2011	Azure Capital Novia Capital	N/A
2 – BC Tech Fund	2016	Vanedge II (Vanedge Capital Partners LTD)	Mojio (B.C. Company)

BCRCF: Summary Financial Outlook Table

(\$000)	2015/16 Actual	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Total Revenue¹	10,576	11,250	-	-	-

¹ BCRCF financial accounts are consolidated into the parent company statements of BCIIF. To be conservative given the high-risk nature of venture capital investments, venture capital income is reported as it is realized.

BC Immigrant Investment Fund Ltd.

2016/17 ANNUAL SERVICE PLAN REPORT



For more information on BC Immigrant Investment Fund Ltd. contact:

3rd floor-1803 Douglas Street

Victoria, B.C. V8T 5C3

Bindi Sawchuk, CEO

Bindi.Sawchuk@bciif.ca

or visit our website at
www.bciif.ca

Board Chair's Accountability Statement



I am pleased to submit the *BC Immigrant Investment Fund Ltd.'s 2016/17 Annual Service Plan Report*. This report was prepared under the BC Immigrant Investment Fund Ltd. board's direction and in accordance with the *Budget Transparency and Accountability Act* and the B.C. Reporting Principles.

The BC Immigrant Investment Fund 2016/17 Annual Service Plan Report compares the corporation's actual results to the expected results identified in the 2016/17 - 2018/19 Service Plan. I am accountable for those results as reported.

A stylized, handwritten signature in blue ink, appearing to read 'Shannon Baskerville'.

Shannon Baskerville
Board Chair

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Chair/CEO Report Letter

On behalf of the BC Immigrant Investment Fund, we are happy to provide an update on our progress.



In 2016/17, BC Immigrant Investment Fund Ltd. (BCIIF) fully integrated the *Taxpayer Accountability Principles* which strengthen accountability, ensure the appropriate management of public funds and strengthen the relationship between government and public sector organizations. During the year, BCIIF's operations, including its goals, strategies, measures and targets, fully aligned with the *Taxpayer Accountability Principles* by emphasizing efficiency, accountability and integrity in the delivery of the organization's programs, and in managing relationships with stakeholders inside and outside the provincial government. BCIIF's actions during the year also aligned with the Government's strategic direction as outlined in the *2016/17 Mandate Letter* from the Minister of International Trade (refer to Appendix C for a summary of BCIIF's response to the strategic priorities set out in the *Mandate Letter*).



The BCIIF and its wholly owned subsidiary the B.C. Renaissance Capital Fund (BCRCF) completed its transition to public sector governance and operations in 2016/17. Building on the past success of the BCIIF / BCRCF, the Crown sought to adopt and refine top financial, business, human resource, governance and management practices throughout the transition to ensure the Crown's economic and financial mandates are achieved.

Chief among this year's successes, the BCRCF launched the \$100-million BC Tech Fund in October, 2016. The purpose of the BC Tech Fund is to generate financial return and to help promising B.C. tech companies access the early stage venture capital they need to grow and stay in B.C., which leads to a strong diversified economy and more high-paying jobs for British Columbians. The fund supports development of a more sustainable venture capital system in the province, which builds on the success of the BCRCF and the province's well developed Angel investment community.

The first BCRCF venture capital portfolio which was launched in 2008, received returns on its investments throughout 2016/17 demonstrating that the fund is maturing, and beginning to show a favourable return pattern.

In 2016/17, BCIIF realized a net operating income of \$4.1 million, had \$41.6 million in cash and short-term investments, and \$178.3 million invested in low-risk public sector infrastructure loans. The BCRCF invested \$79.4 million of its \$90.2 million commitment to venture capital funds, and as at March 31, 2017, the BC Tech Fund had invested \$4.2 million of its \$100 million.

Results have been positive and staff have worked hard to improve access to capital for British Columbia's businesses and to improve transparency in our practices.

Sincerely,

A blue ink signature of Shannon Baskerville.

Shannon Baskerville
Board Chair

A blue ink signature of Bindi Sawchuk.

Bindi Sawchuk
Chief Executive Officer

Purpose of the Organization

BC Immigrant Investment Fund Ltd.

The BC Immigrant Investment Fund Ltd. (BCIIF) was incorporated on September 19, 2000 under the Company Act (as it was then) and then registered under the Business Corporations Act (BC). It is wholly-owned by the Province of British Columbia.

The BCIIF is an approved fund under the federal Immigrant Investor Program (IIP), which is administered by Citizenship and Immigration Canada (CIC). CIC requires that the funds they give the BCIIF be invested in projects that contribute to economic development and job creation in Canada.

The money received from the CIC is repayable to the federal government without interest until the fifth anniversary of the loan. Although there is no interest charged on the funds, there is a small fee paid to cover federal government administration. In order to participate in the IIP, the Province has provided the federal government with a repayment guarantee up to \$500 million.

B.C. Renaissance Capital Fund Ltd.

The B.C. Renaissance Capital Fund Ltd. (BCRCF) is a Crown corporation that is wholly-owned subsidiary of the BCIIF. The purpose of BCRCF is to attract successful venture capital managers and their capital to B.C. in order to develop promising, innovative technology companies in the province and generate returns on venture capital investments. The Corporation's venture capital investments are managed by a private sector fund manager.

- **Portfolio 1 – the BCRCF** is comprised of investment commitments to eight fund managers between 2007 and 2011. The BCRCF is a mature \$90 million fund-of-funds¹ intended to attract venture capital fund managers and their investments to B.C.
- **Portfolio 2 – the BC Tech Fund** is a \$100 million fund-of-funds¹ launched in 2016 that makes investments into B.C.-based venture capital funds and direct investments into B.C. technology companies. The BC Tech Fund is focused on investments at the Series A stage² of financing.

Strategic Direction and Context

In February 2014, the federal government announced its intention to terminate the Immigrant Investor Program. The BCIIF continues to receive smaller allocations under this program and monthly repayment obligations continue to be met with the final repayment due in 2022.

As directed in the 2016/17 Mandate Letter from the Minister of International Trade, BCIIF focused on a number of specific operational priorities during the year, including:

¹ A fund-of-funds is a fund that invests in investment funds. In the case of the BC Tech Fund, investments are also made directly into tech companies.

² Series A financing is the first round of financing from institutional investors after friends, family and angel investment.

- Working with the Ministry of International Trade (MIT) IIF mandate review and implement new mandate direction as a result of the federal termination of the federal Immigrant Investor Program;
- Minimizing the exposure of accessing the guarantee that the Province has given to the federal government on monies received under the Immigrant Investor Program, by maintaining best-business and investment practices to realize positive investment returns;
- Monitoring and reporting on its capital commitments of up to \$90 million in venture capital investments; and
- Use of either the Ministry of Finance or BC Investment Management Corporation for investment or deposit of funds in liquid investments, other than amounts allocated to venture capital and Government Reporting Entity investments.

See Appendix C for a summary of the actions undertaken by BCIIIF to fulfill the mandate letter directions.

The above-noted accountabilities were implemented within the framework of the [*Taxpayer Accountability Principles*](#) (TAP) which was introduced to strengthen accountability, promote cost control and support strategic engagement.

Report on Performance

BCIIIF's previous board of directors and management team aligned the Crown's 2016/17 strategic, operating and financial performance practices to address government's expectations as set out in the Mandate Letter, as well as to focus on the goals set out in the 2016/17 Service Plan.

The BCIIIF continues to adhere to TAP, including a code of conduct and a strategic engagement plan that establishes regular and recurring meetings between its board chair and CEO, and the Minister of International Trade and deputy minister. This regular engagement strategy helps to ensure that BCIIIF reflects the strategic interests of government and the best interest of British Columbians. BCIIIF has also developed an evaluation plan with specific efficiency and performance measures to ensure that the corporation is meeting the expectations of British Columbians and government.

In addition to the 2016/17 Service Plan goals, during 2016/17, BCRCF launched the BC Tech Fund and hired Kensington Capital Partners as the BC Tech Fund manager and to oversee BCRCF's existing venture capital commitments.

Goals, Strategies, Measures and Targets

Goal 1: Generate Returns that Meet or Exceed BCIIIF's Current Investment Strategy Targets

BCIIIF's returns strategy supports government's economic priorities and achieves commercial returns, while meeting BCIIIF's risk profile.

Strategies

- Achieve commercial returns on low-risk infrastructure loans, thereby mitigating the higher-risk venture capital portfolio. BCIIIF's loan portfolio is comprised of long-term loans to the Provincial Treasury, which in turn provides loan financing to Government Reporting Entities to support approved public sector infrastructure projects with loan yields equivalent to government's cost of borrowing.
- Deposit funds with Central Deposit Program (CDP) and BC Investment Management Corporation (bcIMC) to have sufficient liquidity to meet five-year IIP repayment obligations to the federal government and to meet capital calls for venture capital investments.

Performance Measure 1: Achieve Targeted Average Yields on Investments

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
1.1 Five year weighted average BCIIIF portfolio return ¹	2.68%	2.60%	2.51%	2.36%	2.42%	2.36%	2.35%
1.2 One year weighted average BCIIIF portfolio return ¹	2.33%	2.21%	2.26%	2.63%	2.50%	2.64%	2.84%

Data Source: Rates projected based on Canada 3-month T-bill +1.93% (long-term average spread between T-Bill and Prime). T-Bill rate based on the average of six private sector forecasters (Scotiabank*, CIBC*, TD*, RBC*, IHS Global Insight, BMO).

¹ Both the 1 and 5 year weighted average BCIIIF portfolio return include rates on Money Market (bcIMC and CDP) and Infrastructure investments. For clarity, this calculation does not include venture capital investments.

Discussion

The one and five year weighted average BCIIIF portfolio return measures include Money Market assets (held in bcIMC and CDP) and infrastructure investments. Venture capital investment returns are not included.

BCIIIF exceeded its targeted five year weighted average target in 2016/17 because the majority of investments are in higher yield loans as opposed to Money Market assets, which increases the expected return yield of the portfolio.

The one year weighted average target was not achieved in 2016/17 as actual interest rates were lower than the target.

Goal 2: Optimize BCIIIF's Investment Strategy and Operations

BCIIIF established a goal of continuing to streamline operations and improve reporting, and formalizing its accountabilities with the introduction of a Performance and Accountability Framework ("Framework"). The Framework is designed to align with the *Taxpayer Accountability Principles* and BCIIIF's strategic direction.

Strategies

- Develop a formal Performance and Accountability Framework.
- Structure cost effective operations that meet strategic, business, and governance requirements.

Performance Measure 2: BCIIIF Operational Efficiency and Effectiveness

Performance Measure	2013/14 Actual	2014/2015 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
2.1 Develop and adopt Performance and Accountability Framework	n/a ¹	n/a ¹	Framework being reviewed to align with refreshed mandate	Draft framework to be submitted to Board for approval	Framework re-drafted and reviewed based on new governance structure	Draft framework to be submitted to Board for approval	Monitor Performance and refine framework as appropriate
2.2 Expense ratio ²	n/a ¹	Baseline to be finalized upon completion of mandate review	Review Baseline to ensure alignment with refreshed mandate	TBD ²	n/a ³	n/a ³	n/a ³

Data Source: BCIIIF internal draft performance and accountability framework.

¹This was a new measure for 2015/16.

²TBD due to uncertainty of the timing of the transition to the new governance model, selection of private sector fund manager, and launch of the new BC Tech Fund.

³Expense ratio is no longer applicable. When BCIIIF transitioned into government for the 2016/2017 fiscal year, the corporation signed a Memorandum of Understanding with the Ministry of International Trade and Minister Responsible for the Asia Pacific Strategy and Multiculturalism. The ministry incurs operating costs on behalf of BCIIIF.

Discussion

Performance measure 2.1: Develop and adopt Performance and Accountability Framework

The Performance and Accountability Framework developed in 2015/2016 was reviewed and is being re-drafted based on the BCIIIF's new Public Sector operating environment. The framework continues to be refined and will be submitted to the Board for approval in 2017/18.

Performance measure 2.2: Expense Ratio

BCIIIF's new organizational structure operates from within the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism (MIT) in a more efficient model. BCIIIF's operating budget is included in MIT's budget making an industry expense ratio unnecessary.

Goal 3: *Stimulate Commercialization of Innovation and Venture Capital Investment in B.C.*

BCRCF is structured as a fund-of-funds designed to attract world-class venture capital investors to B.C. Access to capital with a global reach and experienced management are critical to fostering commercialization and growth for B.C. companies.

Strategies

To increase the visibility of B.C. as an attractive market for venture capital, BCRCF strives to increase domestic and international links through its fund managers, many of whom have networks around the world. To increase the probability of investments in B.C. companies, fund managers have entered into side letter agreements (legal agreements) with BCRCF in which they commit to perform investment activities in B.C.

Performance Measure 3: BCRCF Cumulative Capital Called and Invested

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
3.1 Cumulative capital called on BCRCF's commitments to fund managers	\$59 million	\$69 million	\$76.2 million	\$81 million	\$79.4 million	\$85 million	\$89 million
3.2 Cumulative investment by BCRCF fund managers in B.C. companies	\$139 million	\$157 million	\$174 million	\$165 million	\$181 million	\$189 million	\$197 million
3.3 Cumulative investment by BCRCF fund managers and syndicate partners in B.C. companies	\$288 million	\$308 million	\$385 million	\$324 million	\$400 million	\$416 million	\$432 million

Data Source: Capital calls and investment amounts are based on invoices, BCRCF venture capital fund managers' audited financial statements and quarterly performance reports.

BCRCF's forecasts use a leverage factor of 2.0 to 3.5 times the capital called in establishing targets.

Discussion

As a result of BCRCF investments, cumulative investment targets were exceeded in 2016/17 demonstrating that a significant amount of additional capital was invested in B.C. BCRCF fund managers developed and maintained key relationships and networks that encourage investment in B.C. companies.

The cumulative capital called on BCRCF's commitments to fund managers was \$79.4 million in 2016/17 versus the target of \$81 million because the investee funds have reached, or are nearing the end of their investment period.

Since inception, BCRCF fund managers and their syndicate partners have exceeded investment targets. A total of \$181 million has been invested in B.C. companies by BCRCF fund managers, and \$400 million by BCRCF fund managers and syndicate partners. This investment has created more than 1,205 jobs in 34 B.C. companies.

Financial Report

Discussion of Results and Financial Report Summary Table

BCIIF continues best-business and investment practices to earn positive investment returns. As mandated, BCIIF invests available funds in Money Market assets with the bcIMC and CDP.

BCIIF also maintains best business and investment monitoring practices over its three asset classes: public sector infrastructure investments; venture capital fund investments; and Money Market assets.

Portfolio Balances as of March 31, 2017:

- A total of \$41.6 million invested in Money Market assets.
- Loan principal and accrued interest for provincial capital infrastructure projects contributed \$178.3 million.
- Venture Capital investments held in BCRCF Portfolio 1 and BC Tech Fund Portfolio 2 totaled \$49 million.

Portfolio Activity:

- New venture capital investment of \$3.2 million was called in BCRCF Portfolio 1.
- BCIIF received \$838,000 in new funds and repaid \$91.2 million in the IIP³.
- Interest income from infrastructure loans and Money Market assets totaled \$6.2 million.

Variance and Trend Analysis

BCIIF's total revenue was lower than budgeted in 2016/17 and lower than 2015/16 actuals. Net income from operations was lower than budgeted and higher than 2015/16 actuals. BCIIF does not budget for venture capital returns due to the unpredictability and high-risk nature of the investments. Net income is higher in 2016/17 than 2015/16 because there are no administrative expenses in

³ When the federal IIP was terminated in 2014 it had a significant backlog of applications which continue to be processed and resulted in BCIIF receiving \$838,000 in new funds in 2016/17. BCIIF is required to repay IIP allocations after 5 years, and those repayments totalled \$91 million in 2016/17.

BCIIF's new operating environment. As of April 1, 2016, the board of directors of BCIIF and BCRCF are all B.C. Public Service employees and the management team are employees of MIT. Expenses are borne by MIT.

Analysis includes:

- Realized investment gains: Realized investment gains are generated from disposition of bcIMC investments. BCIIF did not dispose of bcIMC investments to meet cash needs; therefore gains are lower than budgeted and lower than fiscal 2015/16. Realized investment loss is due to foreign exchange loss on the disposal of US denominated VC distributions. The foreign exchange at the time of purchase was greater than the foreign exchange at the time of sale.
- Interest income: Interest income is higher than budgeted due to two factors: an interest rate increase on funds held at the Ministry of Finance; and balances in interest earning accounts being higher than anticipated.

Interest income is lower than 2015/16 actuals due to decreasing balances of infrastructure loans receivable. Interest income will trend down in subsequent years due to decreasing investment account balances and loan receivable balances.

- Venture Capital Investment Income: During the year, BCIIF changed its accounting policy for distributions received from its venture capital portfolio. Previously, BCIIF recorded distributions as a mixture of return of capital and revenue from a return on capital. The accounting policy change was adopted to recognize proceeds from fund distributions in a manner that aligns with terms set out in Fund Limited Partnership Agreements (LPAs). For each LPA, distributions are first provided as return of capital until all paid in capital has been returned. Revenue from a return on capital is only reported once all paid in capital has been returned. BCIIF income from distributions reported in prior years has been adjusted to conform to the policy change.
- Expenses: Expenses in 2016/17 include:
 - bcIMC investment management fees are incurred for managing short-term investments. Results are higher than budgeted because expense assumptions post-transition didn't include management fees.
 - Professional fees reflect a credit because of an over-accrual in 2015/16.
- Debt to Canada: Total Debt to Canada was higher than budgeted as BCIIF did not anticipate continuing to receive new allocations; however, some small allocations continue to be dispersed. Total debt year over year has decreased and will trend down as BCIIF continues to meet repayment obligations.
- Total Liabilities: Total liabilities are lower in 2016/17 than 2015/16 because operating liabilities are now part of the MIT budget, and the Debt to Canada is decreasing.

Risks and Uncertainties

Key risks faced by the Corporation, along with strategies for their management are:

- **Interest rate risk:** Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows. BCIIIF manages exposure to interest rate volatility by holding a portfolio of long-term fixed rate and short-term floating rate investments.
- **Currency risk:** Venture capital investments denominated in U.S. dollars pose a foreign currency risk. BCIIIF holds significant U.S. dollar liquid assets which are sufficient to meet all remaining U.S. dollar-based commitments.
- **Credit risk:** BCIIIF's loan portfolio is at risk in the event of non-repayment by borrowers. This is mitigated by the fact that all loans are made to Government Related Entities and structured with a corresponding general obligation ranking equivalent to other loans by the borrowers.

BCIIIF is exposed to credit risk associated with its cash deposits and investments. This risk is mitigated by placing deposits and investments in recognized British Columbia institutions, with investments consisting entirely of high-quality short-term funds. Therefore credit risk arising from cash deposits and investments is considered negligible.

BCIIIF is also exposed to credit risk in the event its returns from the venture capital initiatives are below cost. BCIIIF's investment portfolio diversification is based on an investment strategy developed to generate returns to cover potential losses from its higher risk investments.

- **Liquidity risk:** Liquidity risk is the risk that BCIIIF will encounter difficulty in meeting loan repayment obligations. Timing differences exist between cash receipts from infrastructure loans and cash repayments to the federal government. BCIIIF manages this risk by holding a significant portfolio of short-term liquid investments.

BCIIIF is also exposed to liquidity risk associated with the venture capital initiatives. Venture capital investments cannot be readily sold in the open market. BCIIIF attempts to manage liquidity risk by utilizing the expertise and skills of institutional venture capital managers with a track record of commercial returns.

- **Returns risk:** Venture capital is a high risk asset class that does not afford guaranteed returns. Venture capital investments are subject to the "J-curve effect" typically over a 10-year fund lifecycle, whereby negative returns may occur in early years, while new investments are being made. Gains occur in later years as portfolio companies mature and exit. Historically, returns begin three to five years after a fund's investment period ends. BCIIIF exercises caution regarding the expected timing of venture capital returns by not forecasting expected returns.

Financial Resource Summary Table ¹

\$ '000's	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Actual	2016/17 Variance	2015/16- 2016/17 Variance
Revenue							
Realized investment gains	1,153	114	952	3,971	2	(3,769)	(950)
Interest income	8,778	9,190	7,611	6,074	6,326	1,285	(1,285)
Venture capital investment income	-	-	9,236		1,177	1,177	(2,361)
Total Revenue	9,931	9,304	17,799	10,045	7,505	(2,540)	(4,603)
Operating Expenses							
Advertising and promotion	47	68	68			--	(68)
Board of director fees & expenses	91	94	88			--	(88)
Board of director support services	53	70	72			--	(72)
Salary, wages & benefits	285	458	557			--	(557)
Investment fees	192	159	(1)		156	156	157
Office & business expenses	60	125	94			--	(94)
Professional fees	145	347	261		(14)	(14)	(275)
Amortization of discount	5,363	5,775	4,581	3,160	3,294	134	(1,287)
Venture capital investment losses			8,366				(8,366)
Total Expenses	6,236	7,096	14,086	3,160	3,436	276	(10,650)
Net Income from Operations	3,695	2,208	3,713	6,885	4,069	(2,816)	356
Accumulated Surplus/Retained Earnings	39,582	41,790	45,503	52,388	49,572	(2,816)	4,069
Debt to Canada	440,311	414,489	303,605	214,672	216,537	1,865	(87,068)
Total Liabilities	440,391	414,663	303,678	214,846	216,739	1,893	(86,939)

GENERAL NOTES:

(a) Budgeted revenue is based on a conservative assumption that all available funds, other than amounts required to meet venture capital commitments, will be invested in liquid financial instruments, earning returns based on the Treasury Board Staff interest rate forecast. Given the uncertainty of the timing and quantum of venture capital returns, venture capital income is reported as it is realized.

(b) The above budgeted information is from the 2016/17-2018/19 Service Plan. As of April 1, 2016, the board of directors of BCIF and BCRCF are all B.C. Public Service employees and the management team are employees of the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism. As a result, expenses budgeted out for future years were uncertain.

NOTES:

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Auditors Report and Audited Financial Statements

Consolidated Financial Statements of

**BC IMMIGRANT INVESTMENT
FUND LTD.**

Year Ended March 31, 2017

MANAGEMENT'S REPORT

Management's Responsibility for the Consolidated Financial Statements

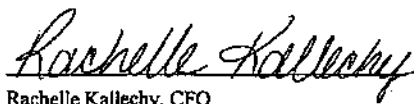
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 3 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

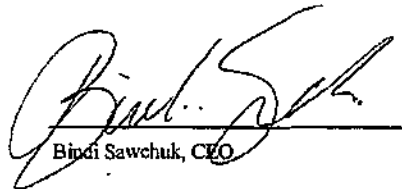
The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal consolidated financial statements on a quarterly basis and external audited consolidated financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The Auditor General of British Columbia conducts an independent examination, in accordance with Canadian auditing standards, and expresses her opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Corporation and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of BC Immigrant Investment Fund Ltd,


Rachelle Kallechy, CFO

Victoria, B.C.
June 26, 2017


Bindu Sawchuk, CEO



INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of BC Immigrant Investment Fund Ltd., and
To the Minister of International Trade and the Minister Responsible for the Asia Pacific Strategy
and Multiculturalism, Province of British Columbia*

I have audited the accompanying consolidated financial statements of BC Immigrant Investment Fund Ltd. ("the entity"), which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statement of operations and accumulated surplus, statement of remeasurement gains and losses, statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

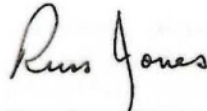
In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

BC IMMIGRANT INVESTMENT FUND LTD.
Independent Auditor's Report

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BC Immigrant Investment Fund Ltd. as at March 31, 2017, and the results of its operations, changes in its remeasurement gains and losses, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Victoria, British Columbia
June 26, 2017



Russ Jones, FCPA, FCA
Deputy Auditor General

BC IMMIGRANT INVESTMENT FUND LTD.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in \$000)

AS AT MARCH 31	2017	2016 (Restated Note 13)
Financial Assets		
Cash	9,954	55,911
Investments	31,612	28,878
Accounts receivable	1	2
Loan receivable (Note 4)	178,289	212,593
Venture investments (Note 5)	49,038	54,066
	<u>268,894</u>	<u>351,450</u>
Liabilities		
Accounts payable and accrued liabilities	131	328
Promissory notes (Note 6)	<u>216,537</u>	<u>303,605</u>
	<u>216,668</u>	<u>303,933</u>
Net Financial Assets	<u>52,226</u>	<u>47,517</u>
Non-Financial Assets		
Prepaid expenses	-	13
Accumulated Surplus	<u>52,226</u>	<u>47,530</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	49,572	45,503
Accumulated remeasurement gains	<u>2,654</u>	<u>2,027</u>
	<u>52,226</u>	<u>47,530</u>

SIGNIFICANT EVENTS (Note 2)

COMMITMENTS (Note 8)

APPROVED BY THE BOARD:

 Director
 Director

The accompanying notes are an integral part of these consolidated financial statements.

BC IMMIGRANT INVESTMENT FUND LTD.

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
(in \$000)

FOR THE YEAR ENDED MARCH 31	Budgeted Figures (Note 12)	2017	2016 (Restated Note 13)
Revenues:			
Venture capital investment income	-	1,177	9,236
Realized investment gain	3,971	2	952
Interest income	6,074	6,326	7,611
	<u>10,045</u>	<u>7,505</u>	<u>17,799</u>
Expenses (Note 11):	<u>3,160</u>	<u>3,436</u>	<u>14,086</u>
Annual operating surplus	6,885	4,069	3,713
Accumulated annual operating surplus at beginning of year, As previously reported	<u>47,896</u>	<u>52,949</u>	<u>47,896</u>
Adjustments to accumulated surplus		(7,446)	(6,106)
Accumulated annual operating surplus at beginning of year, as restated	<u>47,896</u>	<u>45,503</u>	<u>41,790</u>
Accumulated annual operating surplus at end of year	<u>54,781</u>	<u>49,572</u>	<u>45,503</u>

The accompanying notes are an integral part of these consolidated financial statements.

BC IMMIGRANT INVESTMENT FUND LTD.

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
(in \$000)

FOR THE YEAR ENDED MARCH 31	2017	2016
Accumulated remeasurement gains at the beginning of the year	2,027	2,445
Unrealized gains attributable to:		
Foreign exchange gain	597	1,765
Investment gain	32	(1,333)
Amounts reclassified to the statement of operations		
Foreign exchange	(2)	(850)
Investment	-	1
Change in remeasurement gains for the year	627	(418)
Accumulated remeasurement gains at the end of the year	2,654	2,027

The accompanying notes are an integral part of these consolidated financial statements.

BC IMMIGRANT INVESTMENT FUND LTD.**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**
(in \$000)

FOR THE YEAR ENDED MARCH 31	2017	2016 (Restated Note 13)
Annual operating surplus	4,069	3,713
Acquisition of prepaid expenses	-	(21)
Use of prepaid expenses	13	15
	4,082	3,707
Effect of remeasurement gains	627	(418)
Increase in net financial assets	4,709	3,289
Net financial assets at the beginning of the year, as previously reported		50,334
Effect of financial asset restatement		(6,106)
Net financial assets at the beginning of year, restated	47,517	44,228
Net financial assets at the end of the year	52,226	47,517

The accompanying notes are an integral part of these consolidated financial statements.

BC IMMIGRANT INVESTMENT FUND LTD.**CONSOLIDATED STATEMENT OF CASH FLOWS**
*(in \$000)***FOR THE YEAR ENDED MARCH 31**

	2017	2016 (Restated Note 13)
Operating transactions:		
Annual Surplus	4,069	3,713
Items not involving cash:		
Gains on Venture Capital distributions	(1,173)	(9,236)
Amortization of promissory discount	3,294	4,581
Realized investment gain	(2)	(952)
Impairment loss on venture capital investments		8,366
Changes in non-cash operating working capital:		
Accounts receivable	-	2
Prepaid expenses	13	(6)
Accounts payable	(193)	154
Accrued loan interest	95	64
Cash provided by operating activities	<u>6,103</u>	<u>6,686</u>
Financing transactions:		
Cash received from promissory notes	838	3,093
Repayment/refund of promissory notes	(91,201)	(118,558)
Cash provided by financing activities	<u>(90,363)</u>	<u>(115,465)</u>
Investing transactions:		
Purchase of investments, net of redemptions	(2,105)	(7,454)
Repayment of loan principal	34,209	30,182
Capital calls to venture capital funds	(7,619)	(7,791)
Returns from venture capital funds	13,818	15,496
Cash provided by investing activities	<u>38,303</u>	<u>30,433</u>
Increase (decrease) in cash	(45,957)	(78,346)
Cash at beginning of year	<u>55,911</u>	<u>134,257</u>
Cash at end of year	<u>9,954</u>	<u>55,911</u>

The accompanying notes are an integral part of these consolidated financial statements.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

1. NATURE OF BUSINESS

BC Immigrant Investment Fund Ltd. (the "Corporation") was incorporated on September 19, 2000, under the laws of British Columbia and is wholly owned by the Province of British Columbia.

The Corporation is an approved fund under the Federal Immigrant Investor Program (the "Program"). The Program provides an opportunity for experienced business persons to immigrate to Canada after making an investment in a fund approved by a Province and the Minister of Citizenship and Immigration. The accumulated operating surplus includes one issued common share of the Corporation, of nominal value, which is held by the Minister of International Trade and Minister Responsible for the Asia Pacific Strategy and Multiculturalism. The Minister acts as agent for approved funds by receiving investments from immigrant investors and disbursing them to approved funds according to an allocation formula set out in the Immigration Regulations, 1978. The regulations require approved funds participating in the Program to invest in economic initiatives, which will create employment in Canada to foster the development of a strong and viable economy.

The Minister of Finance acts as a fiscal agent for the Corporation. The Corporation is exempt from federal and provincial taxes.

2. SIGNIFICANT EVENTS

On February 11, 2014, the Federal Government announced its intention to terminate the existing Federal Immigrant Investor Program. Investor applications that were in progress at that time are currently being processed with the allocation of the funds continuing to flow through to the Corporation. It is expected that the allocations of the funds to the Corporation will continue through the next fiscal year, although the amounts received are expected to be lower than has historically been the case. The current cash flows from the Corporation continue to meet all repayment obligations to the Federal Government.

On October 13, 2016, the B.C. Renaissance Capital Fund Ltd. ("BCRCF") entered into a Limited Partnership Agreement with BC Tech Fund GP Inc. to form BC Tech Fund Limited Partnership ("BC Tech Fund"). BC Tech Fund is a limited partnership under the laws of the Province of British Columbia.

The purpose of the BC Tech Fund is to invest in B.C. based venture capital funds and B.C. based companies in order to achieve superior long-term financial returns while strengthening and growing the venture capital system in the Province of British Columbia to fuel long term economic growth and diversification.

BCRCF has committed \$100M of capital to the BC Tech Fund. (Note 8)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These consolidated financial statements are prepared by management in accordance with generally accepted accounting principles established by the Canadian Public Sector Accounting Board.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation

The consolidated financial statements include the assets, liabilities, results of operations and cash flows of the Corporation and its wholly owned subsidiary, BCRCF. All intercompany transactions and balances have been eliminated upon consolidation.

On October 22, 2007, BCRCF was incorporated under the *Business Corporations Act* and is a wholly-owned subsidiary of the BC Immigrant Investment Fund Ltd. Since incorporation, the management team and Board of Directors for BCRCF are the same as those for the Corporation. The primary business of BCRCF, a Fund of Funds, is to stimulate economic development and generate returns.

Prepaid Expenses

Prepaid expenses include software licensing and educational course amounts and are charged to expense over the period expected to benefit from it.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to revenues.

Venture Capital Investment Income represents BCRCF's portion of distribution of proceeds resulting from the divestiture of investments held by the Funds. Income is recognized once all paid in capital to the fund has been returned. Previously BCIF recorded revenue based on venture fund description of source transactions. (Note 13)

Realized investment gains represents realized investment and foreign exchange gains and losses earned in operating cash accounts and investments, and is recognized on an accrual basis.

Interest income from loans receivable is recognized on an accrual basis.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Promissory Note Discount

Promissory notes are received at a discount. The discount is recognized as an expense on a straight-line basis over the term of the promissory notes.

As promissory notes were established by the Immigration Regulations, 1978, they are not considered financial instruments and the discount is not recognized as interest expense.

Foreign Currency Translation

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions are translated at the exchange rate prevailing at the date of transactions.

Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, realized foreign exchange gains and losses are recognized in the statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the statement of remeasurement gains and losses.

Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the valuation of venture capital investments for any possible impairment.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

Financial Instruments

Equity instruments quoted in an active market are measured at fair value. All other financial assets and financial liabilities are measured at cost or amortized cost. The following classification system is used to describe the basis of the inputs used to measure the fair value of financial instruments in the fair value measurement category:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
Level 3	Inputs for the asset or liabilities that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations.

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

All financial assets recorded at amortized cost are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of an investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

i. Cash

Cash includes both cash and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. The investments have a maturity of six months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing. They consist of equities which are reported at fair value and are measured using a Level 1 valuation.

ii. Investments

The Corporation invests in pooled fund products managed by the British Columbia Investments Management Corporation (bcIMC), a corporation established under the *Public Sector Pension Plans Act*.

Equity investments quoted in an active market are reported at fair value using a Level 1 valuation.

iii. Accounts and loans receivable

Accounts and loans receivable are recorded at amortized cost using the effective interest method less any amount for valuation allowance. Valuation allowances are made to reflect loans receivable at the lower of amortized cost and net recoverable value, when collectability and risk of loss exists. Changes in valuation allowance are recognized in the statement of operations. Interest is accrued on loans receivable to the extent it is deemed collectible.

iv. Venture investments

The Corporation invests in venture investments as a Limited Partner. These investments are reported at cost as there is no quoted market price in an active market.

v. Debt and other financial liabilities

All debt and other financial liabilities are recorded using cost or amortized cost.

BC IMMIGRANT INVESTMENT FUND LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Tabular amounts in \$000)***FOR THE YEAR ENDED MARCH 31, 2017****4. LOANS RECEIVABLE**

	March 31 2017	March 31 2016
Due from British Columbia Institute of Technology, principal of \$60,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 2.70% over a 6 year term. The outstanding balance of this loan will be due in full on August 1, 2017.	44,376	46,401
Due from University of the Fraser Valley, principal of \$13,919,748, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 5.15% over a 25 year term. The outstanding balance of this loan will be due in full on August 1, 2017.	10,651	11,091
Due from University of Victoria, principal of \$5,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 4.75% over a 20 year term. The loan was paid in full March 1, 2017.	-	3,328
Due from University of Victoria, principal of \$10,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 2.48% over a 10 year term. The outstanding balance of this loan will be due in full on May 2, 2023.	8,517	8,938
Due from Nicola Valley Institute of Technology, principal of \$3,300,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 4.9% over a 30 year term. The outstanding balance of this loan will be due in full on September 1, 2017. The loan had an interest free period which impacted the accounting balance and effective rate of loan. For accounting purposes, the estimated interest foregone has been recorded as an increase in the loan receivable using the effective interest method to the maturity date of the loan and will be accredited to interest income over the term of the loan. As a result, the effective interest rate on the loan is 4.77% per annum.	2,725	2,800
Carried Forward	66,269	72,558

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

Brought forward	66,269	72,558
Due from Simon Fraser University, principal of \$5,100,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 5.20% over a 30 year term. The balance was paid in full March 1, 2017.	-	410
Due from the Province of British Columbia, principal of \$100,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 3.46% over a 10 year term. The outstanding balance of this loan will be due in full on December 16, 2019.	31,060	41,644
Due from the Province of British Columbia, principal of \$75,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 3.18% over a 10 year term. The outstanding balance of this loan will be due on December 9, 2020.	30,999	38,662
Due from the Province of British Columbia, principal of \$50,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 2.15% over a 9 year term. The outstanding balance of this loan will be due on September 16, 2019.	23,886	28,863
Due from the Province of British Columbia, principal of \$45,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 2.24% over a 10 year term. The outstanding balance of this loan will be due on December 8, 2022.	26,075	30,456
Total loans receivable	178,289	212,593

BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

5. VENTURE INVESTMENTS

The B.C. Renaissance Capital Fund Ltd. ("BCRCF") has two venture investment portfolios (2016 – 1 portfolio). In portfolio one, BCRCF invests in funds as a limited partner and has investments in nine venture funds with ownership percentages varying from 0.50% to 16.7%. In portfolio two, BCRCF invests in the BC Tech Fund as a limited partner with an ownership percentage of 99%. Cumulative contributions and returns of capital to date are:

	March 31 2017	March 31 2016 (Restated Note 13)
Canadian Dollar Funds		
Cumulative contributions to date	45,837	39,181
Cumulative returns of capital	19,528	8,434
US Dollar Funds		
Cumulative contributions to date	40,426	39,464
Cumulative returns of capital	9,330	7,778

An impairment totaling \$0 (2016: \$8.37 million) in venture capital investments was identified by management and reported on the Consolidated Statement of Operations. The sum of Canadian Dollar Funds and US Dollar Funds less their respective cumulative returns of capital, and adjusting for the prior year impairment, brings total venture investments to a closing balance of \$49 million as at March 31, 2017 (2016: \$54 million).

6. PROMISSORY NOTES

The funds received from the Federal Immigrant Investor Program are repayable, without interest, five years after they are received. The obligation of the Corporation is represented by non-transferable zero interest promissory notes. The Province of British Columbia fully guarantees these funds up to a maximum of \$500 million.

Promissory note discount represents the amounts withheld on promissory notes received. The amount is amortized over the life of the note.

	March 31 2017	March 31 2016
Total promissory notes, beginning of year	310,378	414,489
Additions during the year	899	14,447
Repaid or refunded during the year	(91,163)	(118,558)

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BC IMMIGRANT INVESTMENT FUND LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Tabular amounts in \$000)***FOR THE YEAR ENDED MARCH 31, 2017****6. PROMISSORY NOTES (continued)**

	220,114	310,378
Net promissory note discount end of year	(3,577)	(6,773)
Promissory notes, end of year	216,537	303,605

The estimated principal payments over the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2018	62,229
2019	118,068
2020	35,621
2021	3,297
2022	899

7. RISK MANAGEMENT

The investment activities of the Corporation expose it to a variety of financial risks including credit risk, market risk (which includes currency risk, interest rate and other price risk) and liquidity risk.

Credit Risk

Credit risk is the risk associated with the inability of a third party to fulfill payment obligations. The Corporation is exposed to credit risk in the event of non-performance by a public sector borrower to a maximum value of the value of loans receivable. The Corporation assesses this risk when considering loans. For the most part an unsecured and general obligation from the public sector institution is judged sufficient to mitigate credit risk; however, the Corporation has taken property as collateral on the loan to Simon Fraser University to further mitigate potential credit risks.

The Corporation is exposed to credit risk associated with its cash deposits and investments. This risk is mitigated by placing deposits and investments in recognized British Columbia institutions, with investments consisting entirely of high-quality short-term funds. Therefore credit risk arising from cash deposits and investments is considered negligible.

The Corporation is also exposed to credit risk in the event its returns from the venture capital initiatives are below cost. The Corporation's investment portfolio diversification is based on an investment strategy developed to generate returns to cover potential losses from its higher risk investments.

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BC IMMIGRANT INVESTMENT FUND LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in \$000)

FOR THE YEAR ENDED MARCH 31, 2017

7. RISK MANAGEMENT (continued)

Market Risk

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to foreign currency exchange risk as a result of its investments in US venture capital initiatives, US investments and US dollar holdings.

Through the Corporation's venture capital initiative, the Corporation has a total of \$1.28 million USD (2016 - \$2.02 million USD) in remaining venture capital commitments, and holds approximately \$19.3 million USD (2016 - \$17.43 million USD) in investments and cash. At the statement of financial position date, currency risk is negligible because the Corporation has sufficient USD on hand to satisfy commitments made.

The Corporation manages its foreign currency risk by holding funds that are required to meet US venture capital commitments in US dollar cash and US dollar investments that generate annual returns. Returns generated from investments in venture capital funds will also be in US dollars. As the timing and value of returns from these investments cannot be reasonably estimated, the impact of currency rate fluctuations can also not be estimated.

US dollar investments held to provide funds for anticipated US dollar venture capital commitments have resulted in unrealized foreign exchange gains of \$2.63 million (2016 - \$1.77 million) being recognized in the Statement of Remeasurement Gains.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. The Corporation is exposed to interest rate risk through its investments. The Corporation manages its exposure to interest rate risk by holding a portfolio of fixed and floating rate investments. The Corporation has invested its funds in loans receivable with fixed rate returns and investments with British Columbia Investment Management Corporation (bcIMC) on a floating rate basis.

If the Corporation were to have experienced a 1% change in the interest rate earned this would have impacted interest income in the approximate amount of \$2.6 million (2016 - \$3.4 million) calculated as 1% of the average book value of investments throughout the year.

Other Price Risk

Other price risk is the risk that the market value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation is exposed to other price risk through both its investments and venture capital investments. Venture capital investments carry a high risk; however, the Corporation mitigates the risk by utilizing the expertise and skills of institutional venture capital managers with a track record of commercial returns.

BC IMMIGRANT INVESTMENT FUND LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Tabular amounts in \$000)***FOR THE YEAR ENDED MARCH 31, 2017****7. RISK MANAGEMENT (continued)***Liquidity Risk*

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. In connection with the Corporation's ongoing financing of operations including refinancing risk, management aims to ensure adequate liquidity of investments. The Corporation manages its liquidity risk by placing deposits in cash and extremely liquid negotiable instruments, and monitoring the duration of lending/investing activities of the Corporation to coincide with five year forecasted repayment obligations (Note 6).

The Corporation is also exposed to liquidity risk associated with the venture capital initiatives. The Corporation cannot readily sell the investments. As the Corporation invests in early stage venture capital initiatives that have a limited history of operations and whose business activities tend to be speculative, there is no assurance that such investments will provide positive future cash flows. The Corporation attempts to manage liquidity risk by utilizing the expertise and skills of institutional venture capital managers with a track record of commercial returns.

8. COMMITMENTS

B.C. Renaissance Capital Fund Ltd. has commitments in both CAD and USD to invest as a Limited Partner in certain venture capital funds. The following table summarizes the total investment commitments, transfers made to date and total commitments remaining:

	March 31 2017	March 31 2016
Total USD investment commitments (USD)	39,280	39,280
USD investment commitments transferred to date (USD)	(38,003)	(37,262)
Remaining USD investment commitments (USD)	1,277	2,018
Remaining USD investment commitments translated to CAD	1,701	2,617
Total CAD investment commitments	151,000	51,000
CAD investment commitments transferred to date	(45,837)	(38,994)
Remaining CAD investment commitments	105,163	12,006
Aggregate remaining investment commitments	106,864	14,623

BC IMMIGRANT INVESTMENT FUND LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Tabular amounts in \$000)***FOR THE YEAR ENDED MARCH 31, 2017****9. INDEMNITIES**

As part of the Corporation's initiative to develop a portfolio of venture investments it has entered into the following partnerships:

Portfolio 1: Arch Venture Fund VII, L.P., Kearney Venture Partners, L.P., VantagePoint Clean Tech Partners II, L.P., VantagePoint Venture Partners 2006 (Q), L.P., Azure Capital Partners III, L.P., Yaletown Ventures II, L.P., Tandem Expansion Fund I, L.P., (the Partnerships), VanEdge Capital I, L.P., iNovia Investment Fund III L.P.; and

Portfolio 2: BC Tech Fund.

Under the terms of the partnership agreements, each Partnership has agreed to indemnify its General Partner (including their members, employees and agents) for certain liabilities, which the General Partner may incur as a result of activities undertaken in their capacity as General Partners. Management believes that no such liabilities exist at March 31, 2017.

10. RELATED PARTY TRANSACTIONS

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations and all other public sector organizations. Transactions with these entities are in the normal course of operations and are recorded at the exchange amount.

As of April 1, 2017, BCIF has a Memorandum of Understanding that the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism will incur the cost of operating expenditures on behalf of BCIF without expectation of reimbursement. BCIF will continue to record expenditures due to the amortization of promissory notes, investment management fees, and investment losses (if any) as disclosed in note 11.

The Province of British Columbia has provided a guarantee to the federal government for the balance of the promissory notes payable up to a maximum of \$500 million.

Assets and liabilities with related parties include:

	March 31 2017	March 31 2016
Cash (investment account)	9,399	54,736
Accounts receivable	1	2
Loans receivable (Note 4)	178,289	212,593
Accounts payable and accrued liabilities	-	(36)

BC IMMIGRANT INVESTMENT FUND LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
(Tabular amounts in \$000)**FOR THE YEAR ENDED MARCH 31, 2017****10. RELATED PARTY TRANSACTIONS (continued)**

The consolidated statement of operations includes the following transactions with related parties:

	March 31 2017	March 31 2016
Interest Income	6,326	7,611
Professional fees	-	36

11. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	March 31 2017	March 31 2016
Advertising and promotion	-	68
Amortization of promissory note discount	3,294	4,581
Investment fees	156	(1)
Board of Director fees	-	88
Director support services	-	72
Office and business expenses	(14)	94
Professional fees	-	261
Salary, wages and benefits	-	557
Venture capital investment losses	-	8,366
	3,436	14,086

12. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the 2016/17 Service Plan approved by the Board Chair on February 16, 2016.

13. PRIOR YEAR RESTATEMENT

During the year, BCIF changed its accounting policy for distributions received from its venture capital portfolio. Previously BCIF recorded distributions as a mixture of return of capital and revenue based on venture fund description of source transactions. The accounting policy change was adopted to recognize proceeds from fund distributions in alignment with terms set out in the Limited Partnership Agreements. For each agreement, distributions are first reported as return of capital until all paid in capital has been returned. Revenue is only reported once all paid in capital has been returned.

BC IMMIGRANT INVESTMENT FUND LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(Tabular amounts in \$000)***FOR THE YEAR ENDED MARCH 31, 2017****13. PRIOR YEAR RESTATEMENT (continued)**

The following table summarizes the effect of this change for each financial line item affected.

Statement of Financial Position	As Previously reported, March 31, 2016	Adjustment	Restated March 31, 2016
Venture investments	61,512	(7,446)	54,066
Net financial assets	54,963	(7,446)	47,517
Accumulated surplus	54,976	(7,446)	47,530
Accumulated operating surplus	52,949	(7,446)	45,503
Statement of Operations and Accumulated Surplus			
Venture capital investment income	10,576	(1,340)	9,236
Annual operating surplus	5,053	(1,340)	3,713
Accumulated annual operating surplus at beginning of year	47,896	(6,106)	41,790
Accumulated annual operating surplus at end of year	52,949	(7,446)	45,503
Statement of Changes in Net Financial Assets			
Annual operating surplus	5,053	(1,340)	3,713
Increase in net financial assets	4,629	(1,340)	3,289
Net financial assets at the beginning of the year	50,334	(6,106)	44,228
Net financial assets at the end of the year	54,963	(7,446)	47,517
Statement of Changes in Cash Flows			
Annual Surplus	5,053	(1,340)	3,713
Gains on venture capital distributions	(10,576)	1,340	(9,236)

Appendix A - Subsidiaries and Operating Segments

Venture Capital Investments: The BC Immigrant Investment Fund (BCIIF) includes two venture capital portfolios through the B.C. Renaissance Capital Fund (BCRCF), a wholly-owned subsidiary of BCIIF. The members of the board of directors and management are the same as the BCIIF. Venture capital investments focus on funds and companies in the information and communications technology, digital media, clean tech, and life science sub-sectors. The Corporation's venture capital investments are managed by a private sector fund manager.

- **Portfolio 1 – the BCRCF** is comprised of investment commitments to eight fund managers between 2007 and 2011. The BCRCF is a matured \$90-million fund-of-funds intended to attract venture capital fund managers and their investments to B.C.
- **Portfolio 2 – the BC Tech Fund** is a \$100-million fund-of-funds⁴ launched in 2016 that makes investments into B.C.-based venture capital funds and direct investments into B.C. technology companies. The BC Tech Fund is focused on investments at the Series A stage⁵ of financing.

Summary of BCRCF's Fund-of-Funds Portfolios

Portfolio	Year	Fund	Company
1 – BCRCF	2007	ARCH Venture Partners VantagePoint Capital Partners Kearny Venture Partners	N/A
	2009	Vanedge Capital Partners LTD Tandem Expansion Yaletown Venture Partners	N/A
	2011	Azure Capital Novia Capital	N/A
2 – BC Tech Fund	2016	Vanedge II (Vanedge Capital Partners LTD)	Mojio (B.C. Company)

⁴ A fund-of-funds is a fund that invests in investment funds. In the case of the BC Tech Fund, investments are also made directly into tech companies.

⁵ Series A financing is the first round of financing from institutional investors after friends, family and angel investment.

BCRCF: Summary Financial Outlook Table

(\$000)	2015/16 Actual	2016/17 Actual	2017/18 Budget	2018/19 Budget	2019/20 Budget
Total Revenue¹	9,236	1,177	N/A	N/A	N/A

¹ BCRCF financial accounts are consolidated into the parent company statements of BCIIIF. To be conservative given the high-risk nature of venture capital investments, venture capital income is reported as it is realized.

Appendix B – Additional Information

BC Immigrant Investment Fund (BCIIF)

Additional information on BCIIF can be found at: <http://bciif.ca/about-bciif/overview/>

Standards of Conduct: <http://bciif.ca/wp-content/uploads/2015/06/Standards-of-Conduct-2014.pdf>

B.C. Renaissance Capital Fund Ltd. (BCRCF)

Additional information on investment strategy, venture capital fund managers, and investee companies of BCRCF, a wholly-owned subsidiary of BCIIF, can be found at: <http://bciif.ca/about-bcrf/overview/>

Corporate Governance

We are governed by a board of directors that is responsible to the minister responsible for the implementation of government direction. The board's direction is implemented by management, who carry out the day-to-day operations of the corporation under the supervision of the CEO. For more information on corporate governance, please refer to our web page at: <http://bciif.ca/about-bciif/leadership/>

Organizational Overview

For information on our organizational structure, please refer to our web page at: <http://bciif.ca/about-bciif/leadership/>

Contact Information

For more information on BC Immigrant Investment Fund Ltd. contact:

3rd floor-1803 Douglas Street
Victoria, B.C. V8T 5C3

Bindi Sawchuk, CEO
Bindi.Sawchuk@bciif.ca
250 952-0614

or visit our website at: www.bciif.ca

Appendix C – Crown Corporations Mandate and Actions Summary

In the 2016/17 Mandate Letter from the minister responsible, BCIIF received direction on strategic priorities for the 2016/17 fiscal year. Government mandated direction and the Crown corporation's resulting actions are:

Mandate Letter Direction	Crown Corporation's Action
As a result of the federal termination of the federal Immigrant Investor Program, the BC Investment Corporation will work with the Ministry of International Trade to complete the BCIIF mandate review and implement new mandate direction. During this review period, no new investment opportunities are to be pursued.	<p>BCIIF worked in partnership with the Ministry of International Trade on the mandate review which was completed in December, 2015. During this period, the BCIIF put all new investments on hold.</p> <p>BCRCF launched the \$100 million BC Tech Fund as a result of the mandate review and new mandate direction.</p>
To minimize the exposure of accessing the guarantee that the Province has given to the federal government on monies received under the Immigrant Investor Program, by maintaining best-business and investment practices to realize positive investment returns.	<p>BCIIF met its monthly federal IIP repayment obligations in part due to best-business and investment practices. BCIIF invests funds with the BC Investment Management Corporation (bcIMC) and the Province's Central Deposit Program (CDP) ensuring adequate liquidity to meet cash payment requirements.</p> <p>Also see Goal 1 and related performance measurement.</p>
To monitor and report on its capital commitments of up to \$90 million in venture capital investments.	BCIIF/BCRCF monitored the performance of its investments through quarterly reporting to the ministry, board of directors and central government.
To use either the Ministry of Finance or BC Investment Management Corporation for investment or deposit of funds in liquid investments, other than amounts allocated to venture capital and Government Reporting Entity investments.	<p>BCIIF held short-term investments in an investment pool managed by bcIMC comprised of short-term, low risk, and high quality government and corporate debt securities.</p> <p>Since 2013, BCIIF funds have also been invested with the Ministry of Finance in the CDP, which deploys the short-term monies primarily for financing the Consolidated Revenue Fund.</p>

Forestry Innovation Investment Ltd. Profile

Statutory Authority: *Corporations Act*

Type of Organization: Crown Corporation

Appointment Process: Shareholder Consent Resolution.

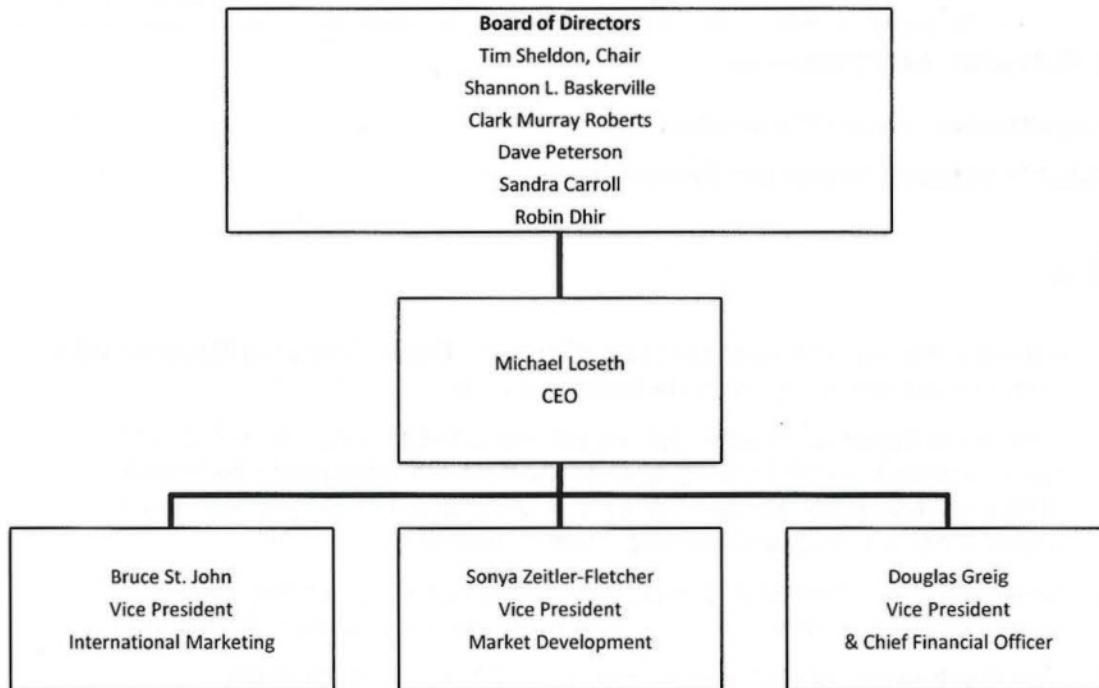
Background:

- Forestry Innovation Investment Ltd. (FII) is the British Columbia Government's market development agency for forest products.
- The forest sector represents the largest manufacturing sector in B.C. and roughly one-third of B.C.'s regional economies are moderately- to heavily-reliant on the sector. Because of this, building and maintaining markets is important to a strong and growing British Columbia
- Developing and diversifying international markets is particularly important since over 90 per cent of B.C.'s forest products are sold outside of Canada.
- The Government of B.C. established FII in 2003 to build markets internationally and domestically for B.C. forest products.

Program Description:

- FII works to provide information, analysis, communication tools and financial resources for the benefit of the broader forest sector.
- In fulfilling its mandate, the Company funds not-for-profit organizations to undertake market development and research projects of benefit to the forest sector. FII also works on behalf of the Government and the forest industry to act as a catalyst to foster the development of new, emerging markets for the B.C. industry.
- About half of FII's budget supports programs delivered by industry trade associations and other partners. The federal government and industry also financially support these programs.
- FII's mandate is to support the economy of B.C. by:
 - working in collaboration with the forest sector to maintain existing markets for B.C. forest products and thereby support forestry jobs throughout province;
 - opening up new markets for B.C. forest products and creating the potential for new jobs to service these markets;
 - building awareness of B.C. internationally, particularly in China, India and elsewhere in the Asia-Pacific region, which helps strengthen and grow trade ties; and
 - supporting the growth of a sustainable and green economy by promoting the environmental benefits of using renewable wood from B.C. in structural and non-structural applications.

Organizational Chart:



Decision required:

- For information only. No decision required.

Website: www.bcfii.ca/

Contacts:

Forestry Innovation Investment Ltd.:

Kevin Regan
Director, Corporate Relations
(604) 685-7507
Email: kevin.regan@bcfii.ca

Ministry:

James Hammond
Assistant Deputy Minister,
International Strategy and Competitiveness
Division
(604) 952-0367

EXECUTIVE MEMBER BIOGRAPHIES

Michael Loeth
CEO

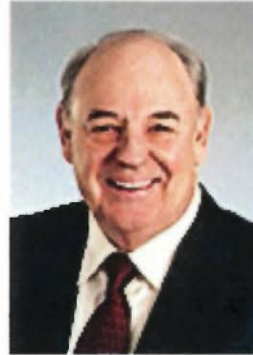


Michael Loeth is responsible for ensuring that FII's programs reflect the Government's priorities in assisting the British Columbia forest sector to thrive in the global economy, while maintaining productive and collaborative working relationships with the forest sector, other levels of government, and key stakeholder groups. Michael oversees the company's international and domestic activities, making sure they support and advance B.C.'s reputation for sustainable forest management, the technical and environmental attributes of B.C. forest products, the merits of wood building solutions, and innovation within the sector. Under Michael's leadership, FII helps position British Columbia and the B.C. forest sector within the global market, assessing market needs and opportunities and promoting B.C.'s forest products and forest management practices.

Michael is responsible for all aspects of FII's operations, bringing a strategic and focused approach to program design and delivery. Michael is the sole Executive Director of the company's subsidiary in China, and is the Chair of the Board of Directors of the company's subsidiary in India.

Phone: 604-685-7507

Email: loeth@bcfii.ca



Doug Greig
Vice President & Chief Financial Officer

Doug Greig provides leadership, business discipline and corporate direction to the financial and administrative operations of the company. Doug assists in the establishment of strategic and performance targets and helps manage the organization of resources to accomplish annual and long-range goals. Doug is responsible for developing and improving financial, human resource, information technology and administrative controls, policies and procedures for the offices in Vancouver B.C., Shanghai, China and Mumbai, India. Doug endeavours to continually improve the accountability and transparency to the management of risk, internal financial and operational controls, as well as the protection of assets. Doug is a member of the Board of Directors of the company's subsidiary in India and is the Board Supervisor for the company's subsidiary in China.

Phone: 604-601-5301

Email: doug.greig@bcfii.ca

Sonya Zeitler Fletcher
Vice President, Market Development



Sonya Zeitler Fletcher leads FII's Wood First and Market Outreach programs. Sonya is responsible for research, marketing and communications strategies and initiatives that address market demands such as "Why use wood?" and "Why purchase wood products from British Columbia?" Under Sonya's leadership, the Wood First and Market Outreach programs encourage wood as a first choice for construction and daily living in British Columbia, while expanding North American and overseas market recognition of B.C.'s world-class forest practices and products. Working closely with an array of stakeholders, including forest-sector firms, trade associations, research institutes, and government agencies, Sonya aligns messaging on new product developments and wood building solutions, as well as drives priorities around issues and brand challenges in the marketplace.

Phone: 604-601-5305

Email: sonya.zeitlerfletcher@bcfii.ca



Bruce St. John
Vice President, International Marketing

Bruce St. John is responsible for informing the strategy to position the B.C. forest sector in the global marketplace. This includes assessing trends and developing business opportunities that have the potential to expand export markets for B.C. forest products and building solutions. Bruce supports FII's mandate by assessing risks, influencing decisions and providing effective counsel in global marketplace activities. In support of stakeholder relations, Bruce interacts with senior-level provincial, federal and international government representatives and key forest industry stakeholders to achieve corporate and sector objectives. When in international markets, Bruce represents the company and the Province of British Columbia as it relates to FII programming and forest sector activities.

Phone: 604-601-5303

Email: bruce.st.john@bcfii.ca

BOARD OF DIRECTORS BIOGRAPHIES



Tim Sheldon
Deputy Minister, Chair

Tim Sheldon was appointed Deputy Minister of Forests, Lands and Natural Resource Operations on October 9, 2013. Prior to this appointment, he spent 5 years as Director General in Edmonton, Alberta for Natural Resources Canada. Tim spent the majority of his career working in the BC Public Service, for the former Ministry of Forests and Range—culminating in his appointment as Assistant Deputy Minister, Operations, from 2003-08. Previously, Tim spent 23 years in various field, operational and management positions at the regional and district level in many locations across British Columbia, both coast and interior.

Prior to his government experience, Tim worked for several years for the forest industry and consulting on the coast. He also spent time as a city councillor while in Merritt, B.C.

Tim graduated from Vancouver Island University (previously Malaspina College) in Nanaimo, B.C. and is a graduate of several management and Executive Development programs.

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DUPLICATE

Sandra Carroll
Deputy Minister, Audit Committee Chair



Sandra Carroll was appointed Deputy Minister of the Ministry of Advanced Education on September 6, 2013.

Sandra has a 26-year career within the BC Public Service and has held a variety of executive positions. Most recently, she was Deputy Minister of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism with responsibilities that included international and internal trade policy as well as export market development and the investment and venture capital program. She was the Chief Operating Officer (COO) with the Ministry of Health, providing corporate leadership for the health system innovation and change agenda. She was also the lead on health labour and negotiations and provided leadership and oversight for the Medical Services and Health Human Resources Division, Health Sector IM/IT and Pharmaceutical Services divisions. Previous appointments include Assistant Deputy Minister of Economic Development, Assistant Deputy Minister of Policy and Planning, and Assistant Deputy Minister of Partnerships, Ministry of Transportation.

Sandra has received the Premier's Award in Excellence for the delivery and implementation of the Drive BC program and also received the Premier's Award for Organizational Excellence for the Olympic and Paralympic Games. Sandra has an Associated Arts Diploma in Business and is a recent graduate from the Advanced Leadership Program with the Canadian School of Public Service.

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Dave Peterson
Assistant Deputy Minister



In March 2011, Dave Peterson was appointed to his present role as the Assistant Deputy Minister of the Tenures, Competitiveness and Innovation Division of the Ministry of Forests, Lands and Natural Resource Operations (FLNRO).

In this position, Dave provides leadership to the Division, which includes the following five branches: Forest Tenures; Competitiveness and Innovation; Compensation and Business Analysis; Land Tenures; and Crown Land Opportunities and Restoration. In 2016, the Rural Secretariat was added to this division.

Over the years, Dave has held many roles. In May 2012, he was appointed the additional role of the Chief Forester after the retirement of Jim Snetsinger, until December 2014. He was temporarily appointed the role of Acting Deputy Minister for FLNRO from April 2013 to October 2013.

Prior to 2011, Dave served as the Assistant Deputy Minister, Regional Operations South for the Ministry of Natural Resource Operations beginning in November 2010. He served as the Assistant Deputy Minister, Field Operations for the Ministry of Forests and Range from February 2010 to November 2010, and Assistant Deputy Minister for BC Timber Sales since December 2005.

Raised on Vancouver Island, Dave started his career with the BC Forest Service in the summer of 1973. He graduated with honours from the University of Victoria with a Bachelor of Science in Physical Geography – Natural Resource Management in 1980, and became a Registered Professional Forester in 1985.

Dave worked in a number of forest districts before moving into the Cariboo Forest Region office, advancing up to the position of Regional Staff Manager. Following the completion of a major land use planning exercise in the Cariboo, in 1995 he moved into the private sector as President of the Cariboo Lumber Manufacturers' Association (CLMA).

Upon the disbanding of the CLMA, he took on the role of Vice-President Woodlands with Lignum Ltd. Corporate acquisitions led to positions with Riverside Forest Products, then Tolko Industries. During this period, he became the Interior industry lead on joint industry/ministry Land Use Planning, Timber Pricing, and Softwood Lumber Technical committees.

Robin Dhir
Strategic Advisor, Fasken Martineau
President, Twin Brook Developments Ltd



Robin Dhir is a strategic advisor for Fasken Martineau and President of Twin Brook Developments Ltd., a residential real estate company with holdings and business ventures in Canada, India and the United States. Previously, Mr. Dhir was a senior development manager for Kodak Canada Inc. and a top ranking sales representative for Gillette Co.'s Duracell division. He is recipient of the Darpan Extraordinary Achievement Award for Advancing Philanthropy (2013). Mr. Dhir was named among the Top 40 Professionals Under 40 by Business in Vancouver (2011) and 100 Most Influential South Asians in B.C. by the Vancouver Sun. Active in his community, he is a director of Canada Place, a director with the Vancouver Board of Trade, founder of the annual A Night of Miracles gala dinner fundraiser for the BC Children's Hospital and director of Genuine 5, a group of business people who put on events to fund children's charities. In addition, he is a Governor for the BC Children's Hospital Foundation, Co-Chair of the Fundraising Committee for Junior Achievement of BC and a member of the Simon Fraser University (SFU) India Advisory Council. He completed his Bachelor of Business Administration at Simon Fraser University.



JAN 18 2017

Ref: 16906

Mr. Tim Sheldan
Chair
Board of Directors
Forestry Innovation Investment
1200 - 1130 West Pender Street
Vancouver, BC V6E 4A4

Dear Mr. Sheldan:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year.

On behalf of the Province of British Columbia, thank you for your leadership and the contributions made by Forestry Innovation Investment over the past year and congratulations on the efforts made towards the following achievements:

- Completing an update of the strategic plan for China market development which includes emphasis on remanufacturing opportunities and new building systems, as well as an expanded government relations outreach to broader national and regional audiences;
- Implementing an accelerated market development strategy for India that is now aggressively pursuing new opportunities for BC's unique wood products in the north and south of India;
- Collaborating with the Ministry of Forests, Lands and Natural Resources and industry to develop a two-year pilot program for the value-added wood products sector that focuses on export readiness and support for new exporters to the key US market; and,
- Continuing to grow the global acceptance of wood in new, innovative building solutions, particularly taller and larger structures – a market segment offering huge potential for BC forest sector.

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BC's Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of BC.

It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services.

Government provided the following mandate direction to Forestry Innovation Investment under the *Business Corporations Act* to position BC as a global supplier of world-class environmentally friendly forest products; actively maintain, create and diversify demand for BC forest products in Canada and in key world markets; help break down non-tariff trade and market barriers to ensure opportunities for BC forest products; work with the forest industry to promote BC's forest products and forest management to the global marketplace; and help ensure that the forest sector, through product development and strong international sales, continues to be a leading contributor to the BC economy.

To achieve this mandate, Forestry Innovation Investment is directed to take the following strategic actions:

- Retain a strong focus on building markets in Asia by:
 - Advancing markets in China; ensuring that programs target areas offering strong potential return to BC producers;
 - Expanding the market development effort in India, in cooperation with industry and the Ministry of International Trade; and,
 - Working with the forest industry in identifying and advancing opportunities in Southeast Asia.
- Continue the implementation of the five-year strategic plan to expand the consumption of BC wood products by:
 - Promoting wood's environmental merits and working with partners to position wood as a preferred building material; and
 - Expanding opportunities for wood use in advanced building systems, with an emphasis on mass timber and taller wood construction.

- Collaborate with the Ministry of Forests, Lands and Natural Resource Operations on the delivery of government's commitments to expanding markets for the Value Added Wood Products under "Strong Past, Bright Future: A Competitiveness Agenda for British Columbia's Forest Sector" and the "BC Jobs Plan", specifically ensuring alignment between government-funded agencies on initiatives to promote the use of wood as a building material, wood's positive environmental attributes and BC's sustainable forestry practices.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link: [Taxpayer Accountability Principles](#).

Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of Forestry Innovation Investment and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities: [PSO Accountability Summary](#).

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against TAP, and working together to protect the public interest at all times.

Sincerely,



Teresa Wat
Minister

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Mr. Tim Sheldon

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Enclosure



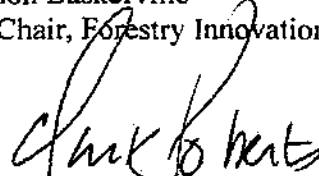
Tim Sheldon
Chair, Forestry Innovation Investment



Shannon Baskerville
Vice Chair, Forestry Innovation Investment



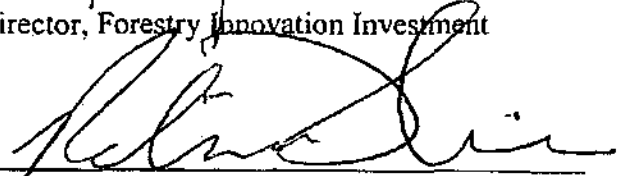
Sandra Carroll
Director, Forestry Innovation Investment



Clark Roberts
Director, Forestry Innovation Investment



Dave Peterson
Director, Forestry Innovation Investment



Robin Dhir
Director, Forestry Innovation Investment

pc: Honourable Christy Clark
Premier

Kim Henderson
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Tim Sheldon
Deputy Minister
Ministry of Forests, Lands and Natural Resource Operations, and
Chair, Forestry Innovation Investment

Shannon Baskerville
Deputy Minister
Ministry of Jobs, Tourism and Skills Training and Responsible for Labour, and
Vice Chair, Forestry Innovation Investment

.../5

Sandra Carroll
Deputy Minister
Ministry of Advanced Education, and
Director, Forestry Innovation Investment

Clark Roberts
Deputy Minister
Ministry of International Trade and Responsible for Asia Pacific Strategy and
Multiculturalism, and
Director, Forestry Innovation Investment

Dave Peterson
Director, Forestry Innovation Investment

Michael Loseh
Chief Executive Officer
Forestry Innovation Investment

B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

1 Cost Consciousness (Efficiency)	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to "bend the cost curve" and support sustainable public policies and programs as a lasting legacy for generations to come.
2 Accountability	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government's strategic mandate.
3 Appropriate Compensation	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer.
4 Service	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
5 Respect	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers' monies.
6 Integrity	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

Forestry Innovation Investment Ltd.

2017/18 – 2019/20 SERVICE PLAN

February 2017



For more information on Forestry Innovation Investment Ltd., contact:

**#1200 – 1130 West Pender Street
Vancouver, BC
V6E 4A4**

604-685-7507

info@bcfii.ca

Or visit our website at

www.bcfii.ca

Accountability Statement

The 2017/18 – 2019/20 *Forestry Innovation Investment (FII) Service Plan* was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with the Government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

All significant assumptions, policy decisions, events and identified risks, as of January 27, 2017 have been considered in preparing the plan. The performance measures presented are consistent with FII's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of FII's operating environment, forecast conditions, risk assessment and past performance.



Tim Sheldon

Chair of the Board

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Strategic Direction and Context

Strategic Direction

The mandate of Forestry Innovation Investment (FII) is to work with the forest industry to develop and diversify markets for B.C. forest products, while promoting B.C. as a world-class supplier of environmentally-friendly products from sustainably-managed forests. As outlined in its [2017/18 Mandate Letter](#) from the Minister of International Trade, FII will focus on three strategic priorities in the coming year:

- Retain a strong focus on market diversification in Asia by:
 - Advancing markets in China; ensuring that programs target areas offering strong potential return to B.C. producers;
 - Expanding the market development effort in India, in cooperation with industry and the Ministry of International Trade; and
 - Working with the forest industry in identifying and advancing opportunities in Southeast Asia.
- Continue the implementation of the five-year strategic plan to expand the consumption of wood products by:
 - Promoting wood's environmental merits and working with partners to position wood as a preferred building material; and
 - Expanding opportunities for wood use in advanced building systems, with an emphasis on mass timber and taller wood construction.
- Collaborate with the Ministry of Forests, Lands and Natural Resource Operations on the delivery of government's commitments to expanding markets for the Value Added Wood Products under [Strong Past, Bright Future: A Competitiveness Agenda for British Columbia's Forest Sector](#) and the [BC Jobs Plan](#), specifically ensuring alignment between government-funded agencies on initiatives to promote the use of wood as a building material, wood's positive environmental attributes, and B.C.'s sustainable forestry practices.

By aligning medium-term activities with the Ministry of International Trade's (MIT) efforts in international markets, and with the forest sector competitiveness initiatives outlined in *Strong Past, Bright Future: A Competitiveness Agenda for B.C.'s Forest Sector*, FII will ensure efficient use of resources and deliver the best value for B.C. taxpayers and forest sector stakeholders. Cost-effectiveness in operations will continue to be enhanced through emphasis on a joint-delivery approach with industry. Government's strategic direction to Crowns on accountability is found in [Taxpayer Accountability Principles: Strengthening Public Sector Governance and Accountability](#).

Operating Environment

International market development efforts led by FII continue to be influenced by a wide range of factors, many outside the control of the organization and its partners. These factors have been particularly volatile over the past year and include currency exchange rates; fluctuating economic growth in target markets; increasing competition; and local market factors that reflect demand for housing and capital construction, including interest rates, employment levels and various types of incentive programs targeted to home buyers. Factors influencing demand in the United States, China, Japan and India are the most significant, as these priority markets represent more than 85 per cent of international sales of B.C. wood products and account for the majority of FII program investments.

For 2017/18, economic recovery in the United States is expected to continue, albeit at a modest pace. Solid consumption and job growth will be offset by weak investment, which will have a dampening influence on new construction. Political changes in the United States, and the election of a new administration promising greater protectionism are creating uncertainty for B.C. softwood exports to the market. The lack of resolution to the Canada – U.S. Softwood Lumber Agreement adds to this dynamic, as the outcome could have a significant impact on future B.C.'s trade with the United States.

China, B.C.'s largest market for commodity lumber outside North America, is expected to continue to face challenges as it rebalances its economy from manufacturing-led demand toward domestic consumption and services. While high-level drivers—including urbanization, the growing middle class, and escalating environmental concerns—will create new demand for wood in China; competition is increasing and the pace of economic growth has slowed. At the same time, growth in Japan, B.C.'s second largest market in Asia, will remain weak and uneven in the year ahead; however, new opportunities for wood products are emerging in the multi-family and institutional segments. India, the location of FII's newest operations, will continue to lead global growth in 2017/18, creating opportunities for B.C. in many areas, including wood products.

Lower value of the Canadian dollar against the U.S. dollar partially offsets impacts to exports from continued slower growth in East Asia, and an uncertain trade climate in the United States. In B.C., and across North America, acceptance of new generation wood technologies, such as taller wood buildings, and engineered products such as cross-laminated timber, are gaining momentum. These innovations in technology and engineering strengthen efforts to expand wood sales in the high-potential non-residential construction market, which is a key performance target for FII. In emerging markets, particularly in India, demand for softwood continues to grow, which is creating new opportunities for B.C. wood products. FII and industry are aggressively pursuing the Indian market with additional funding provided by the Province of B.C.

Across the time of the Service Plan, global market conditions will be monitored using feedback from FII subsidiaries, industry in-market operations, and program delivery agencies, as well as through ongoing market research. FII will continue to seek input from provincial and federal government representative offices in key markets. If required, responsive actions will be introduced to mitigate identified risks to forecasts.

For 2017/18, no significant changes are planned in FII's internal operating environment.

Performance Plan

Goals, Strategies, Measures and Targets

The goals, strategies, measures and targets in the Plan align with Government's strategic direction, as articulated in the 2017/18 *Mandate Letter* from the Minister of International Trade, as well as the strategic approaches underlined in the MIT trade strategy, *Raising our Game in Asia*, and in *Strong Past, Bright Future: A Competitiveness Agenda for B.C.'s Forest Sector*, developed by the Ministry of Forests, Lands and Natural Resource Operations. Service Plan goals and performance measures for 2017/18 – 2019/20 align with FII's strategic plan, which places a high priority on increasing the value of B.C.'s product sales, including shipping a greater proportion of higher-value products.

FII strategies incorporate the principles of taxpayer accountability set out in the Government's *Taxpayer Accountability Principles* (TAP), including an emphasis on efficiency, accountability and integrity in the delivery of all of FII's programs and in managing relations with and among government, industry, the general public and employees. FII tracks implementation of the TAP through quarterly meetings of the Board Chair, senior executives and the Minister focused on FII's performance against the TAP.

For 2017/18, FII's investments will continue to focus on innovation and market development to strengthen the position of the forest sector in its conventional product and market mix, and in new areas of opportunity, including the manufacturing segments in China and India, multi-family and institution construction in Japan, and the non-residential and tall wood building markets in North America. FII also recognizes that the opportunities presented by the development of a new generation of engineered products and building systems, and the rapid emergence of the "bio-economy", have the potential to transform the forest sector, generating new wealth, more skilled jobs and greater stability for communities and workers. Through its investments, FII continues to encourage industry to move up the value chain, thereby creating higher margin products and services.

Over the period of this Service Plan, FII programming will evolve with the market to reflect new opportunities for traditional solid wood and pulp-and-paper products; advanced engineered materials and building systems; and where appropriate, non-conventional, next-generation bio-products.

Goal 1: Forest Products are Viewed as an Environmentally-Friendly, Preferred Material, and B.C. is Viewed as a Reliable Global Supplier of Quality Products from Sustainably-Managed Forests

The primary objective of Goal 1 is to expand opportunities for B.C. forest products by positioning wood, and wood-based products from B.C., as the first choice for environmentally-friendly building materials. The strategies under Goal 1 create a solid foundation for answering the questions "Why

wood?” and “Why wood from B.C.?” upon which many of FII’s other market development investments and activities are based.

Goal 1 focuses on taking advantage of two significant trends in the marketplace: the emerging recognition of wood products as “green” and increasing demands from consumers for forest products that are produced in an environmentally-responsible manner. As customers are factoring environmental parameters into purchasing decisions, there is considerable value in articulating the benefits of wood as a sustainable, renewable building material; its advantages in creating a significantly smaller environmental footprint than other building materials; and the fact that wood and pulp-and-paper products from B.C. are manufactured by an industry that has made impressive gains in reducing its environmental footprint. These environmental benefits of wood apply equally to higher-margin wood products manufactured in B.C.

Strategies in support of this goal are designed to build on the growing awareness of the benefits of wood products, and to position B.C. as a reliable supplier of quality forest products and a global leader in sustaining forest resources and environmental values. This dual positioning will help strengthen awareness of, and interest in, B.C. forest products in major markets; thus, support greater market share, premium positioning and easier access to new markets.

Strategies

- Proactively create and disseminate timely and factual information regarding B.C. forest products and forest practices.
- Champion science and fact-based approaches to communicate the merits of wood and wood-based construction technologies in a green building and climate change context.
- Collaborate with forest sector stakeholders to encourage consistent and compelling communications regarding product and building innovations and reducing environmental impacts.
- Monitor and advocate in international markets for codes, standards and policies that recognize the merits of wood and B.C. forest products.

Performance Measure 1: Customer Perceptions of B.C. Forest Products

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Per cent of customers who perceive that forest products from B.C. are a good choice for the environment	96%	n/a*	90%	n/a*	90%

Data Source: Leger – The Research Intelligence Group, April, 2016.

*Surveys are conducted biennially.

Discussion

This measure provides an indication of the effectiveness of FII’s international advocacy and communications initiatives to influence customer perceptions of B.C. and its forest management practices. Performance data are gathered through a biennial survey of international customers (e.g.,

large institutional pulp and paper buyers, and wood importers and distributors) conducted by an independent research firm. The survey, which is focused on environmental perspectives, identifies the percentage of customers who agree that B.C.'s environmental reputation is as good as, or better than, the average of competing forest products jurisdictions. FII and its partners consider that maintaining a 90 per cent rating represents optimal performance given there will always be some who disagree with timber harvesting of any nature.

Performance Measure 2: Potential Prospects Connecting with B.C. Manufacturers

Performance Measure	2015/16 Actual*	2016/17 Forecast*	2017/18 Target	2018/19 Target	2019/20 Target
Number of potential prospects connecting with B.C. manufacturers from the <i>naturallywood.com</i> Supplier Directory, an online platform developed by FII.	—	10,000 (baseline)	11,000	12,000	12,500

Data Source: Forestry Innovation Investment Ltd / Google Analytics.

* Performance measure 2 was introduced in 2016/17.

Discussion

Performance measure 2 links FII's outreach and communications activities to the objective of increasing sales of B.C. forest products. FII, through the *naturally: wood* information resource and related paid media, works to promote B.C. forest products and suppliers by featuring the Supplier Directory. The performance metric tracks the number of visitors to the website and the number of those visitors that link through to a supplier email address or website. Collecting data on connections made to suppliers tracks the effectiveness of FII's online product and supplier sourcing tool—the Supplier Directory—in increasing awareness of, and interest in, B.C.'s forest products by advancing connections with B.C. companies for potential commercial opportunities.

Goal 2: Returns from B.C.'s Conventional and Emerging Forest Products are Optimized in Markets Offering High Potential

Goal 2 drives FII's efforts to assist the B.C. forest industry in optimizing returns by achieving a balance in the products, species and grades marketed. This goal focuses particularly on Asia. The efforts of FII and its funding recipients build on the strategies as well as the science and reputational foundation developed under Goal 1.

Optimization of the global market development strategy includes creating or expanding new market segments in traditional regions (e.g., non-residential and multi-family/mid-rise construction in the U.S.), as well as fostering demand in regions that have strong growth potential, but are not currently using high volumes of B.C. forest products (e.g., the multi-family and non-residential markets in China and Japan, and the domestically-focused manufacturing sector in India).

Activities associated with Goal 2 recognize the progress made in diversifying B.C. exports away from the historically heavy dependence on the U.S. single-family housing sector. Programs in this goal area also focus on achieving a long-term balance between existing and emerging markets, and traditional and innovative new products, including an increase in sales of higher margin products in traditional markets such as North America.

Strategies under this goal include a mix of activities delivered by third parties and by FII.¹

Strategies

- Expand opportunities for B.C. forest products in key Asian markets, with an emphasis on China, Japan and South Korea.
- Open markets for B.C. products in emerging regions offering strong growth potential, particularly India and Southeast Asia.
- Expand the use of wood in North America's emerging market segments, with an emphasis on the non-residential and multi-family/multi-storey markets, and value-added products from B.C.
- Engage with industry and foreign government agencies to eliminate barriers to access in foreign markets.
- Share the cost of market development activities crafted and delivered by trade associations, based on priorities outlined in FII's Strategic Plan and annual investment strategies.

Performance Measure 3: Average Value Generated by Lumber Sales to China^{2,3}

Performance Measure	2015/16 Actual*	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Average value (CAD) per cubic metre generated by softwood lumber sales to China.	--	172 (baseline)	196	200	204

Data Source: BC Stats.

* Performance measure 3 was introduced in 2016/17.

Discussion

The measure tracks the extent to which the B.C. forest industry is successful in diversifying markets, with a particular focus on Asia. The target emphasizes sales to China, where FII

¹ FII collaborates with industry trade associations, the federal government and other funding bodies to leverage its investments for the greatest potential return for B.C. FII's objective is to strengthen demand for B.C. forest products and expand potential end-use applications.

² Performance metrics are tracked for China and India (see performance measure 4) to reflect FII's direct operations and program delivery in those two markets. In Asia, in addition to China and India, FII also tracks and reports out on data and trends in all other key markets, including Japan and South Korea.

³ The ability to achieve performance measures 3 is contingent upon the efficacy of market development programs delivered in whole, or in part, by trade associations partially funded by FII. As part of the funding approval process, specific performance measures linked to FII's broader goals and targets are set for each project. For more details, please refer to [FII's Performance Management Framework](#).

investments are leveraging a significant joint industry and government (provincial and federal) market development effort to position B.C. as the leading exporter of high-quality softwood lumber to China. The average per cubic metre value of exports⁴ is based on Statistics Canada export data compiled by BC Stats.

In 2016/17, FII shifted from tracking overall volume figures to focusing on value per cubic metre, which reflects demand for higher-grade lumber used in construction—a key objective of the government-industry program in China. While FII and industry anticipated that shipment volumes would plateau, it was expected that values would see modest growth as demand for wood in China continued to rise. However, four key factors have changed the reality in China, resulting in a drop in B.C. lumber exports to the market and putting downward pressure on prices for lumber in China:

- Demand in China has weakened, slowing the real estate sector and negatively impacting growth for construction materials;
- Depreciation in the value of the ruble has allowed Russia to greatly expand shipments to China by undercutting prices;
- European producers have been shipping increasing volumes of lumber to China, as traditional markets in Europe have been weak, exacerbated by the Brexit vote in June 2016, and the region's other major markets in the Middle East and North Africa have been impacted by political instability; and
- increasing prices for construction grades in the U.S. has shifted higher-value products into that market thereby reducing the average value of B.C.'s exports to China (i.e., more lower grade, lower value lumber going to China than was forecast).

Adding to market uncertainty is the Canada-U.S. softwood lumber dispute, which has the potential to impact the nature of B.C.'s lumber exports to China. Reflecting these factors, the forecast for 2016/17 at \$172 per m³ is below the original target of \$196 per m³ in the 2016/17 Service Plan. For the forecast period of this Service Plan, the B.C. lumber industry faces a very competitive landscape in China and established performance targets will remain challenging to achieve. During 2017/18, FII will work closely with industry in B.C. and China to evaluate performance metrics and assess options that are more insulated from factors outside the influence of the market development program.

Performance Measure 4: Product Trials in India

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Total number of product trials of B.C. species undertaken in India.	8 (baseline)	12	18	24	26

Data Source: FII.

⁴ Total value of lumber exported divided by the total volume of exports measured in cubic metres.

Discussion

India is a new market for B.C. wood product companies, and market development efforts remain in the pre-commercial phase. Product trials continue to emerge as an effective means for FII to encourage Indian manufacturers to convert existing or new production to using B.C. wood, and efforts in this area will continue to accelerate in 2017/18. FII's *Try Canadian Wood* program provides qualified Indian manufacturers with small test volumes of B.C. wood, as well as technical support for trying B.C. wood in new or existing product lines. Trials have resulted in a range of furniture and interior finishing products being produced on a test basis using B.C. wood species. Several of these trials have led to commercial orders for products made with B.C. species. Performance measure 4 directly reflects the interest of the Indian industry to try B.C. species, which is a key objective in early market development efforts.

The expansion of the FII India teams in the north and south of India during 2016/17 will result in the continued expansion in the number of annual product trials through 2019/20, by which time almost 90 trials will have taken place in manufacturing centres across India.

The outputs of initial trials are now promoted at tradeshow and are featured at the FII India showroom in Mumbai. FII's success in expanding the number of product trials across India is key to opening the market for B.C. wood species and helping B.C. firms advance commercial sales to India.

Performance Measure 5: Sales in the U.S. Non-Residential and Multi-Storey/Multi-Family Segment⁵

Performance Measure	2015/16 Actual*	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Total sales (USD, millions) of wood attributable to program interventions – U.S. non-residential and multi-storey/multi-family residential construction markets.	--	103 (baseline)	126	144	158

Data Source: US Wood Works*

* Performance measure 5 was introduced in 2016/17.

Discussion

Most single-family housing in North America uses wood frame construction as the primary building method. However, wood has a smaller share of non-residential structures and of multi-storey, multi-family residences. The forest industry in B.C., the rest of Canada and in the U.S. has a strong interest in seeing wood products secure a much higher market penetration in this segment. To this end, FII supports the U.S.-based *WoodWorks* program to deliver activities that assist architects,

⁵ The ability to achieve performance measures 5 is contingent upon the efficacy of market development programs delivered in whole, or in part, by trade associations partially funded by FII. As part of the funding approval process, specific performance measures—linked to FII's broader goals and targets—are set for each project. For more details, please refer to FII's Performance Management Framework.

builders and developers to incorporate more wood into their projects, as well as convert their projects to wood from other materials.

In 2016/17, performance measure 5 shifted from tracking the volume of incremental wood sales in non-residential and/or multi-storey, multi-family projects where FII-funded programs are involved, to focusing on the increase in the value of wood products used in these projects. This provides greater consistency with FII's other program metrics and with the overall strategic shift to emphasizing increasing values.

Goal 3: B.C. is a Leader in Using Innovative Forest Products and Building Systems

This goal supports the Government of B.C.'s objective to generate greater added value in the forest economy. Long-term sustainability of the forest economy requires the active maintenance, creation and diversification of demand for B.C. forest products. By introducing new and advanced forest products, wood technologies and building systems, wood is positioned as a preferred building material and B.C. as a leader in wood innovation. As a result, B.C.'s forest products can be more effectively marketed for construction, interior design, and daily living, at home and abroad.

Strategies to achieve goal 3 are delivered primarily through FII's Wood First program, which works to position B.C. as a leader in using innovative forest products and building systems. An independent Wood First Advisory Committee, made up of senior industry executives, provides strategic guidance on program implementation priorities. To effectively deliver its Wood First mandate, FII relies on existing research and partners with service delivery organizations, promoting integrated planning and coordinated delivery of program activities and initiatives.

Strategies

- Advance innovation through research and product development.
- Reduce barriers to wood use.
- Educate professionals on opportunities to utilize and innovate with wood.
- Promote B.C.'s wood species, wood products and the benefits of building with wood.
- Advance the competitiveness of B.C.'s value-added wood sector.

Performance Measure 6: Incremental Value of Wood Consumed in B.C.'s Non-Residential and Multi-Storey/Multi-Family Construction Sector⁶

Performance Measure	2015/16 Actual*	2016/17 Forecast*	2017/18 Target	2018/19 Target	2019/20 Target
Total sales (CAD, millions) of wood attributable to program interventions – B.C.'s non-residential and multi-storey/multi-family residential construction markets.	--	56 (baseline)	62	68	68 or greater

Data Source: Canadian Wood Council.

* Performance measure 6 was introduced in 2016/17

Discussion

This measure tracks success in increasing wood usage in B.C. in the commercial, institutional and multi-family residential/mid-rise segment. The target is based on the incremental increase in the value of wood sales that are generated in the year and influenced by program activities funded by FII and its funding partners. These Wood First program activities focus on delivering promotional, research, educational and capacity-building initiatives throughout the province.

Goal 4: FII is a Highly Effective, Innovative and Responsive Organization

FII's business practices incorporate robust financial controls and a performance management framework, including monitoring, audit and evaluation built on a comprehensive risk-assessment strategy. FII is also committed to a path of environmental sustainability and minimizing its environmental footprint, in order to protect the natural environment and the B.C. economy for future generations.

Consistent with the strategic direction of Government under the [Taxpayer Accountability Principles](#), FII will continue to deliver its primary programs and services in collaboration with the forest industry, the federal government, the research community and other provincial agencies, including the Ministry of International Trade and the Ministry of Forests, Lands and Natural Resource Operations. By partnering with forest sector organizations from Canada and abroad, FII is able to leverage their expertise and financial resources to create and deliver strategic and focused market development programming that provides the highest value for the B.C. forest sector.

⁶ The ability to achieve performance measure 6 is contingent upon the performance of FII's funding recipients in their delivery of Wood First programming and on other external factors impacting construction activity in B.C., such as the level of real estate investment and the process for approving and implementing building code changes. Timely funding decisions by FII ensure that funding is available to successful proponents by the start of each fiscal year. As part of the funding approval process, performance measures are established for each project. These measures are directly linked to FII's broader goals and targets. For more details, please see FII's Performance Management Framework.

Strategies

- Ensure FII is efficient, transparent and results-focused by:
 - Keeping corporate support costs at or below seven per cent of the total budget;
 - Implementing a rigorous performance management system; and
 - Monitoring and auditing funded projects according to explicit risk assessments.
- Integrate the TAP across the organization and work with the Ministry of International Trade to maintain strategic engagement and TAP evaluation plan.
- Continuously review priorities and strategies to ensure that programs and services stimulate innovation in products and markets and are delivered in an effective and cost-efficient manner.
- Minimize FII's carbon footprint and promote environmentally-responsible business activities.

Performance Measure 7: Leveraged Funding

Performance Measure	2015/16 Actual	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Other organizations' aggregate contribution to recipient funding program. ⁷	68%	68%	65%	65%	65%

Data Source: FII.

Discussion

This measure tracks the effectiveness of FII in securing external resources to deliver market development programs at the lowest possible cost to B.C. taxpayers, a key efficiency objective of TAP. The willingness of industry, the federal government and other provincial governments to contribute to market development activities is a direct indicator of the value they place on these activities, particularly at a time of severe resource constraints.

The 65 per cent target figure reflects the share of funding provided by others (industry and the federal government) to FII's cost-shared recipient funding program across the suite of investments in all programs and markets. While the proportion of funds received from industry and the federal government varies by market and type of activity, FII's goal is to maintain an average of 65 per cent "other" funding in the program⁸. Given this is an average across a suite of investments, where some fluctuation is expected year to year, 65 per cent is viewed as an optimal target. Data to support this measure are sourced from the online recipient funding system, which is co-funded and managed by FII and Natural Resources Canada, and through FII's year-end financial reporting.

⁷ In its recipient funding program, FII targets annual contributions of approximately 65 per cent from other organizations; however, contributions from others vary from 0 to 85%, depending on the specific activity. Contributions from individual organizations can also fluctuate considerably across fiscal years, depending on their programming priorities and budgets.

⁸ The federal government does not fund activities in all markets where FII and industry are active. As a result, FII provides a higher share of overall funding in certain markets, increasing its average annual share of total program costs to just over one-third.

Financial Plan

Summary Financial Outlook

	2015/16 Actual	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Revenue (\$000s)					
Contribution from the Province of B.C.	17,562	18,356	19,110	19,610	19,610
Contribution from the Federal Government	823 ⁽¹⁾	826 ⁽¹⁾	600	600	600
Other Revenue ⁽²⁾	2,697	2,775	2,600	2,600	2,600
	21,082	21,957	22,310	22,810	22,810
Expenses (\$000s)					
Funding Recipient Initiatives	8,944	9,291	8,900	8,900	8,900
Market Initiatives and Outreach					
Government Initiatives and Outreach	5,354	6,068	5,900	5,900	5,900
China Market Development	3,166	2,214	2,300	2,300	2,300
India Market Development	1,992	3,036	3,810	4,310	4,310
Corporate Services	1,178	1,348	1,400	1,400	1,400
	20,634	21,957	22,310	22,810	22,810
Excess of Revenue over Expenses	448	-	-	-	-
Retained Earnings, End of Year	2,811	2,811	2,811	2,811	2,811
Capital Expenditures	347	200	50	50	50
Total Liabilities	2,493 ⁽³⁾	2,100	1,900	1,900	1,900

Note 1: Approximately \$600,000 is a contribution from Natural Resources Canada towards the India Initiative.

Note 2: Includes contributions from organizations such as industry, other governments and deferred revenue arising out of restricted capital contributions.

Note 3: Includes \$1.08 million in accounts payable and accrued liabilities, as well as \$1.03 million deferred contributions.

Key Forecast Assumptions

The continuity of FII's investments, programming and activities depend upon receipt of funds from the Ministry of International Trade. FII assumes that industry trade associations, research institutes and universities will continue to propose eligible and acceptable activities for FII funding and that partial funding for these activities will account for approximately half of FII's expenditures.

Forecast Risks and Sensitivities

FII funds extensive market development programming in off-shore markets, particularly in Asia. As a result, FII is subject to foreign exchange risk through its program payables and advances, and a portion of FII's program costs, which are denominated in Chinese Renminbi, Indian Rupee, U.S. dollars and other foreign currencies. While FII manages exposure to currency risk by monitoring assets and liabilities denominated in foreign currencies and by purchasing foreign denominated

currency when market conditions are favourable, the downward trend in the value of the Canadian dollar against the U.S. dollar has increased exchange rate risk⁹.

Additional Financial Notes

Subsidiaries

See the FII Consulting (Shanghai) Co. Ltd. and Forestry Innovation Consulting India Private Ltd. financial outlook in Appendix B: Active Subsidiaries. Funding for these subsidiary companies is by way of consulting fee invoices to the parent company in Canada (FII Ltd.).

Capital Initiatives

The capital expenditures projected for the next three years relate to normal replacement of computer equipment.

Non-Disclosure of Information

Consideration of the *Freedom of Information and Protection of Privacy Act* has not caused FII to withhold any information in this Service Plan.

Management Perspective on Financial Outlook

Revenue and Budget Allocations

For 2017/18, FII anticipates receiving \$19.1 million in cash funding from the Province, \$0.6 million from Natural Resources Canada to offset costs of FII India and approximately \$2.6 million from other sources. On that basis, the total will be higher (\$0.350 million) than in 2016/17.

As usual, about half of the available funding from the Province will be used to share the cost of activities proposed and delivered by not-for-profit organizations that responded to FII's most recent market development and Wood First calls for proposals. The budget allocation for such funding recipients will be \$8.9 million, about the same as in 2016/17. Other budget allocations will be:

- FII China: \$2.3 million: about the same as in 2016/17.
- FII India: \$3.8 million: \$0.8 million higher than in 2016/17, due mainly to an uplift in funding from the Province of B.C.
- FII Vancouver's Government Initiatives and Outreach: \$5.9 million, about the same as in 2016/17.
- Corporate support: \$1.4 million.

⁹ For example, the value of the Chinese Renminbi is roughly pegged against the U.S. dollar. Consequently, increases or decreases in the value of the U.S. dollar relative to other currencies can affect the value of the Renminbi against the Canadian dollar.

Operations

FII will continue to rely heavily on trade associations to develop and deliver market development programs based on country-specific strategies and quantified sales objectives for each product line and identified end-use.

In 2017/18, the focus for FII China staff will be to continue to build deeper and broader relationships with Chinese government officials at all levels, as well as with state-owned real estate development companies. Partnering with the B.C. trade associations; Canada Wood Group will continue to provide “downstream” support with technical training, assistance in changing building codes and fire codes, and on-site construction design, engineering and quality assurance support.

In 2017/18, FII will accelerate efforts to advance a strong Canadian Wood brand in India through targeted funds provided in the Provincial budget. Program activities will focus on investing to build market knowledge; expanding FII’s geographical focus into new, high-potential regions; expanding promotional and educational efforts; increasing the number of product trials; and advancing product demonstration activities. These efforts will be supported by the B.C. forest industry which doubled its representation in India in 2016/17. FII will actively encourage the B.C. industry to expand its commitment to, and engagement in, the market as the program accelerates. At the same time, industry will be expected to increase its financial contributions to the program as the market in India becomes more commercially established.

In carrying out its international market development planning and delivery, FII will continue to work in collaboration with the ministries and agencies of the B.C. Government to ensure that activities support broader Government plans for market expansion in Asia and elsewhere.

All budget information in this Service Plan is consistent with funding approved by Government, and with information provided in the Government’s fiscal plan.

Appendix A: Additional Information

Corporate Governance

FII is responsible to the Minister of International Trade through a six-member Board of Directors. The Government appoints the Board to set operational policy, and in cooperation with senior management, to set strategic direction. The Board monitors FII's performance based on the Province's planning and reporting principles. The Board appoints the Chief Executive Officer (CEO) and delegates responsibility to the CEO for the day-to-day leadership and management of the organization.

The Board incorporates best practices into its governance procedures as guided by the Best Practices Guidelines on Governance and Disclosure for Public Sector Organizations. As recommended in the guidelines, FII's disclosure, including its Status of Concurrence with Best Practices Guidelines is available on the Company's website at www.bcfii.ca

Full details on the role and membership of the Board of Directors, as well as corporate reports, and details on compliance to the requirements of the Board Resourcing and Development Office are available at www.bcfii.ca.

Organizational Overview

FII works with the forest industry, B.C. Government ministries, the Government of Canada, research institutions, and other stakeholders to deliver forward looking, innovative market development programs. To provide the best value for taxpayers and stakeholders, and reflecting the Province's *Taxpayer Accountability Principles*, FII uses a joint delivery model for program delivery. This approach takes advantage of industry expertise and marketing networks, and ensures that program costs are shared with other organizations.

Details on FII's mandate, its vision, mission and values, and its organizational structure are available at www.bcfii.ca, as are previous Service Plans and Annual Service Plan Reports. Also available on the site is additional information on FII, its programs and its partners, including an annual *Report to Stakeholders* that highlights accomplishments of the program in major markets around the world.

Comprehensive information about B.C.'s sustainable forest management practices and products is available at www.naturallywood.com, including links to many forest-product companies and trade associations.

Appendix B: Active Subsidiaries

FII operates the following two subsidiary companies:

FII Consulting (Shanghai) Co. Ltd. (wholly owned by Forestry Innovation Investment Ltd.)

Primary business: Supporting the B.C. forest industry by directing market research and leading government relations and business development, particularly with state owned enterprises.

Objective: To grow the market for B.C. wood products in China, primarily by creating new demand for structural lumber and related building products.

Governance: Sole Executive Director: Michael Loseth, FII CEO

Senior Management: Lisa Dou, General Manager

Strategic Direction and Operating Environment: The business activities and priorities of FII Consulting (Shanghai) Co. Ltd. are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd. The subsidiary company is also in full compliance with the Government's *Taxpayer Accountability Principles* (for more information on FII's compliance with TAP, refer to pages 3-5).

Risk Management: FII funds its market development programming in China from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for its subsidiaries are denominated in Chinese Renminbi. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in these foreign currencies and by purchasing foreign denominated currency when market conditions are favourable. The downward trend in the value of the Canadian dollar against the U.S. dollar has increased FII's exchange rate risk as the value of the Chinese Renminbi is roughly pegged against the U.S. dollar. Consequently, increases or decreases in the value of the U.S. dollar relative to other currencies can affect the value of the Renminbi against the Canadian dollar.

	2015/16 Actual	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Revenue (\$000)					
Contribution from Forestry Innovation Investment Ltd.	3,166	2,388	2,300	2,300	2,300
	3,166	2,388	2,300	2,300	2,300
Expenses (\$000)					
China Market Development	3,166	2,388	2,300	2,300	2,300
	3,166	2,388	2,300	2,300	2,300
Excess of Revenue over Expenses	-	-	-	-	-
Retained Earnings, End of Year	-	-	-	-	-

FII Consulting India Private Limited (jointly owned by Forestry Innovation Investment Ltd. and 0939031 B.C. Ltd.¹⁰)

Primary business: Supporting the development of the Indian market for B.C. forest products through market research, promoting B.C. wood products and related technologies, undertaking product trials and demonstration work, and leading communication and education outreach efforts to enhance awareness of B.C. and Canadian softwood species in India.

Objective: To establish a new market for B.C. wood products in India by creating demand for lumber suitable for the manufacture of furniture, doors and windows, interior millwork and other non-structural products.

Governance: Three-member Board of Directors:

- Michael Loseth (Chair), FII CEO
- Douglas Greig, FII Vice President and Chief Financial Officer
- Pranesh Chhibber, FII India Country Director

Senior Management: Pranesh Chhibber, Country Director, FII India

Strategic Direction and Operating Environment: The business activities and priorities of FII Consulting India Private Limited are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd. The subsidiary company is also in full compliance with the Government's *Taxpayer Accountability Principles* (for more information on FII's compliance with TAP, refer to pages 3-5).

Risk Management: FII funds its market development programming in India from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for its subsidiaries are denominated in Indian Rupees. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in these foreign currencies and by purchasing foreign denominated currency when market conditions are favourable. Over the past year, the value of the Canadian dollar against the Rupee declined marginally, slightly increasing FII's exchange rate costs for India operations.

	2016/16 Actual	2016/17 Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Revenue (\$000)					
Contribution from Forestry Innovation Investment Ltd.	1,992	3,029	3,810	4,310	4,310
	1,992	3,029	3,810	4,310	4,310
Expenses (\$000)					
India Market Development	1,992	3,029	3,810	4,310	4,310
	1,992	3,029	3,810	4,310	4,310
Excess of Revenue over Expenses	-	-	-	-	-
Retained Earnings, End of Year	-	-	-	-	-

¹⁰ Joint ownership exists to meet India's requirement that there be at least two shareholders of a foreign-owned company.

Non-Active Subsidiary

FII maintains a non-operating subsidiary company, 0939031 B.C. Ltd. (wholly owned by Forestry Innovation Investment Ltd.) whose sole purpose is to function as the second shareholder of FII Consulting India Private Limited (reflecting India legislation that requires foreign-owned companies to have at least two shareholders).

Forestry Innovation Investment Ltd.

2016/17 ANNUAL SERVICE PLAN REPORT



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Board Chair's Accountability Statement



I am pleased to submit Forestry Innovation Investment's *2016/17 Annual Service Plan Report*. The *2016/17 Annual Service Plan Report* was prepared under the Board's direction and in accordance with the *Budget Transparency and Accountability Act* and the B.C. Reporting Principles.

The *Forestry Innovation Investment 2016/2017 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2016/17 - 2018/19 Service Plan*. I am accountable for those results as reported.

A handwritten signature in blue ink, appearing to read 'Tim Sheldon', with a stylized flourish at the end.

Tim Sheldon
Board Chair

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Chair/CEO Report Letter

The 2016/17 fiscal year marked the second year for Forestry Innovation Investment Ltd. (FII) under the Government's [Taxpayer Accountability Principles](#) that act to strengthen accountability, ensure the appropriate management of public funds and revitalize the relationship between government and public sector organizations. During the year, FII's operations, including its goals, strategies, measures and targets, fully aligned with the [Taxpayer Accountability Principles](#) by emphasizing efficiency, accountability and integrity in the delivery of the organization's programs, and in managing relationships with stakeholders inside and outside the provincial government. FII's actions during the year also aligned with the Government's strategic direction as outlined in the [2016/17 Mandate Letter](#) from the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism (refer to Appendix C for a summary of FII's response to the strategic priorities set out in the *Mandate Letter*).

During the year, FII worked with the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism (MIT) under a *Strategic Engagement Plan* that establishes a framework for structured executive-level communication between the Ministry and FII. The plan, which sets out communications protocols and reporting mechanisms, ensured that a rigorous and ongoing reporting cycle was maintained between FII and MIT. A key element of the 2016/17 plan included holding quarterly meetings between the Minister and Deputy Minister of International Trade, and the FII Board Chair and CEO. These dialogues help ensure that FII and MIT remain aligned with respect to the Company's progress in meeting obligations as set out by Government.

Several organizational changes took place during the year. In April 2016, FII's interim CEO was confirmed in the position and, in July, a new vice president for International Marketing was recruited from the B.C. forest industry. FII also added two new members to the Board of Directors: the Deputy Minister of International Trade, and an executive from private industry who brings additional expertise and fresh perspectives to the Board. In anticipation of Board expansion, FII completed an update to its Board orientation package early in the year. The updated material, and a related series of briefings by staff, were designed to ensure that the new Board appointees are fully aware of their responsibilities as directors of the Company, and that each is familiar with best practices in Crown governance.

We are pleased to report that FII concluded the year having met all of its obligations under the [Taxpayer Accountability Principles](#). FII's performance under the [Taxpayer Accountability Principles](#) is reviewed in the Report on Performance section of this Annual Report. Additional information on FII's corporate governance, including links to Board composition and status of concurrence with best practices guidelines, is included in Appendix B.



Tim Sheldon
Chair



Michael Loeth
Chief Executive Officer

Purpose of the Organization

FII is the Government of British Columbia's market development agency for forest products. FII is mandated to:

- Position B.C. as a global supplier of world-class environmentally friendly forest products.
- Actively maintain, create and diversify demand for B.C. forest products in Canada and in key world markets.
- Help break down non-tariff trade and market barriers to ensure opportunities for B.C. forest products.
- Work with the forest industry to promote B.C.'s forest products and forest management to the global marketplace.
- Help ensure that the forest sector, through product development and strong international sales, continues to be a leading contributor to the B.C. economy.

FII works with the forest industry, the Government of Canada, provincial ministries, research institutions, and other stakeholders to deliver forward looking, innovative market development programs. To provide the best value to taxpayers and stakeholders, and reflecting the Province's *Taxpayer Accountability Principles*, FII uses a collaborative model for program delivery. Under this model, FII works with the B.C. forest industry and the federal government to grow exports to existing markets, such as China and Japan, while promoting the use of B.C. products in high potential, emerging markets, including India. This approach takes advantage of industry expertise and marketing networks, and ensures that program costs are shared with other organizations, including the federal government. Through this cooperative model, FII programming is working to strengthen the forest economy and create jobs in B.C.

FII maintains two operating and one non-operating subsidiaries:

Forestry Innovation Investment Consulting (Shanghai) Co. Ltd. (FII China) (wholly owned by Forestry Innovation Investment Ltd.). FII China focuses on growing the market for B.C. wood products in China.

Forestry Innovation Consulting India Private Limited (FII India) (wholly owned by Forestry Innovation Investment Ltd. and 0939031 B.C. Ltd.). FII India works to develop the Indian market for B.C. forest products.

0939031 B.C. Ltd. (wholly owned by Forestry Innovation Investment Ltd.). A non-operating company that serves as a second shareholder of FII India.

More information on FII's subsidiary companies is provided in Appendix A.

Strategic Direction and Context

FII works with the forest industry to develop and diversify markets for B.C. forest products while promoting B.C. as a world-class supplier of environmentally friendly forest products. In pursuing its market development mandate, FII focused on three specific operational priorities during the year:

- Retaining a strong focus on building markets in Asia through:
 - ensuring programs reflect China's changing economic realities and continuing to advance the use of B.C. wood in construction and other applications;

- aligning Forestry Innovation Investment's market development activities with Government's three-year market strategy for India; and
- working with the forest industry in identifying and advancing opportunities in Southeast Asia.
- Implementing the five-year strategic plan FII developed in 2015/16, and the organization's updated Service Plan performance measures.
- Collaborating with the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) and the Ministry of International Trade to jointly develop and implement an action plan for the value added wood products sector and to align FII's activities with those of Government.

(Refer to Appendix C for a more detailed review of the 2016/2017 Mandate Letter priority actions and FII activities).

During the year, FII focused on delivering against the new strategic plan for the organization. FII also collaborated with MFLNRO to deliver on its goal of creating a diverse, globally competitive forest industry. As part of this effort, FII worked with MFLNRO and MIT to complete a needs assessment for the value-added sector as a precursor to launching a new exporters pilot program. Also on the policy and planning front, FII completed updates of three key market development strategies: China, India and the U.S.

FII continues to align its activities with those of MIT in global markets, and with MFLNRO. By doing so, FII ensures efficient use of resources and maximum value for B.C. taxpayers. Cost-effectiveness in operations is further enhanced by a continued emphasis on a joint delivery model and extensive cost sharing of activities with industry and the federal government. By leveraging these partnerships, FII is able to lead a comprehensive effort to expand B.C.'s exports in major markets in Asia and North America.

Global markets for forest products were influenced by a wide variety of factors in 2016/17. Among the more significant influences were the low value of the Canadian dollar, increased competition in our key Asian markets, a rebounding U.S. housing market, and the expiry of the Canada-U.S. Softwood Lumber Agreement (SLA) which created a period of duty-free access for softwood lumber into the U.S. market.

In the U.S., the economy demonstrated increasing strength in 2016/17, with housing starts picking up momentum as the year closed. This increased activity in the housing sector combined with the duty-free period that followed expiry of the SLA to generate higher wood product sales to the U.S. on both a volume and value basis. While the economy in China has recovered from the steep downturn that began in early 2015, B.C.'s exports of lumber continue to be impacted by strong competition from Russia, backed by a weakened currency. On the positive side for B.C. exporters, prices were holding in the market, with the value per cubic metre of shipments rising steadily in the second half of the year. Among smaller markets, South Korea continues to show promise with the demand for wood housing growing and where B.C. held its position during the year in the face of rising prices.

In the midst of considerable market volatility during the year, B.C. lumber producers saw the benefits from market diversification efforts as lower shipments to China were offset by recoveries in the U.S., Japan and South Korea, and growth in secondary markets such as the Philippines. The year ended with the total volume of B.C. exports of lumber up a healthy 11.6 per cent year-over-year and the total value up almost 20 per cent. Here in North America, a new generation of wood technologies focused on taller and larger wood buildings, continues to gain ground. Of particular note was the completion

of the wood structure for the 18-storey Brock Commons Tall Wood House student residence at the University of British Columbia. This building, constructed with support from both the Province of B.C. and the federal government, is now one of the tallest mass timber structures in the world. The Brock Commons project has become a showcase for B.C.'s leadership in the area of tall wood buildings and is helping to pave the way for the increased use of wood in high potential residential and non-residential construction markets throughout North America. Advancing wood use in these segments is a key goal of FII's domestic programming, and under the reThink Wood communications program delivered by FII on behalf of the Softwood Lumber Board.

Report on Performance

Consistent with the *Taxpayer Accountability Principles*, FII's staff and Board worked with MIT early in the year to update the *Taxpayer Accountability Principles Strategic Engagement Plan* for FII. The 2016/17 Plan provided a framework for FII and the Ministry to work together effectively, share information and demonstrate accountability. FII tracks the organization's performance against the *Taxpayer Accountability Principles* through a *Taxpayer Accountabilities Evaluation framework*. During the year, FII's progress under the evaluation plan was reported to the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism by the FII Chair and CEO at quarterly meetings. A report on Evaluation Plan performance is included as a standing item at each meeting of the FII Board. In 2016/17, FII met all accountabilities set out under the plan. A copy of the FII *Taxpayer Accountabilities Evaluation Plan* final report for 2016/17 is available on the FII website.

During the year, FII met all of its objectives as set out in the 2016/17 Mandate Letter from the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism. This included building markets for B.C. forest products in Asia; updating performance metrics for the 2017/18 Service Plan; implementing a new five-year strategic plan; and collaborating with MFLNRO to align activities. A description of FII's specific responses to Mandate Letter direction is included as Appendix C.

Goals, Strategies, Measures and Targets

FII's investments in 2016/17 focused on advancing forest sector innovation and market diversification. FII worked with the forest industry, its trade associations, research institutions and other levels of government to pursue opportunities related to advancements in products, designs and engineering technologies. These activities, combined with accelerated efforts to penetrate new markets such as India, have the potential to change the paradigm for the forest sector, generating new wealth, more skilled jobs and greater stability for communities and workers.

The following describes the specific goals, strategies and performance targets pursued by FII during 2016/17. More detailed descriptions of programs, activities and the FII business model can be found at www.bcfii.ca and in the Company's annual *Report to Stakeholders*¹.

¹ Reflecting FII's commitment to continual improvement in performance measurement, FII introduced two new performance metrics in its 2016/17 *Service Plan*, while adjusting others. A comprehensive summary of changes to goals and performance measures between the 2015/16 and 2016/17 plans are available in the Appendix C of the *2016/17 Service Plan*.

Goal 1: Forest products are viewed as an environmentally friendly, preferred material, and B.C. is viewed as a reliable global supplier of quality products from sustainably-managed forests.

The primary objective of Goal 1 is to expand opportunities for B.C. forest products by positioning wood, and wood-based products from B.C., as the first choice for environmentally friendly building materials. The strategies under Goal 1 create a solid foundation for answering the questions “Why wood?”, and “Why wood from B.C.?” – upon which many of FII’s market development investments and activities are based.

Goal 1 focuses on taking advantage of two significant trends in the marketplace – the emerging recognition that wood provides an opportunity to lower the carbon footprint of the built environment, and increasing demands from consumers for forest products that are produced in an environmentally responsible, fully sustainable manner. As customers are factoring environmental parameters into purchasing decisions, there is considerable value in articulating the benefits of wood as a sustainable, renewable building material that stores carbon; its advantages in creating a significantly smaller environmental footprint than other building materials; and the fact that wood and pulp-and-paper products from B.C. are manufactured by an industry that has made impressive gains in reducing its environmental footprint.

Strategies in support of this goal are designed to build on the growing awareness of the environmental benefits of wood products, and to position B.C. as a reliable supplier of quality forest products and a global leader in sustainable forest management. This dual positioning helps strengthen awareness of B.C. forest products in major markets supporting premium product positioning, enhanced access to new segments and greater market share.

Strategies

FII and its funding recipients pursued Goal 1 by:

- Proactively creating and disseminating timely and factual information regarding B.C. forest products and forest practices;
- Championing science- and fact-based approaches to communicate the merits of wood and wood-based construction technologies in a green building and climate change context;
- Collaborating with forest sector stakeholders to encourage consistent and compelling messages regarding product and building innovations, and reducing environmental impacts; and
- Monitoring and advocating in international markets for codes, standards and policies that recognize the merits of wood and B.C. forest products.

Performance Measure 1.1ⁱ: Customer Perceptions of B.C. Forest Products.

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percent of customers who perceive that forest products from B.C. are a good choice for the environment.	98% ⁱⁱ	N/A	96%	N/A	N/A	90%	N/A

Data Source: Leger -The Research Intelligence Group. *Analysis of Market Acceptance Issues*, March 2016.

ⁱ Surveys are conducted biennially.

ⁱⁱ Reported as 90% in the *2015/16 Service Plan*, but subsequently corrected to 98%.

Discussion

This measure provides an indication of the effectiveness of FII's international advocacy and communications initiatives in influencing customer perceptions of B.C. and its forest management practices. Performance data was gathered through a biennial survey of international customers (e.g., large institutional pulp and paper buyers, wood importers and distributors, and carbon market stakeholders) conducted by an independent research firm. The next survey will be conducted in 2017/18.

Performance Measure 1.2ⁱ: Potential Prospects Connecting with B.C. Manufacturers

Performance Measure	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Number of potential prospects connecting with B.C. manufacturers from the naturallywood.com Supplier Directory, an online platform developed by FII.	10,000 (baseline)	13,027	11,000	12,000

Data Source: FII.

ⁱ Performance measure 1.2 was a new metric in 2016/17.

Discussion

Performance Measure 1.2 is a new measure that links FII's outreach and communications activities to the objective of increasing sales of B.C. forest products. FII's *naturallywood* information resource, works to promote B.C. forest products and suppliers through the Supplier Directory. The performance metric tracks the number of visitor searches on the naturallywood.com Supplier Directory and the number of those visitors that link through to a supplier email address or website. Collecting data on connections made to suppliers tracks the effectiveness of FII's online product and supplier sourcing tool—the Supplier Directory—in increasing awareness of, and interest in, B.C.'s forest products by advancing connections with B.C. companies for potential commercial opportunities.

From April 1, 2016 to March 31, 2017, a total of 13,027 supplier interactions were made, which exceeded the target by over 3,000 connections.

Goal 2: Returns from B.C.'s conventional and emerging forest products are optimized in markets offering high potential.

Goal 2 drives FII's efforts to assist the B.C. forest industry in developing and diversifying markets and to optimize returns by achieving a balance in the products, species, and grades sold to given markets. Within this goal there is a particular focus on Asia, where markets have distinctly different profiles ranging from a high volume/low grade mix in China, to a medium volume/higher grade mix in Japan. The efforts of FII and its funding recipients build on the strategies, and the science and reputational foundation, developed under Goal 1.

Optimization of the global market development strategy includes creating or expanding new market segments in traditional regions (e.g., non-residential and multi-family/mid-rise construction in the US), as well as fostering demand in segments not currently using high volumes of B.C. forest products (e.g., the multi-family and non-residential construction sector in China, and the domestically focused manufacturing sector in India).

Activities associated with Goal 2 recognize the progress made in diversifying B.C. exports away from historically heavy dependence on the US single-family housing sector. Programs in this area also focus on achieving a long-term balance between existing and emerging markets and between traditional and innovative new products. During 2016/17, the strategies under this goal included a mix of activities delivered by third parties and by FII².

Strategies

FII and its funding recipients pursued Goal 2 by:

- Expanding opportunities for B.C. forest products in key Asian markets, with an emphasis on China, Japan and South Korea.
- Opening markets for B.C. products in emerging regions offering strong growth potential, particularly India and Southeast Asia.
- Growing the use of wood in North America's emerging market segments, with an emphasis on the non-residential and multi-family/multi-storey markets, and value-added products from British Columbia.
- Engaging with industry and foreign government agencies to eliminate barriers to access in foreign markets.
- Sharing the cost of market development activities created and delivered by trade associations, based on priorities outlined in FII's Strategic Plan and annual investment strategies.

² FII collaborates with industry trade associations, the federal government and other funding bodies to leverage its investments for the greatest potential return for B.C. FII's objective is to strengthen demand for B.C. forest products and expand potential end-use applications.

Performance Measure 2.1ⁱ: Average Value Generated by Lumber Sales to China³⁴

Performance Measure	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Average value (CAD, millions) per cubic metre generated by softwood lumber sales to China ⁱⁱ .	192 (baseline)	174	196	200

Data Source: FII.

ⁱ) Performance measure 2.1 was a new metric in 2016/17.ⁱⁱ) Average per cubic metre value of exports is based on Statistics Canada export data compiled by BC Stats.**Discussion**

FII is interested in tracking the extent to which the B.C. forest industry is successful in diversifying markets, with a particular focus on Asia. Currently, FII investments are leveraging a significant joint industry and government (provincial and federal) market development effort to position B.C. as the leading exporter of high-quality softwood lumber to China.

Average value per cubic meter in 2016 was \$174. Though average values rose in the second half of the year, the value for the year is below target. This reflects a lower price in China for B.C. lumber in the face of increased competition from Russian and European suppliers, and a continued downturn in China that extended into early 2016. In addition, B.C. shipments to China were impacted by higher prices and stronger demand in the U.S., which led to some B.C. lumber supply being redirected from China into the U.S. market during the year.

Performance Measure 2.2ⁱ: Product Trials in India

Performance Measure	2015/16 Baseline	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total number of product trials of B.C. species undertaken in India.	6	8	12	15	18	24

Data Source: FII.

ⁱ) Performance measure 2.2 was a new metric in 2015/16.**Discussion**

India is a new market for B.C. wood product companies, and market development efforts remain in the pre-commercial phase. However, product trials are emerging as an effective means for FII to encourage Indian manufacturers to convert existing or new production to using B.C. wood and efforts in this area accelerated in 2016/17. FII's "Try Canadian Wood" program provides qualified Indian manufacturers with small test volumes of B.C. wood as well as technical support for trying B.C. wood in new or existing product lines. Such trials have resulted in a range of furniture and interior finishing products being produced on a test basis using B.C. wood species. The outputs of these trials were

³ Performance metrics are tracked for China and India (see performance measure 2.2) reflecting FII's direct operations and program delivery in those two markets. In Asia, in addition to China and India, FII also tracks and reports out on data and trends in all other key markets, including Japan and South Korea.

⁴ The ability to achieve performance measures 2.1 is contingent upon the efficacy of market development programs delivered in whole, or in part, by trade associations partially funded by FII. As part of the funding approval process, specific performance measures linked to FII's broader goals and targets are set for each project. For more details, please refer to [FII's Performance Management Framework](#).

promoted at tradeshow and featured at the FII India showroom in Mumbai. FII's success in expanding the number of product trials across India is key to opening the market for B.C. wood species and helping B.C. firms advance commercial sales to India.

With additional resources available in 2016/17, the market development effort was able to expand its operations into the north and south of India during the year. As a result, product trials activity exceeded expectations with a total of 15 trials completed in 2016/17. A number of other trials began later in the year and will be completed in early 2017/18.

Performance Measure 2.3¹: Sales in the U.S. Non-Residential and Multi-Storey/Multi-Family Segment⁵

Performance Measure	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total sales (USD, millions) of wood attributable to program interventions – U.S. non-residential and multi-storey/multi-family residential construction markets.	103 (baseline)	128	126	144

Data Source: FII.

¹ Performance measure 2.3 was a new metric in 2016/17.

Discussion

Most single-family housing in North America uses wood frame construction as the primary building method. However, wood has a smaller share of non-residential structures and of multi-storey, multi-family residences. The forest industry in B.C., the rest of Canada and in the U.S. have a strong interest in seeing wood products secure a much higher market penetration in this segment. To this end, FII supports the U.S.-based WoodWorks program to deliver activities that assist architects, builders and developers to incorporate more wood into their projects, as well as convert their projects to wood from other materials.

The target for performance measure 2.3 was exceeded in 2016/17 due to a concerted effort by WoodWorks to deliver their assistance and technical support to the building and design community across a range of building types (i.e., multi-story/multi-family; non-residential, taller buildings), and supported by stronger than forecast construction activity in the U.S. This diversification strategy is helping to expand the influence of the program across the construction sector while protecting suppliers against market fluctuations in any one particular segment of the building sector. In addition to increased results in midrise residential projects, value gains were secured in business, restaurant, senior centre, and mercantile projects.

Goal 3: B.C. is a leader in using innovative forest products and building systems.

This goal focuses on generating greater added value in the forest economy. Long-term sustainability of the forest economy requires the active maintenance, creation and diversification of demand for B.C. forest products. By introducing new and advanced forest products, wood technologies and

⁵ The ability to achieve performance measures 2.3 is contingent upon the efficacy of market development programs delivered in whole, or in part, by trade associations partially funded by FII. As part of the funding approval process, specific performance measures—linked to FII's broader goals and targets—are set for each project. For more details, please refer to FII's Performance Management Framework.

building systems, wood is positioned as a preferred building material, and B.C. as a leader in wood innovation. As a result, B.C.'s forest products can be more effectively marketed for construction, interior design, and daily living, at home and abroad.

During 2016/17, strategies to achieve Goal 3 were delivered primarily through FII's Wood First program, which works to position B.C. as a leader in using innovative forest products and building systems. An independent Wood First Advisory Committee, made up of senior industry executives, provides strategic guidance on program implementation priorities. To effectively deliver its Wood First mandate, FII relies on existing research, as well as partnerships with service delivery organizations to promote integrated planning and coordinated delivery of program activities and initiatives.

Strategies

FII and its funding recipients pursued Goal 3 by:

- Advancing innovation through research and product development.
- Reducing barriers to wood use.
- Educating professionals on opportunities to utilize and innovate with wood.
- Promoting B.C.'s wood species, wood products and the benefits of building with wood.
- Advancing the competitiveness of B.C.'s value-added wood sector.

Performance Measure 3.1ⁱ: Incremental Value of Wood Consumed in B.C.'s Non-Residential and Multi-Storey/Multi-Family Construction Sector⁶

Performance Measure	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total sales (CAD, millions) of wood attributable to program interventions – B.C.'s non-residential and multi-storey/multi-family residential construction markets.	56 (baseline)	60	62	68

Data Source: FII.

ⁱ Performance measure 3.1 was a new metric in 2016/17.

Discussion

This measure tracks success in increasing wood usage in B.C. in the commercial, institutional and multi-family residential/mid-rise segment. The target is based on the incremental increase in the value of wood sales that are generated in the year and influenced by program activities funded by FII and its funding partners. These Wood First program activities focus on delivering promotional, research, educational and capacity-building initiatives throughout the province.

The target for performance measure 3.1 was exceeded in 2016/17 as 42 projects were converted to wood during the year. These 42 projects resulted in an incremental \$60 million of wood use. The

⁶ The ability to achieve performance measure 3.1 is contingent upon the performance of FII's funding recipients in their delivery of Wood First programming and on other external factors impacting construction activity in B.C., such as the level of real estate investment and the process for approving and implementing building code changes. Timely funding decisions by FII ensure that funding is available to successful proponents by the start of each fiscal year. As part of the funding approval process, performance measures are established for each project. These measures are directly linked to FII's broader goals and targets. For more details, please see FII's Performance Management Framework.

largest share of these buildings are in building classification type “C” (apartments/hotel buildings) at 54 per cent, followed by type A2 (community/lecture halls, gymnasias, schools, restaurants, libraries) at 26 per cent.

Goal 4: FII serves its stakeholders in a highly effective, innovative and responsive manner.

FII’s business practices incorporate robust financial controls and a performance management framework that includes monitoring, audit and evaluation built on a comprehensive risk-assessment strategy. FII is committed to a path of environmental sustainability, including minimizing its environmental footprint, in order to protect the natural environment and the B.C. economy for future generations.

Consistent with the strategic direction of Government under the *Taxpayer Accountability Principles*, FII continues to place significant emphasis on delivering its primary programs and services in collaboration with the forest industry, the federal government, the research community and other provincial agencies, including MFLNRO and MIT. By partnering with forest sector organizations in Canada and abroad, FII is able to leverage their expertise and financial resources to create and deliver strategic and focused market development programming that provides the highest value for the B.C. forest sector.

Strategies

FII and its funding recipients pursued Goal 3 by:

- Ensuring FII is efficient, transparent and results focused by:
 - keeping corporate support costs at or below seven percent of total budget;
 - implementing a rigorous performance management system;
 - monitoring and auditing funded projects according to explicit risk assessments.
- Integrating Taxpayer Accountability Principles across the organization and working with MIT to develop strategic engagement and TAP evaluation plans.
- Continuously reviewing priorities and strategies to ensure that programs and services stimulate innovation in products and markets and are delivered in an effective and cost-efficient manner.
- Minimizing FII’s carbon footprint and promoting environmentally responsible business activities.

Performance Measure 4.1: Leveraged Funding

Performance Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Other organizations’ aggregate contribution to recipient funding program ¹ .	65%	65%	68%	65%	69%	65%	65%

Data Source: Data to support performance measure 4.1 are sourced from FII’s on-line recipient funding system, which is

¹ co-funded and managed by FII and Natural Resources Canada, and through FII’s year-end financial reporting. In its recipient-funding program, FII targets annual contributions of approximately 65% from other organizations; however, contributions from others vary from 0 to 85%, depending on the specific activity. Contributions from individual organizations can also fluctuate considerably across fiscal years, depending on their programming priorities and budgets.

Discussion

This measure tracks the effectiveness of FII in securing external resources to deliver market development programs at the lowest possible cost to B.C. taxpayers, a key efficiency objective of the Government's Taxpayer Accountability Principles. The willingness of industry, the federal government and other provincial governments to contribute to market development activities is a direct indicator of the value they place on these activities, particularly at a time of severe resource constraints.

During the year, FII allocated a total of \$8.3 million to third party organizations to deliver market development activities in China, Japan, Korea and India in Asia; and the U.S. and Canada in North America. This funding from FII leveraged an additional \$19 million in federal and industry contributions, or 69 per cent of the total delivered recipient program. This exceeded the target set for the year. While the proportion of funds received from industry and the federal government varies by market and type of activity, FII's goal is to maintain an average of 65 per cent "other" funding in the program⁷.

In addition to the contributions of others to the ongoing recipient program, FII also draws other leveraged funding for its market development programming. For 2016/17, other funding included:

- \$600,000 from Natural Resources Canada for the India market development initiative; and
- \$2.5 million from the US-based Softwood Lumber Board to support FII's delivery of the reThink Wood initiative aimed at convincing American stakeholders to adopt new wood-based building technologies⁸.

⁷ The federal government does not fund activities in all markets where FII and industry are active. As a result, FII provides a higher share of overall funding in certain markets, increasing its average annual share of total program costs to just over one-third.

⁸ FII contributed \$348,148 to the reThink program in 2016/17, for a total of \$2.9 million.

Financial Report

Discussion of Results

The following table summarizes the revenue that FII anticipated at the start of 2016/17 and the actual revenue for the year:

Source	\$ million	
	2016/17 Budget	2016/17 ⁹ Actual
The Province of British Columbia	18.3	18.5
Natural Resources Canada	0.7	0.8
Other	<u>2.2</u>	<u>2.9</u>
TOTAL	21.2	22.2

In 2016/17 FII continued to leverage substantial funds from the Government of Canada. Natural Resources Canada (NRCan) provided \$600,000 to support FII India, and a further \$200,000 to support other market development initiatives.

The year-over-year increase in revenue from other sources is largely attributable to the Softwood Lumber Board (SLB) contractually engaging FII to deliver the SLB's reThink Wood program in the United States.

In 2016/17, the funds that FII provided to other organizations through competitive Calls for Proposals amounted to approximately 40 per cent of FII's total expenditures, with the balance used for direct service delivery by FII in Vancouver and its two subsidiaries.

During the year, FII managed the risks associated with funding and monitoring activities developed and delivered by third parties, and with initiatives delivered by FII in foreign and domestic markets. FII ended the year with a surplus of \$264,000; \$62,000 of which was funding that recipients returned to FII because they cancelled or postponed projects that FII had agreed to cost-share. The balance of the surplus was from FII direct delivered projects that did not materialize and from a year-end foreign exchange gain on transactions with the Company's two foreign subsidiaries.

⁹ Contributions received from the Province for tangible capital assets are recorded as deferred contributions. Deferred capital contributions are reduced and the associated revenue recognized at the same rate and in the same fiscal period that amortization is recognized in respect of acquired depreciable tangible capital assets. This accounts for the difference in the cash contributions received from the Province of B.C. and the provincial contributions recorded in the Consolidated Statement of Operations and Accumulated Surplus.

Financial Resource Summary Tableⁱ

(in thousands of dollars)

	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Budget	2016/17 Actual	Variance from 2016/17 Budget	Variance from 2015/16 Actual
								(under) over	(under) over
Operating Revenue									
Receipts - Province of BC	\$ 20,745	\$ 17,208	\$ 17,306	\$ 16,813	\$ 17,562	\$ 18,370	\$ 18,459	\$ 89	\$ 897
Receipts - Government - Other	284	624	731	1,028	823	700	832	\$ 132	\$ 9
Other Revenue	1,153	1,042	678	762	2,697	2,200	2,916	\$ 716	\$ 219
Total Revenue	\$ 22,182	\$ 18,874	\$ 18,715	\$ 18,603	\$ 21,082	\$ 21,270	\$ 22,207	\$ 937	\$ 1,125
Operating Expenses									
Market Outreach & Initiatives	15,935	13,463	12,901	12,274	14,298	14,440	15,713	1,273	\$ 1,415
China - Market Development	4,839	2,566	2,708	3,009	3,166	2,700	2,219	(481)	\$ (947)
India - Market Development	-	874	1,532	1,948	1,992	2,800	2,714	(86)	\$ 722
Corporate Support	1,388	1,317	1,181	1,226	1,178	1,330	1,297	(33)	\$ 119
Total Expenses	\$ 22,162	\$ 18,220	\$ 18,322	\$ 18,457	\$ 20,634	\$ 21,270	\$ 21,943	\$ 673	\$ 1,309
Net Income from Operations	\$ 20	\$ 654	\$ 393	\$ 146	\$ 448	\$ -	\$ 264	\$ 264	\$ (184)
Capital Expenditures	\$ 204	\$ 526	\$ 238	\$ 469	\$ 347	\$ 225	\$ 172	(53)	\$ (175)
Total Liabilities	\$ 1,969	\$ 1,897	\$ 2,100	\$ 2,905	\$ 2,493	\$ 2,100	\$ 3,196	1,096	\$ 703
Accumulated Surplus/Retained Earnings	\$ 1,170	\$ 1,824	\$ 2,217	\$ 2,363	\$ 2,811	\$ 2,811	\$ 3,075	264	\$ 264

ⁱ⁾ The budgets in these columns have been taken from the FII Service Plan published on February 2017; over time, changes to these numbers can be anticipated.

Statement of Management Responsibility

Scope of Responsibility

Management has supervised preparation of the accompanying consolidated financial statements and related note disclosures and is responsible for their integrity and objectivity. The consolidated financial statements of Forestry Innovation Investment Ltd. (FII) have been prepared by management in accordance with the financial reporting provisions prescribed by the Province of British Columbia pursuant to Section 23.1 of the Budget Transparency and Accountability Act (see Note 2(a)).

We believe that these consolidated financial statements present fairly FII's financial position as at March 31, 2017 and the consolidated statement of operations, change in net assets, and cash flow for the year ending March 31, 2017 and that the other information contained in the Company's annual report is consistent with the consolidated financial statements as presented.

Internal Controls

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to facilitate the preparation of the financial statements in a timely manner. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. We believe our system of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the consolidated financial statements are prevented or detected in the normal course of business.

Board of Directors and Audit Committee

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's discharge of its financial reporting responsibilities. An Audit Committee is appointed by the Board. The Audit Committee reviews the consolidated financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit Committee has reviewed these consolidated statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the financial statements.

Independent Auditors

Grant Thornton has performed an independent audit of the consolidated financial statements of Forestry Innovation Investment Ltd. The Auditor's Report, as attached, outlines the scope of this independent audit and expresses an opinion on the financial statements of Forestry Innovation Investment Ltd.



Michael Loseth

Chief Executive Officer

Vancouver, British Columbia

May 19, 2017



Douglas Greig

Vice President and Chief Financial Officer



Independent Auditor's Report

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To the Board of Directors of
Forestry Innovation Investment Ltd.

To the Minister of International Trade,
Province of British Columbia

We have audited the accompanying consolidated financial statements of Forestry Innovation Investment Ltd., which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of Forestry Innovation Investment Ltd. for the year ended March 31, 2017 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion we draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Vancouver, Canada
May 19, 2017

Grant Thornton LLP

Chartered Professional Accountants

Forestry Innovation Investment Ltd.
Consolidated Statement of Financial Position

(in thousands of dollars)

March 31

2017

2016

	NOTE		
Financial assets			
Cash		\$ 4,018	\$ 3,115
Accounts receivable		605	471
Recipient advances	4	7	70
Due from Province of British Columbia		16	23
Due from other governments		283	201
Total financial assets		4,929	3,860
Liabilities			
Accounts payable and accrued liabilities	3	1,429	1,078
Due to Province of British Columbia		8	4
Due to other governments		123	72
Recipient payables	4	358	307
Deferred contributions	6	1,280	1,032
Total liabilities		3,196	2,493
Net financial assets		1,733	1,367
Non-financial assets			
Tangible capital assets	7	671	844
Prepaid expenses		671	560
Total non-financial assets		1,342	1,424
Accumulated surplus		\$ 3,075	\$ 2,811

Commitments (Note 8)

Approved by the Board



Director



Director

See accompanying notes to the consolidated financial statements.

3

Forestry Innovation Investment Ltd.
Consolidated Statement of Operations and Accumulated Surplus

(in thousands of dollars)

Year ended March 31

		Budget	2017	2016
	Note			
Revenue	10			
Government contributions				
Provincial		\$ 18,370	\$ 18,459	\$ 17,562
Federal		700	832	823
Other revenue		2,200	2,860	2,653
Investment income		-	66	44
		<u>21,270</u>	<u>22,207</u>	<u>21,082</u>
Expenses	10			
Funding recipient initiatives		8,903	9,886	8,944
Market initiatives and outreach				
FII Vancouver		5,537	5,827	5,364
FII China		2,700	2,219	3,166
FII India		2,800	2,714	1,992
Corporate services		1,330	1,297	1,178
		<u>21,270</u>	<u>21,943</u>	<u>20,634</u>
Annual surplus		-	264	448
Accumulated surplus, beginning of year		2,811	2,811	2,363
Accumulated surplus, end of year		<u>\$ 2,811</u>	<u>\$ 3,075</u>	<u>\$ 2,811</u>

See accompanying notes to the consolidated financial statements.

4

Forestry Innovation Investment Ltd.			
Consolidated Statement of Changes in Net Financial Assets			
(in thousands of dollars)			
Year ended March 31	Budget	2017	2016
Annual surplus	\$ -	\$ 264	\$ 448
Acquisition of tangible capital assets	(225)	(172)	(347)
Amortization of tangible capital assets	255	343	384
Disposal of tangible capital assets	-	2	27
(Acquisition) use of prepaid expenses	-	(91)	65
Increase in net financial assets	30	346	577
Net financial assets, beginning of year	1,387	1,387	810
Net financial assets, end of year	\$ 1,417	\$ 1,733	\$ 1,387

See accompanying notes to the consolidated financial statements.

5

Forestry Innovation Investment Ltd.
Consolidated Statement of Cash Flows

(in thousands of dollars)

Year ended March 31

2017

2016

Cash provided by (used in):

Operating

Annual surplus	\$	264	\$	448
Items not involving cash				
Amortization of tangible capital assets		343		384
Amortization of deferred contributions		(630)		(434)
Loss on disposal of tangible capital assets		2		27
Change in accounts receivable		(134)		19
Change in recipient advances		63		(70)
Change in due from Province of British Columbia		7		3
Change in due from other governments		(82)		391
Change in accounts payable and accrued liabilities		351		(174)
Change in due to Province of British Columbia		2		2
Change in due to other governments		51		51
Change in recipient payables		51		(55)
Change in prepaid expenses		(91)		65
		<u>197</u>		<u>657</u>

Capital

Acquisition of tangible capital assets		(172)		(347)
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Financing

Receipt of deferred contributions		<u>878</u>		<u>433</u>
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Increase in cash		<u>903</u>		<u>743</u>
------------------	--	------------	--	------------

Cash, beginning of year		<u>3,115</u>		<u>2,372</u>
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Cash, end of year	\$	<u>4,018</u>	\$	<u>3,115</u>
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See accompanying notes to the consolidated financial statements.

6

Forestry Innovation Investment Ltd.
Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

1. General

Forestry Innovation Investment Ltd. (the "Company" or "FII Vancouver") was incorporated on March 31, 2003 under the laws of the Province of British Columbia (the "Province"). The Company has authorized capital of 100 common shares without par value of which 10 shares are issued and outstanding. Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of International Trade, holds the shares issued. A board of directors governs the Company, and all directors are appointed by the Province. The Company's principal activities are to fund forest industry associations and research institutions and to deliver market development and market initiatives and outreach programs.

2. Summary of significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which requires accounting policies which are consistent with Canadian public sector accounting standards except in regard to the accounting for restricted capital contributions.

Under Section 23.1 of the Budget Transparency and Accountability Act and its related regulations, the Company is required to recognize restricted capital contributions as a liability and recognize them into revenue on the same basis as the related amortization expense.

Under Canadian public sector accounting standards, those transfers with stipulations that have been met or that do not contain stipulations that create a liability, are fully recognized into revenue.

The impact of this difference on the consolidated financial statements of the Company would be a decrease in deferred capital contributions as at March 31, 2017, and increases in revenues and annual surplus for the year then ended.

(b) Reporting entity and basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the Company consolidated with FII Consulting (Shanghai) Co., Ltd. ("FII China"), a wholly-owned subsidiary registered under the laws of the People's Republic of China; 0939031 B.C. Ltd., a wholly-owned subsidiary registered under the laws of British Columbia; and Forestry Innovation Consulting India Pvt. Ltd. ("FII India"), a wholly-owned subsidiary of the Company and 0939031 B.C. Ltd., registered under the laws of the Republic of India.

FII China is based in Shanghai, China, and FII India is based in Mumbai, India, with both subsidiaries delivering market development programs on behalf of the Company. The subsidiaries are consolidated on a line-by-line basis after inter-organizational transactions and balances between these entities have been eliminated.

Forestry Innovation Investment Ltd.
Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

2. Summary of significant accounting policies (continued)

(c) Revenue recognition

Unrestricted contributions, donations and grants are recorded as revenue when receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Restricted contributions include amounts received from the Province and the Canadian Federal Government for specific purposes. Restricted contributions are recorded as deferred contributions when received or receivable. The deferred contribution and associated revenue are recognized based upon the nature of the restriction, as follows:

(i) Restricted capital contributions

Capital contributions for the purpose of acquiring or developing a depreciable tangible capital asset are recorded and referred to as deferred capital contributions. Deferred capital contributions are reduced and the associated revenue recognized at the same rate and in the same fiscal period that amortization is recognized in respect of acquired depreciable tangible capital asset used to provide services.

(ii) Other restricted contributions

Deferred contributions are reduced and the associated revenue recognized in the period during which the stipulation or restriction on the contribution have been met.

Investment income includes interest recorded on an accrual basis.

(d) Program expenses

Program expenses include amounts transferred to recipient organizations based on recipient funding contracts to carry out specific program activities. Amounts transferred are recognized as expenses in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met by the recipient, and reasonable estimates of the amounts can be made.

(e) Pension plans

The Company and its employees contribute to the Public Service Pension Plan, which is a multi-employer jointly trustee plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. As the assets and liabilities of the plan are not segregated by employer, the plan is accounted for as a defined contribution plan and any Company contributions to the plan are expensed as incurred.

(f) Financial instruments

Financial instruments consist of cash, accounts receivable, amounts due from the Province, amounts due from other governments, recipient advances, accounts payable and accrued liabilities, amounts due to the Province, amounts due to other governments, and recipient payables.

The Company measures its financial instruments at cost or amortized cost.

Forestry Innovation Investment Ltd. Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

For financial instruments measured at cost or amortized cost, transaction costs are added to the cost of the financial instruments.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations.

There are no financial instruments measured at fair value; therefore, the consolidated financial statements do not include a consolidated statement of remeasurement gains and losses.

(g) Non-financial assets

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

<u>Asset</u>	<u>Useful life</u>
Computer equipment	3 years
Computer software	2 years
Furniture and equipment	5 years
Leasehold improvements	lesser of the lease term and its useful life
Tradeshow booths	3 years

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(iii) Interest capitalization

The Company does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(iv) Intangible assets

Intangible assets are not recognized in these consolidated financial statements.

Forestry Innovation Investment Ltd.

Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

2. Summary of significant accounting policies (continued)

(h) Foreign currency translation

These consolidated financial statements are stated in Canadian dollars. The Company's foreign operations, conducted through FII China and FII India, are considered financially interdependent with the Company, and are translated from Chinese renminbi ("RMB") and Indian rupee ("INR") using the temporal method of translation. Accordingly, monetary assets and liabilities are translated at the spot exchange rates in effect at the date of the statement of financial position; non-monetary items are translated at historical exchange rates in effect on the dates of the transactions. Revenue and expense items are translated at monthly average exchange rates in effect during the month in which the transaction occurred, except for amortization which is translated at the historical exchange rate of the corresponding non-monetary item. Realized exchange gains and losses are included in the consolidated statement of operations.

(i) Budget

Budget data presented in these consolidated financial statements are based on the Company's Service Plans. The budget was approved by the Board of Directors on June 21, 2016.

(j) Use of estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful lives of property and equipment. Actual results could differ from those estimates.

(k) Segment disclosures

A segment is defined as a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information. The Company has provided definitions of segments used by the Company as well as presented financial information of the segments in Note 10.

3. Accounts payable and accrued liabilities	2017	2016
Trade payables	\$ 794	\$ 516
Accrued liabilities	635	562
	<u>\$ 1,429</u>	<u>\$ 1,078</u>

Forestry Innovation Investment Ltd. Notes to the Consolidated Financial Statements

(in thousands of dollars)
March 31, 2017

4. Recipient advances and payables

The Company's policy on recipient funding contracts stipulates that unspent advances are repaid to the Company. Historically, unspent advances have been repaid to the Company prior to the end of the first quarter of the new fiscal year after final reconciliation reports have been submitted.

In addition, the Company withholds a percentage of earnable administration costs from their interim advances. Recipients would qualify for this final funding amount withheld based on meeting eligible reporting criteria in the recipient reporting process.

As at March 31, 2017, the Company has identified \$358 (2016 - \$307) as payable to the recipient organizations and \$7 (2016 - \$70) as receivable from the recipient organizations.

5. Pension plans

The Company and its employees contribute to the Public Service Pension Plan, which is a multi-employer jointly trusted plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age of retirement, length of service and highest earnings averaged over five years. The board of trustees of the plan represents plan members and employers and is responsible for the management of the plan including investment of the assets and administration of the plan.

The most recent actuarial valuation for the Public Service Pension Plan as at March 31, 2014 indicated a \$194 million funding surplus for basic pension benefits.

The plan is accounted for as a defined contribution plan. During the year ended March 31, 2017, the Company paid \$179 (2016 - \$159) for employer contributions to the plan.

6. Deferred contributions

Deferred contributions consist of contributions received from the Province for tangible capital assets and other capital and operating contributions for which goods and services remain outstanding. Deferred contributions are comprised of the following:

	Provincial	Other	2017	2016
Balance, beginning of year	\$ 778	\$ 254	\$ 1,032	\$ 1,033
Contributions received during the year	175	703	878	433
Amounts amortized to revenue	(341)	(289)	(630)	(434)
Balance, end of year	\$ 612	\$ 668	\$ 1,280	\$ 1,032

Included in Provincial deferred contributions is \$Nil (2016 - \$ Nil) that is unspent.

Forestry Innovation Investment Ltd.
Notes to the Consolidated Financial Statements

 (in thousands of dollars)
 March 31, 2017
7. Tangible capital assets**(a) Assets in use**

Cost	2016	Additions	Disposals	2017
Computer equipment	\$ 717	\$ 123	\$ (157)	\$ 683
Computer software	76	-	(21)	55
Furniture and equipment	387	12	(15)	384
Leasehold improvements	1,105	-	-	1,105
Tradeshow booths	585	37	-	622
	<u>\$ 2,870</u>	<u>\$ 172</u>	<u>\$ (193)</u>	<u>\$ 2,849</u>
Accumulated amortization	2016	Amortization	Disposals	2017
Computer equipment	\$ 623	\$ 58	\$ (157)	\$ 524
Computer software	63	7	(21)	49
Furniture and equipment	279	34	(13)	300
Leasehold improvements	619	162	-	781
Tradeshow booths	442	82	-	524
	<u>\$ 2,026</u>	<u>\$ 343</u>	<u>\$ (191)</u>	<u>\$ 2,178</u>
Net book value	2016			2017
Computer equipment	\$ 94			\$ 159
Computer software	13			6
Furniture and equipment	108			84
Leasehold improvements	486			324
Tradeshow booths	143			98
	<u>\$ 844</u>			<u>\$ 671</u>

(b) Assets disclosed at nominal values

The cost of tangible capital assets includes the fair market value of certain assets transferred to the Company from the Province effective April 1, 2003 for one dollar. These assets are now fully amortized.

Forestry Innovation Investment Ltd. Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

8. Commitments

(a) The Company has lease commitments for its premises it occupies.

2018	\$	961
2019		319
2020		239
	\$	<u>1,519</u>

(b) The Company also has an obligation to pay \$396 (2016 - \$1,784) for contracts entered into and not yet completed at March 31, 2017.

(c) Cash consists of an operating line of credit with HSBC Bank of Canada with maximum available credit of \$2,000,000 which incurs interest at prime plus 0.5% per annum. As of March 31, 2017, no amounts have been withdrawn through the utilization of the credit line.

9. Financial instruments risk management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk that the Company's counterparties default or become insolvent.

The Company is potentially exposed to credit risk through cash, accounts receivable, recipient advances, amounts due from the Province, and amounts due from other governments. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. Accounts receivable consist mainly of cost share agreements which are monitored on a regular basis. Amounts due from the Province and amounts due from other governments consist of reimbursement claims. It is the Company's opinion that its exposure to credit risk is subject to normal industry risks and is considered minimal.

As at March 31, 2017, accounts receivable, recipient advances, amounts due from the Province, and amounts due from other governments are comprised of:

	Under 90 days	Over 90 days	Total
Accounts receivable	\$ 605	\$ -	\$ 605
Recipient advances	7	-	7
Due from Province of British Columbia	16	-	16
Due from other governments	283	-	283
Allowance for doubtful accounts	-	-	-
	<u>\$ 911</u>	<u>\$ -</u>	<u>\$ 911</u>

Forestry Innovation Investment Ltd.

Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

9. Financial instruments risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its exposure to liquidity risk by maintaining sufficient cash balances throughout the year to meet its short-term obligations. It is the Company's opinion that its exposure to liquidity risk is subject to normal industry risks and is considered minimal.

Market risk

Market risk is the risk that fluctuations in market prices will affect the Company's net financial assets. Market risk comprises two types of risk:

Currency risk and foreign denominated cash

Currency risk is the risk that fluctuations in foreign currencies will affect the Company's net financial assets denominated in foreign currencies.

The Company is subject to foreign exchange risk through its program payables and program advances and a portion of the Company's program and tradeshow costs, which are denominated in Chinese renminbi, Indian rupee and United States dollars. The Company manages its exposure to currency risk by monitoring its assets and liabilities denominated in foreign currencies and purchasing foreign denominated currency to pay upcoming commitments when the market conditions are favourable. The Company does not use derivatives instruments to reduce its exposure to foreign currency risk. Included in office costs is \$109 (2016 – \$155) foreign exchange gains.

The amounts shown are translated to Canadian dollars at the closing rate:

2017				
	USD denominated amounts in CAD	RMB denominated amounts in CAD	INR denominated amounts in CAD	CAD Total
Cash	\$ 332	\$ 430	\$ 65	\$ 827
Accounts receivable	-	-	263	263
Accounts payable	-	164	246	410
2016				
	USD denominated amounts in CAD	RMB denominated amounts in CAD	INR denominated amounts in CAD	CAD Total
Cash	\$ 157	\$ 258	\$ 40	\$ 455
Accounts receivable	-	1	161	162
Accounts payable	-	243	150	393

Forestry Innovation Investment Ltd.
Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

9. Financial instruments risk management (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that fluctuations in interest rates will affect the Company's net financial assets that bear interest at variable rates. The Company manages its exposure to interest rate risk by investing in interest bearing cash accounts.

10. Segmented information

Segmented information has been identified based upon programs provided by the Company. Company programs and their activities are reported by functional area in the body of the consolidated financial statements. Programs that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Funding Recipient Initiatives

Uses project funding delivered through an annual "Call for Proposals" in partnership with the Government of Canada to fund forest industry associations and research institutions to:

- Maintain and create opportunities for BC wood products in existing and emerging markets;
- Ensure that customers, consumers, designers, builders, developers and architects know about BC wood products and the many positive features they bring to wood-frame construction and interior finishing;
- Support the development of innovative new forest products; and
- Provide interested parties around the world with information on the properties and qualities of BC's forest products and the BC companies that supply them.

(b) Market Initiatives and Outreach Program

(i) FII Vancouver Initiatives

Internally directs delivered programs that:

- Identify potential opportunities for BC forest products through market research and develop market access strategies;
- Ensure BC forest products have access to markets free from regulatory and other barriers through initiatives and research;
- Provide customers and foreign regulators with facts about the environmental merits of BC forest products, including the sustainable forest management regime that underlies their production;
- Research opportunities in new and emerging markets, and initiate early market exploration activities;
- Champion the Province's Wood First priorities and encourage expanded wood use in BC;

Forestry Innovation Investment Ltd.
Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

10. Segmented information (continued)

(b) Market Initiatives and Outreach Program (continued)

(i) FII Vancouver Initiatives (continued)

- Raise awareness of the Province as a world leader in advanced wood construction and design; and
- Encourage a robust valued-added sector in BC through enhanced capacity and competitiveness.

(ii) FII China Initiatives

FII China has a mandate to increase the volume and value of BC lumber exports to China by expanding the share of wood frame construction in China's building sector. FII China focuses on the following activities:

- Expanding and strengthening relationships with central and regional government agencies responsible for building and construction in China and with large state-owned developers, emphasizing the pursuit of strategic and joint initiatives;
- Building partnerships with established market leaders in China's development sector and supporting these companies in areas of concept development, planning and design, code application, and resource integration; and
- Working closely with Canadian forest industry trade association staff to expand China's technical capacity to deploy wood frame construction.

(iii) FII India Initiatives

FII India has a mandate to establish a local presence in India for BC and Canadian forest products companies; develop working relationships with government officials, regulatory agencies, and the wood user community; and position BC and Canadian forest products for future growth. The operation focuses on early-market (pre-commercial) development activities, including:

- Supporting development of the market for BC and Canadian forest products through market research;
- Promoting BC and Canadian wood species in various end-uses;
- Educating the market place on BC and Canadian wood species and their proper use;
- Providing intermediation with Indian regulatory authorities; and
- Providing direct support for BC companies entering the India market.

(c) Corporate services

Corporate services performs the following activities:

- Ensures financial reporting to government standards;
- Provides Human Resource, IT and office services to meet organizational needs;
- Oversees budget and planning controls in alignment with strategic objectives; and
- Provides corporate communication and analytical services to meet internal and external needs.

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Forestry Innovation Investment Ltd.

Notes to the Consolidated Financial Statements

(in thousands of dollars)

March 31, 2017

10. Segmented information (continued)

	Funding Recipient Initiatives	Market Initiatives and Outreach			Corporate Services	2017 Total	2016 Total
		FII Vancouver	FII China	FII India			
Revenues							
Government contributions							
Provincial	\$ 8,903	\$ 3,202	\$ 2,786	\$ 2,256	\$ 1,312	\$ 18,459	\$ 17,562
Federal	181	51	-	600	-	832	823
Other revenue	43	2,618	15	175	9	2,960	2,653
Investment income	-	-	-	-	56	56	44
Total revenues	9,127	5,871	2,801	3,031	1,377	22,207	21,082
Expenses							
Amortization	-	8	102	149	84	343	384
Auditing	298	-	38	27	44	407	309
Grants	693	-	-	-	-	693	278
Office costs	33	231	311	395	199	1,169	1,403
Professional services	176	3,635	459	834	96	5,199	4,599
Program costs	8,414	291	108	104	(57)	8,960	8,306
Salaries, wages and benefits	272	1,541	1,018	860	801	4,492	4,492
Trade missions	-	23	-	-	-	23	197
Travel and business costs	-	98	184	345	130	757	666
Total expenses	9,886	5,827	2,219	2,714	1,297	21,943	20,634
Annual surplus (deficit)	\$ (759)	\$ 44	\$ 582	\$ 317	\$ 80	\$ 264	\$ 448

Appendix A: Subsidiaries and Operating Segments

Active Subsidiaries

Forestry Innovation Investment Ltd. operates the following subsidiary companies:

FII Consulting (Shanghai) Co. Ltd. (wholly owned by Forestry Innovation Investment Ltd.)

Primary business: Supporting the B.C. forest industry by directing market research and leading government relations and business development, particularly with state owned enterprises.

Objective: To grow the market for B.C. wood products in China, primarily by creating new demand for structural lumber and related building products.

Governance: Sole Executive Director: Michael Loseth, FII CEO

Senior Management: Lisa Dou, General Manager

Strategic Direction and Operating Environment: The business activities and priorities of FII Consulting (Shanghai) Co. Ltd. are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd. The subsidiary company is also in full compliance with the Government's *Taxpayer Accountability Principles*.

Risk Management: FII funds its market development programming in China from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for its subsidiaries are denominated in Chinese Renminbi. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in these foreign currencies and by purchasing foreign denominated currency when market conditions are favourable. The downward trend in the value of the Canadian dollar against the U.S. dollar has increased FII's exchange rate risk as the value of the Chinese Renminbi is roughly pegged against the U.S. dollar. Consequently, increases or decreases in the value of the U.S. dollar relative to other currencies can affect the value of the Renminbi against the Canadian dollar.

Financial Resource Summary Table
FII Consulting (Shanghai) Co. Ltd.
(in thousands of dollars)

	2015/16 Actual	2016/17 Budget	2016/17 Actual
Operating Revenue			
Receipts - Forestry Innovation Investment	\$ 3,166	\$ 2,700	\$ 2,219
Total Revenue	\$ 3,166	\$ 2,700	\$ 2,219
Operating Expenses			
China - Market Development	3,166	2,700	2,219
Total Expenses	\$ 3,166	\$ 2,700	\$ 2,219
Net Income from Operations	\$ -	\$ -	\$ -

FII Consulting India Private Limited (jointly owned by Forestry Innovation Investment Ltd. and 0939031 B.C. Ltd.¹⁰)

Primary business: Supporting the development of the Indian market for B.C. forest products through market research, promoting B.C. wood products and related technologies, undertaking product trials and demonstration work, and leading communication and education outreach efforts to enhance awareness of B.C. and Canadian softwood species in India.

Objective: To establish a new market for B.C. wood products in India by creating demand for lumber suitable for the manufacture of furniture, doors and windows, interior millwork and other non-structural products.

Governance: Three-member Board of Directors:

- Michael Loseth (Chair), FII CEO
- Douglas Greig, FII Vice President and Chief Financial Officer
- Pranesh Chhibber, FII India Country Director

Senior Management: Pranesh Chhibber, Country Director, FII India

Strategic Direction and Operating Environment: The business activities and priorities of FII Consulting India Private Limited are fully consistent with the mandate, strategic priorities and fiscal plan of FII Ltd. The subsidiary company is also in full compliance with the Government's *Taxpayer Accountability Principles* (for more information on FII's compliance with TAP, refer to pages 3-5).

Risk Management: FII funds its market development programming in India from Canada and, as a result, FII is subject to foreign exchange risk through its program advances to its subsidiary companies. Program costs for its subsidiaries are denominated in Indian Rupees. FII manages its exposure to currency risk by monitoring assets and liabilities denominated in these foreign currencies and by purchasing foreign denominated currency when market conditions are favourable. Over the past year, the value of the Canadian dollar against the Rupee declined marginally, slightly increasing FII's exchange rate costs for India operations.

¹⁰ This joint ownership exists to meet India's requirement that there be at least two shareholders of a foreign-owned company.

Financial Resource Summary Table
FII Consulting India Private Limited
(in thousands of dollars)

	2015/16 Actual	2016/17 Budget	2016/17 Actual
Operating Revenue			
Receipts - Forestry Innovation Investment	\$ 1,392	\$ 2,200	\$ 2,114
Receipts - Natural Resources Canada	\$ 600	\$ 600	\$ 600
Total Revenue	\$ 1,992	\$ 2,800	\$ 2,714
Operating Expenses			
India - Market Development	1,992	2,800	2,714
Total Expenses	\$ 1,992	\$ 2,800	\$ 2,714
Net Income from Operations	\$ -	\$ -	\$ -

Inactive Subsidiary

FII maintains a non-operating subsidiary company, **0939031B.C. Ltd.** (wholly owned by Forestry Innovation Investment Ltd.) whose sole purpose is to function as the second shareholder of FII Consulting India Private Limited (reflecting India legislation that requires foreign-owned companies to have at least two shareholders).

Appendix B: Additional Information

Corporate Governance

FII is responsible to the Minister of International Trade through a six-member Board of Directors. The Government appoints the Board to set operational policy, and, in cooperation with senior management, to set strategic direction. The Board monitors FII's performance based on the Province's planning and reporting principles. The Board appoints the CEO and delegates responsibility to the CEO for the day-to-day leadership and management of the organization.

The Board incorporates best practices into its governance procedures as guided by the Best Practices Guidelines on Governance and Disclosure for Public Sector Organizations. FII's *Status of Concurrence with Best Practices Guidelines* is available on the Company's website.

Full details on the role and membership of the Board of Directors, as well as corporate reports, and details on adherence to the requirements of the Board Resourcing and Development Office are also available on the www.bcfii.ca web site.

Organizational Overview

FII works with the forest industry, the Government of Canada, research institutions, and other stakeholders to deliver forward looking, innovative market development programs. To provide the best value to taxpayers and stakeholders, and reflecting the Province's *Taxpayer Accountability Principles*, FII uses a joint delivery model for program delivery. This approach takes advantage of industry expertise and marketing networks, and ensures that program costs are shared with other organizations.

Details on the mandate of FII, its vision, mission and values, and its organizational structure are available at www.bcfii.ca as are previous Service Plans and Annual Reports. Also available on the site is additional information on FII, its programs and its partners, including an annual *Report to Stakeholders* that highlights accomplishments of the program in major markets around the world.

Comprehensive information about B.C.'s sustainable forest management practices and products is available at www.naturallywood.com, with links to many forest product companies and trade associations.

Appendix C: Crown Corporation's Mandate and Actions Summary

In the 2016/17 *Mandate Letter* from the Minister responsible, Forestry Innovation Investment received direction on strategic priorities for the 2016/17 fiscal year. These priorities and the Crown Corporation's resulting actions are summarized below:

Mandate Letter Direction	Crown Corporation's Action
<p>1. Retain a strong focus on building markets in Asia through:</p> <ul style="list-style-type: none"> a. Ensuring programs reflect China's changing economic realities and continue to advance the use of B.C. wood in construction and other applications; b. Aligning Forestry Innovation Investment's market development activities with Government's three-year market strategy for India; and c. Working with the forest industry in identifying and advancing opportunities in Southeast Asia. 	<ul style="list-style-type: none"> • Completed updates on market development strategies for China, India and Japan. The strategies establish the priorities for FII's investments and operations in the markets over the next three years. • Maintained co-location with the Ministry of International Trade's (MIT) operation in Mumbai and continued expansion of the India program by opening satellite offices in the Delhi region and Bangalore. • Completed market opportunity research in Vietnam focused on opportunities for B.C. products in the manufacturing sector. This was followed by an FII-led mission to Vietnam in May, 2017.
<p>2. Implement the five-year strategic plan FII developed last year, and the organization's updated Service Plan performance measures.</p>	<ul style="list-style-type: none"> • Funded and delivered a comprehensive Market Initiatives and Market Outreach program to expand B.C.'s exports in major markets in Asia, North America and Europe. • Guided by market-specific development strategies, FII allocated a total of \$6.4 million to third party organizations to deliver market development activities in China, Japan, Korea, India, the US and Europe. This funding leveraged an additional \$19 million in federal government and industry contributions. • Partnered with the US-based Softwood Lumber Board (SLB) to deliver the \$2.9 million reThink Wood program for which the SLB contributed over 85% of total funding for this FII-managed initiative. • Led the Wood First program to further establish B.C. as a leader in developing and using innovative wood products and building systems. During the year, FII allocated a total of \$2.7 million to seven organizations to deliver Wood First initiatives on behalf of FII and the B.C. Government.

	<ul style="list-style-type: none">• Began tracking performance per the updated metrics contained in the 2016/17 Service Plan
3. Collaborate with the Ministry of Forests, Lands and Natural Resource Operations to jointly develop and implement an action plan for the value added wood products sector and align FII's activities with those of Government.	<ul style="list-style-type: none">• Collaborated with the Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) to support the goal of creating a diverse, globally competitive forest industry.• Worked with MFLNRO and MIT to complete a review of existing export programming, and best practices from other sectors and jurisdictions as a precursor to launching a pilot program to support new value added exporters.

Legacy Initiatives Advisory Council Profile

Statutory Authority: N/A

Type of Organization: Advisory Council

Appointment Process: Ministerial Order

Background:

- The Legacy Initiatives Advisory Council (LIAC) works with Chinese Canadian communities and other community associations, professional associations and government to ensure successful implementation of the legacy projects resulting from the *Chinese Historical Wrongs Consultation Final Report*, and facilitate meaningful community engagement.
- The Ministry of International Trade supports the LIAC.

Program Description:

- The LIAC's strategic objectives are to advance the legacy projects by:
 - Providing government with the expert content advice required to successfully implement legacy projects.
 - Providing expert advice on Chinese Canadian social history.
 - Developing relationships between communities, other associations and government to implement practical measures for legacy initiatives.
- The LIAC consists of twenty-two members, including two co-chairs, selected for their understanding of Chinese culture and social history in British Columbia, and experience building positive relationships.
- LIAC members are serving for a term ending on December 31, 2017.

Current Appointees:

Members are appointed by Ministerial Order. There are currently 22 Members with terms set to expire on December 31, 2017:

- David W. Choi, Co-Chair
- Henry S.N. Yu, Co-Chair
- Donald J. Bain, Member
- Chi Tung Chan, Member
- Thomas Chan, Member
- Queenie Choo, Member
- Lily S. Chow, Member
- Howard E. Grant, Member
- George Ing, Member
- Jun Y. Ing, Member

- Fred Y. Kwok, Member
- David Chuenyan Lai, Member
- Diana M. Lam, Member
- Carol A. Lee, Member
- Shui Tung Lee, Member
- Imogene L. Lim, Member
- William Ma, Member
- Zaixin Ma, Member
- Henry Tom, Member
- Kenneth Tung, Member
- Jan Walls, Member
- King R. Wan, Member

Appointments required:

- No board appointments are set to expire within the next 90 days.

Website: <http://www2.gov.bc.ca/gov/content/governments/multiculturalism-anti-racism/chinese-legacy-bc/legacy-initiatives-advisory-council>

Contacts:

Legacy Initiatives Advisory Council:

Co-Chairs: Henry S.N. Yu and David W. Choi

Ministry provides secretariat function

Ministry:

Tom Graham
Director

Corporate Initiatives Branch
(250) 356-1705

COUNCIL MEMBER BIOGRAPHIES



(Back row, from left to right: Carol Anne Lee, Don Bain, Kenneth Tung, Henry Tom, William Ma, Jan Walls, Shui Lee, George Ing, Zaixin Ma, Jun Ing. Front row, from left to right: Imogene Lim, Queenie Choo, David Chuen Yan Lai, Henry Yu, David Choi, Lily Chow, Thomas Chan, Tung Chan. Not pictured: Howard Grant, Fred Y. Kwok, Diana Lam, King Wan.)

David W. Choi **Co-Chair**

David Choi is the elected national executive chair of the National Congress of Chinese Canadians since 2010. He is the founder, chair and president of Royal Pacific Real Estate Group Ltd., which include subsidiaries Royal Pacific Realty Holdings Ltd. and Royal Pacific Realty Group of companies. David is a recipient of numerous awards. His broad volunteer community experience includes academia, government, health and social service, governance, and media in international, national and civic organizations in the chair, governor, adjudicator and director positions. He is a SFU adjunct professor and co-chairs the SFU David Lam Centre's Chinese Canadian History Project Council, which produced the first Chinese Canadian Chronological Chart in English, French and Chinese in both 2000 (A Canada Millennium Celebration Project) and in 2010. He was also co-executive producer of the film "Canadian Steel, Chinese Grit", a documentary on Chinese Canadian railway workers.)

Henry S.N. Yu
Co-Chair

Henry Yu was born and raised in B.C. He received his BA in Honours History from UBC and an MA and PhD in History from Princeton University. After teaching at UCLA for a decade, Yu returned to UBC to help build new programs focused on the trans-Pacific connections between North America, Asia, and the Pacific.

Between 2010 and 2012, he was the Project Lead for the "Chinese Canadian Stories" project involving UBC, SFU, and over 29 community organizations across Canada. He was the co-chair of the City of Vancouver's project, "Dialogues between First Nations, Urban Aboriginal, and Immigrant Communities" in 2010-2013.

He received the Queen Elizabeth II Diamond Jubilee Medal for his community service. Currently, he is the principal of St. John's College, UBC, and for the past eight years has been the director of the Initiative for Student Teaching and Research in Chinese Canadian Studies, which is part of the new Asian Canadian and Asian Migration Studies program in the Faculty of Arts at UBC.

Donald J. Bain
Member

Don Bain is the executive director of the Union of British Columbia Indian Chiefs, an organization dedicated to recognition of Aboriginal rights and respect for Aboriginal cultures and societies, as well as fostering fundamental and necessary research skills for Aboriginal people in the province. From the Lheidli T'enneh community outside of Prince George, Mr. Bain graduated from UBC with a degree in Anthropology, and worked on his community's Traditional Use Study. For over ten years he has been instrumental in supporting the work of UBCIC to build trust, honour and respect, to continue the healing and reconciliation of First Nations, to support Aboriginal peoples at regional, national and international forums and to build intertribal relationships.

Chi Tung Chan
Member

Tung Chan is dedicated to building social pathways to connect people in our society. He is currently an honorary captain of the Royal Canadian Navy and the chair of the Canadian Museum of Immigration at Pier 21. He is also a board member of the Vancouver Foundation, Rick Hansen Institute, and the Canadian Foundation for Economic Education.

In his professional and political career, Mr. Chan has served as the chief executive officer of S.U.C.C.E.S.S., VP of the TD Bank Group and councillor of the City of Vancouver. Mr. Chan holds a Bachelor of Arts degree from the University of British Columbia and a General Management Diploma from the Institute of Canadian Bankers where he is also a Fellow. In recognition of his contribution to the community, Mr. Chan was awarded the Queen's Golden and Diamond Jubilee Medal and the Order of B.C.

Thomas Chan
Member

Thomas Chan has been a Chartered Accountant since 1986 and has practised exclusively in Victoria from the start of his career in 1981 with Touche Ross & Co.

After leaving Touche Ross in 1989, Mr. Chan continued his professional development with Crawford, Patterson and Campbell before starting the firm Chan & Wong in 1991. In 2008, Mr. Chan formed his present firm, Chan & Associates. He has extensive knowledge in all facets of accounting and tax for profit-oriented businesses and audits of not-for-profit organizations.

Mr. Chan has been very active in the Chinese Community in Victoria and throughout Canada. Mr. Chan presently is the national president of the Dart Coon Club and president of the Chinese Consolidated Benevolent Association. He has experience in bridging communities of different cultures proven by his various invitations by the Government of China and Guangdong Province to attend special functions and make presentations and introductions regarding business opportunities.

Queenie Choo
Member

With her strong background in community services and effective leadership ability, in 2012, Queenie Choo was appointed as the CEO of S.U.C.C.E.S.S., the largest non-profit social service organization in B.C..

Ms. Choo's role as CEO -has been based on her ability to blend a rigorous and result oriented approach with a genuine sensitivity to people. Her unique contributions include, but have not been limited to, presentation to the CIC standing committee on women's issues, and the Senate Committee on termination of entrepreneur investment programs, to name a few. She has led the teams to develop many innovative programs in the area of skills and training, employment, business development, settlement, language, family and youth, seniors care and housing.

With a true devotion to community, Ms. Choo was recognized as the QE II Diamond Jubilee award recipient for her significant contributions to the community. She received her master degree from the University of Alberta. Ms. Choo has also presented widely, both nationally and internationally.

Lily S. Chow
Member

Lily Chow, a researcher, writer and educator, immigrated to British Columbia in 1967. She received her Master of Education from the University of Victoria, and taught in high school and at UNBC before retirement.

Her writing focuses on Canadian Chinese history. She is a community activist making efforts to promote and preserve Canadian Chinese culture and heritage, and has engaged in many projects and activities related to building bridges between Canadian Chinese heritage organizations and institutions of other ethnic groups as well as the cultural exchange establishments in Guangdong, China.

One of her publications, *Sojourners in the North*, has won the Jeanne Clarke Memorial Local History Award, Prince George. She has also been awarded the Queen's Jubilee Medal twice (2002 & 2012) for her outstanding community spirit and academic research.

Howard E. Grant
Member

Howard E. Grant is currently the executive director of the First Nations Summit (FNS) which is comprised of a majority of First Nations and Tribal Councils in B.C. The FNS provides a forum for First Nations in British Columbia to address issues related to Aboriginal title and rights and treaty negotiations as well as other issues of common concern.

Mr. Grant is also a long serving member of council from his home community of Musqueam, whose traditional territory once occupied much of what is now Vancouver and surrounding areas and is now located at the mouth of the Fraser River in Vancouver. In his role as executive director of First Nations Summit he is responsible for the overall human resources and financial management of the FNS operations.

Mr. Grant was previously employed as the executive director of the Musqueam Indian Band from 1992-1997. He also held senior management positions with the federal government (Department of Indian and Northern Affairs Canada DIAND now AANDC) from 1984-1992.

Within his roles as executive director of the Musqueam Indian Band and senior manager with DIAND, he was responsible for operational issues, policy development and implementation and budget/audit requirements. Mr. Grant has served and continues to serve on numerous First Nations committees, federal committees, boards, post-secondary advisory committees, and public sector committees in the capacity of advisor and/or board member. He also sits as a board member on numerous capital and economic boards.

George Ing
Member

George Ing was born in Victoria and joined the RCAF in 1955. Recruited as an air craftsman (Private) he was trained as a radar technician. He graduated with a BSc from St Mary's University, and a MBA from George Washington University in Washington DC. In 1974 he was promoted to the rank of Lieutenant Colonel and assigned to be the commanding officer of Comm Group Europe. He also served as the military sports commissioner. In 1987 LCol Ing, CD2, Queens Silver Jubilee Medal, NATO Decoration, retired from the CF early and became the DND civilian project manager of a \$300M project. Concurrently, he served as vice-president of St James Social Services.

George Ing is the past president of Pacific Unit 280, the only unit of WWII Chinese Canadian Veterans, and is a past vice-president of the Chinese Canadian Military Museum. He has also been a board member of the Asian Heritage Society.

Jun Y. Ing
Member

Jun Ing has been an active volunteer in the community since the early 1990s. He is a key player in organizing many high profile community events including the annual Canada Day celebration, Remembrance Day tribute, and the popular signature multicultural event in Vancouver - the Chinese New Year Parade.

Mr. Ing is currently the vice-president of the Chinese Benevolent Associations of Vancouver, an umbrella organization for over 100 Chinese associations. In recognition of his outstanding community service, he was awarded the Queen Elizabeth II Diamond Jubilee Medal.

Mr. Ing is an engineer with a full-time professional career. In his leisure, he teaches Chinese martial arts and traditional lion dance.

Fred Y. Kwok
Member

Fred Y. Kwok has been president of Mainly Awning and Signs Co. since 1988. He is very active in his community, serving as co-chair of the Vancouver Chinatown Spring Festival Committee, vice-president of Wushu Canada and member of the Vancouver Chinatown Designated Historic Site Committee and has served as a director of S.U.C.C.E.S.S. Mr. Kwok was also a recipient of the Queen Elizabeth Diamond Jubilee Medal in 2012.

David Chuenyan Lai
Member

Dr. David Lai has taught in the Department of Geography at the University of Victoria for 35 years and retired in 2003 as professor emeritus.

Currently, he is a research affiliate of Centre on Aging, University of Victoria, and adjunct professor of David Lam Centre for International Communication, Simon Fraser University. His researches are concentrated on the history of Chinese Canadians, development of Canadian Chinatowns and ethnic groups in British Columbia. He was appointed as a B.C. member on the Historic Sites and Monuments Board of Canada (2001-4).

He is a cultural advisor of Chinese Consolidated Benevolent Association in Victoria. He is a Member of the Order of Canada and an Honorary Citizen of Victoria. He received a Citation Award by the Association of American Geographers in 1982 and the International Award of Merit from the American Association for State and Local History in 1983 for his outstanding contributions to the conservation and restoration of Victoria's Chinatown.

Diana M. Lam
Member

Diana Lam was born and educated in Vancouver finishing at BA (Econ) at UBC. She brings to the advisory board experience through her long time public relations career as well as many years as a senior aide to two federal cabinet ministers.

Her community contribution has been diverse, serving on the boards among them Vancouver YWCA, Canadian Breast Cancer Foundation (B.C. and Yukon Chapter), National Arts Centre (Ottawa), Pacific Sports Centre B.C., Vancouver Civic Theatres. She has also been involved in developing programs and projects to further the interests of women, having been on the founding committee for the YWCA Women of Distinction awards and for the National Retreat for Women. She is the founding chair of the Vancouver chapter of the worldwide International Women's Forum.

Carol Anne Lee
Member

Carol Anne Lee, a native of Vancouver, is CEO and co-founder of Linacare Cosmethery Inc. Linacare, a B.C.-based company focused on developing therapeutic skincare products. The company is headquartered in Vancouver's historic Chinatown district. With long standing family ties to the history of Chinatown, she is strongly committed to the revitalization of the area and is the chair of the Vancouver Chinatown Foundation for Community Revitalization and chair of the Vancouver Chinatown Revitalization Committee.

Ms. Lee has a Bachelor of Commerce from the Sauder School of Business at the University of British Columbia and a MBA from Harvard Business School. She serves on several boards and organizations including the Faculty Advisory Board of the Sauder School of Business, the Robert H. Lee Graduate School Advisory, the Harvard Business School Canadian Advisory Board and the Leadership Council of the Perimeter Institute of Theoretical Physics in Waterloo.

Shui Tung Lee
Member

Lee Shui Tung was born in China Tai Shan village and moved to Canada at twelve years of age. Mr. Lee is a 5th generation Canadian, and lives with his family in Kelowna. Mr. Lee's family has lived in Canada for over 100 years. Mr. Lee is the current chair of the Kelowna Freemasons Club. At the age of fifteen, Mr. Lee started his own restaurant business in Enderby, called the Enderby Sportsman Cafe. He has also served as a court interpreter for 32 years, as well as an immigration interpreter. For the last ten years, Mr. Lee has been a tour guide in Kelowna, and is now semi-retired and currently working at the Kelowna General Hospital.

Imogene L. Lim
Member

Imogene Lim is an ethno-archaeologist by training (BA Hon., Simon Fraser University; AM & PhD, Brown University) at Vancouver Island University's Department of Anthropology; she is currently the chair.

She was a founding member and current board director of the Chinese Canadian Historical Society of B.C.. In Cumberland, B.C., she sits on the Coal Creek Historic Park Advisory Committee, appointed by the village council.

Since returning to the west coast, she has actively pursued heritage issues on early Chinese in B.C. Her interests include food, culture (identity), and heritage; she co-edited *Re/collecting Early Asian America: Essays in Cultural History* (2002).

William Ma
Member

William Ma was born in China and grew up in Hong Kong. He graduated from the University of Hong Kong with a Bachelor of Business Administration degree. In the early 1970s, he founded factory specializing in outer-wear garments exporting to North America and Europe. In 1981, he became one of the first groups of Hong Kong investors to establish factories in Guangdong while establishing close relationship with the Guangdong Board of Trade.

Mr. Ma immigrated to Vancouver in 1993 and founded two trading companies. He has been investing in commercial properties and importing garment from China. Presently, Mr. Ma is serving as City of Vancouver's appointed consultant for the Chinese community as well as actively serving on boards of numerous community and martial arts organizations in Vancouver. Mr. Ma was successful in an effort to designate Vancouver Chinatown as a National Heritage Site as a proponent of the National/World Heritage Site Designation Committee.

Zaixin Ma
Member

Dr. Zaixin Ma is the President of Dawa Business Press, a Chinese news publication serving the Lower Mainland, Vancouver Island and Calgary. Dr. Ma is known for his involvement in the Chinese community and charitable work within. He leads and participates in several not-for-profit organizations benefiting the Chinese-Canadian community, organizing key events such as a Chinese New Year festival, a Chinese New Year banquet with the prime minister, and the Banquet of a Thousand Aged People.

Henry Tom
Member

Henry Tom earned a Masters of Environmental Studies (urban planning) from York University in Toronto. Mr. Tom has been working for more than twenty years as a principal in a small privately held real estate development and construction firm specializing in multi-family residential projects. Mr. Tom has either lived or worked in Vancouver's Chinatown for most of his life. His family has lived and worked in a small retail meat store for four generations.

Mr. Tom has been an active board member in a number of community and national cultural organizations including the City of Vancouver Heritage Commission, the Dr. Sun Yat-Sen Classical Chinese Gardens, the Canadian Museum of Nature in Ottawa and the VanDusen Botanical Garden. Mr. Tom currently serves on the Vancouver Chinatown Revitalization Committee, the City of Vancouver's Chinatown Historic Area Planning Committee and the Vancouver Chinatown Merchants Association.

Kenneth Tung
Member

He is a member of the Governance Board of Kwantlen Polytechnic University. Within the community, Kenneth Tung is the president of Civic Education Society a non-partisan organization to encourage and to engage new Canadians for community involvement. He is the vice-president of the Duke of Edinburgh's Award (B.C./Yukon) and he is the former chair of S.U.C.C.E.S.S. He was a member of the Richmond General Hospital Ethics Committee and an assessor for the Canada Millennium Scholarship Foundation.

Mr. Tung served on the Institute of Chartered Accountants of British Columbia as a public representative. Mr. Tung is the president of BTI Technologies Inc. and Compumax Systems Corporation in Richmond, and has over 20 years of experience in the business management and information technologies fields.

Jan Walls
Member

Jan Walls is a professor emeritus in the Humanities department at Simon Fraser University, where he was founding director of the David Lam Centre for International Communication and founding director of the Asia-Canada Program.

In addition to teaching at Aichi University in Japan (1967-68), the University of British Columbia (1970-78) and the University of Victoria (1978-85), he also served as first secretary for cultural and scientific affairs at the Canadian Embassy in Beijing (1981-83), and senior vice-president of the Asia Pacific Foundation of Canada (1985-87). His recent publications include: *Using Chinese* (Cambridge: Cambridge University Press, 2009, co-authored with Yvonne Li Walls) and *Crosscultural Perspectives: North America and China* (Beijing: Higher Education Press, 2014, co-authored with Yvonne Li Walls).

King R. Wan

Member

King Wan is the president of the Chinese Canadian Military Museum Society in Vancouver. He served over 35 years in the naval reserve before retiring from the Royal Canadian Navy. During his time in the military he graduated from the ROUTP (Reserve Officer University Training Plan) program and served mainly in leadership roles afloat and ashore both domestically and overseas. In his civilian career, he is a manager and works for the City of Vancouver in the city manager's office. His work experience includes controllership, auditing, financial advisory and risk management.

He also volunteers in many community organizations including serving on the board of the Naval Officers' Association of B.C.; B.C. St. John Ambulance; Pacific Marine Training Institute (PMTI) - now a faculty of BCIT; Corps of Commissionaires B.C., Canadian Forces Sailing Association and the Vancouver Canadian Club. King was a member of the Vancouver cadre of Honorary Aides-de-Camp to four Lieutenant-Governors of British Columbia for over 23 years.

Multicultural Advisory Council Profile

Statutory Authority: *Multiculturalism Act*

Type of Organization: Advisory Council

Appointment Process: Order in Council

Background:

- The Multicultural Advisory Council (MAC) is a legislated body created to provide advice to the Minister Responsible for Multiculturalism on issues related to multiculturalism and anti-racism. The Council also performs other duties and functions as specified by the Minister, and set out in Section 5(1) of the [Multiculturalism Act](#).
- The MAC is comprised of community leaders dedicated to promoting multiculturalism. Council members are appointed by the Lieutenant Governor in Council.
- Council members are un-paid volunteers, and only receive reimbursement for travel expenditures and incidental expenses related to MAC meetings.

Description:

- The Council's current focus is on the BC Multicultural Awards, community consultations, anti-racism, and leveraging B.C.'s multicultural advantage.
- MAC submits its annual report to the Minister Responsible for Multiculturalism as part of the annual provincial *Report on Multiculturalism*.
- The MAC receives secretariat support from the Multiculturalism Branch with a budget of \$20,000 per year (Inc. travel, meetings space, events, etc.).

Current Appointees:

Members are appointed by Order in Council. There are currently six members:

- Tenzin Khangsar, Chair, term expires December 31, 2018.
- Dennis Chan, Member, term expires December 31, 2018.
- Angela Y. Hollinger, Member, term expires December 31, 2017.
- David Chuenyan Lai, Member, term expires December 31, 2018.
- Anar Popatia, Member, term expires December 31, 2017.
- Tanveer M. Siddiqui, Member, term expires December 31, 2017.

Appointments required:

- No Board appointments are set to expire within the next 90 days.

Website: <http://www2.gov.bc.ca/gov/content/governments/multiculturalism-anti-racism/multiculturalism/mac>

Contacts:**Multicultural Advisory Council:**

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V6C 3E1

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Email: multiculturalism@gov.bc.ca

Ministry:

Mark Seeley

Director

Multiculturalism Branch

(604) 868-7768

COUNCIL MEMBER BIOGRAPHIES

Tenzin Khangsar

Chair

Tenzin has a unique tri-sector profile of leadership in the corporate, government and non-profit sectors.

Tenzin is currently an Executive Advisor with leading global companies in the energy and resource, finance, real estate and travel industries. He was also Managing Director and Executive Vice President of a boutique investment bank dedicated to bridging Canada and Asia in the energy and resources sectors. He was responsible for business development, marketing, operations and public affairs and worked closely with the global leaders of corporations, government and politics.

Prior to investment banking, he was the senior-most political advisor to the Minister of Industry in reviewing foreign investments into Canada and to the President of the Treasury Board in reviewing spending, regulations, IT and human resources across the Government of Canada. Working in the Office of the Prime Minister and then for the Minister of Immigration, he was also responsible for developing and implementing strategic policy and communications plans for the governments engagement of multicultural communities and ethnic media. As a result of this work, Tenzin was recognized as one of the top 60 influencing Canadian foreign policy.

Prior to government, Tenzin spent a decade in the television and telecommunications sector. He co-founded a technology company that raised more than \$10 M of venture capital, had more than 60 employees and secured the leading broadcasters and telecommunications firms as clients. He also spearheaded sales and strategic partnership initiatives throughout Asia especially in the greater China region, South Korea and India as well as taking part in many Canadian trade missions. Tenzin also worked as a sports broadcaster at CBC-TV.

A graduate of McGill School of Management, Tenzin ran as a candidate for federal Member of Parliament in Montreal in the 2006 elections and is a recipient of the Queen's Diamond Jubilee.

Dennis Chan

Member

Dennis Chan is the Principal at Pathway Advisory Services. Previously, he worked as the Acting Executive Director and Director of the British Columbia Ministry of Health and as the Director within the Vancouver Coastal Health Authority. In his community, Mr. Chan has served in various capacities with S.U.C.C.E.S.S., including as Chair. He holds his Master of Laws from Georgetown University, his Bachelor of Laws from the University of Hong Kong, and Bachelor of Arts from the University of Western Ontario.

Angela Y. Hollinger

Member

Angela Hollinger is principal of CeCan Business Development, a Vancouver-based management-consulting firm. Ms Hollinger focuses on facilitating partnerships between Canadian and Japanese companies for the Canadian and Japanese market. Her primary areas of expertise are environment related technologies, other high-tech fields and tourism. She regularly briefs British Columbia, Federal and Japanese Government officials regarding BC's emerging environment Industry.

Ms Hollinger was the first Japan-born female to serve as a president of CyPost Corporation, a public company, in Vancouver's high-tech industry, a field in which she has worked in several management roles. She has also utilized her bilingual skills and understanding of business culture to manage the Japanese subsidiaries of international firms.

She first came to Canada in 1987 and made Vancouver her home in 1998. Currently a director and Executive Director of the Canada-Japan Society of BC, a director of Yayoi Theatre Movement Society, a former chair of the Japanese Community Volunteers' Association, a director of Asia Pacific Marketing Group, also she served as a Asia Pacific Trade Council's Japan Market Advisory Group member under the vision of former Premier Gordon Campbell, she is active in the Japanese-Canadian society in Vancouver. Ms Hollinger majored in Philosophy and Theology at Seisen Women's University in Tokyo.

David Chuenyan Lai

Member

Dr. David Lai has taught in the Department of Geography at the University of Victoria for 35 years and retired in 2003 as Professor Emeritus .

Currently, he is a Research Affiliate of Centre on Aging, University of Victoria, and Adjunct Professor of David Lam Centre for International Communication, Simon Fraser University. His researches are concentrated on the history of Chinese Canadians , development of Canadian Chinatowns and ethnic groups in British Columbia.

He was appointed as a B.C. member on Historic Sites and Monuments Board of Canada (2001-4). He is a Cultural Advisor of Chinese Consolidated Benevolent Association in Victoria. He is a Member of Order of Canada and a Honorary Citizen of Victoria. He received Citation Award by Association of American Geographers in 1982 and the International Award of Merit from the American Association for State and Local History in 1983 for his outstanding contributions to the conservation and restoration of Victoria Chinatown.

Anar Popatia

Member

Anar is serving her third term as a member on the Multicultural Advisory Council of BC and holds a Minister of Justice appointment to the board of directors of Consumer Protection BC.

She is also a director of Canuck Place Children's Hospice and Co-Chair of its Governance Committee. Anar was recently appointed to the CNIB's National Committee for Philanthropy and Fundraising and invited to be a member of the Honorary Governor's Council of the Vancouver Foundation.

She has served as President of the Canadian Club of Vancouver, Chair of the Gastrointestinal Society and President of the Canadian Society of Intestinal Research. Anar also held a seat on the Board of Governors at Meadowridge School and as a member of the Aga Khan Economic Planning Board for Canada.

She is a partner in a family wealth management practice with Assante Wealth Management. In her previous roles with Dun & Bradstreet, she was awarded several Presidential Citations for her contributions to a diverse range of businesses. Anar is a recipient of the 2013 RBC Top 25 Canadian Immigrant Award in recognition of her leadership in community engagement.

She was nominated for the 2014 YWCA Women of Distinction Award and the 2015 Diversity Champion Award sponsored by the Women's Leadership Circle of The Vancouver Board of Trade.

She holds a Bachelor of Business & Economics from Brock University. She is a graduate of the Wharton School's Executive Development Program and the Institute of Corporate Directors. She holds the Corporate Directors designation of ICD.D

Tanveer M. Siddiqui

Member

Mr. Siddiqui is a Litigation Associate with Alexander Holburn Beaudin and Lang LLP. Previously, he worked and articulated with Blake, Cassels & Grayson LLP. Prior to his career in the law, he worked as a Financial Services Representative for Toronto Dominion Canada Trust.

Active in his community, Mr. Siddiqui is an executive for the South Asian Bar Association, and a past member of his firm's National Equity and Diversity Committee. Mr. Siddiqui is also an avid supporter of the Juvenile Diabetes Research Foundation (JDRF) and has regularly participated in JDRF's Ride for the Cure as a team captain. He holds his Juris Doctor and Bachelor of Laws degrees from the University of British Columbia and a Bachelor of Arts in Mathematical Economics from Wesleyan University

LEGISLATION

INTERNATIONAL TRADE	
Act	Link
Discriminatory Provisions (Historical Wrongs) Repeal	https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/40th-parliament/6th-session/bills/third-reading/gov03-3
Employee Investment	http://www.bclaws.ca/civix/document/id/complete/statreg/96112_01
Ministry of International Business and Immigration	The Act except as it relates to immigration http://www.bclaws.ca/civix/document/id/complete/statreg/96304_01
Multiculturalism	http://www.bclaws.ca/civix/document/id/complete/statreg/96321_01
New West Partnership Trade Agreement Implementation	http://www.bclaws.ca/civix/document/id/complete/statreg/11003_01
Small Business Venture Capital	http://www.bclaws.ca/civix/document/id/complete/statreg/96429_01
Trade, Investment and Labour Mobility Agreement Implementation	http://www.bclaws.ca/civix/document/id/complete/statreg/08039_01

Note: There are no legislative priorities for the Ministry of International Trade.

Ministry of International Trade Key Stakeholders

Name	Title	Organization	Email Address	Telephone
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Gavin C. Dirom	President and CEO	Association for Mineral Exploration BC	gdirom@amebc.ca	604-630-3920
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Carl Anderson	President and CEO	BC Innovation Council (BCIC)	canderson@bcic.ca	604-683-2724
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Last update: May 11, 2017

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2017/18 – 2019/20 Service Plan Questions & Answers

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1. What are the Ministry's goals?

- **Goal 1:** B.C. is recognized globally as a preferred place to invest and do business
- **Goal 2:** British Columbians value diversity and inclusiveness in our communities

2. What are the Ministry's performance measures?

- **PM 1:** Total number of international export agreements facilitated by Ministry programs (p. 9)
- **PM 2:** Foreign direct investment facilitated by Ministry programs (p. 10)
- **PM 3:** National and international offices locating in British Columbia (p. 11)
- **PM 4:** Organizing Against Racism and Hate Network (OARH) membership (p. 13)

3. What has changed since the 2016/17 – 2018/19 Service Plan (tabled Feb 2016)?

- The goals, objectives, and performance measures have primarily been carried forward from the 2016/17 – 2018/19 Service Plan. Strategies have been updated to reflect key direction.

4. Were any performance measures/targets adjusted since the previous Service Plan?

- Our forecasts indicate that the ministry will meet all of its published targets for 2016/17 (these targets will be formally reported out on in the 2016/17 Annual Service Plan Report, in July 2017).
- No targets are being lowered from those currently published in the ministry's 2016/17 – 2018/19 service plan.
- Targets will be reviewed and may be adjusted during the 2018/19 Service Planning process. Economic uncertainty in some of B.C.'s priority markets, including Europe and the U.S., provides estimating targets three years out unpredictable.

**Ministry of International Trade and
Responsible for
Asia Pacific Strategy and Multiculturalism**

**2017/18 – 2019/20
SERVICE PLAN**

February 2017



For more information on the British Columbia
Ministry of International Trade and Responsible for
Asia Pacific Strategy and Multiculturalism,
see Ministry Contact Information on page 15 or contact:

**Ministry of International Trade and
Responsible for Asia Pacific Strategy and Multiculturalism**
PO BOX 9855
STN PROV GOVT
VICTORIA, BC
V8W 9T5

or visit our website at
<http://www.gov.bc.ca/mit/>

Published by the Ministry of International Trade and Responsible for
Asia Pacific Strategy and Multiculturalism

Minister Accountability Statement



The *Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism 2017/18 - 2019/20 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

A handwritten signature in blue ink that reads "Teresa Wat".

Honourable Teresa Wat
Minister of International Trade and
Responsible for Asia Pacific Strategy and Multiculturalism
February 21, 2017

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Purpose of the Ministry

The [Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism](#) pursues strategic opportunities to promote British Columbia internationally as a preferred place to invest and do business. This is achieved by delivering services that accelerate British Columbia's exports, attract strategic investments including international offices, develop international partnerships, and increase awareness of B.C.'s competitive advantages, as well as negotiating and managing trade agreements and delivery of venture capital programs. The Ministry also promotes the benefits of B.C.'s diverse cultures and connects communities with services to eliminate racism and foster the full and free participation of all British Columbians in the economic, social, cultural and political life of British Columbia. These efforts promote economic prosperity in communities across the province while simultaneously positioning the province for long-term growth and creating jobs for British Columbians.

Specifically, the Ministry works to:

- Open and expand priority markets for B.C. goods and services, particularly in Asia, Europe and the United States, and to engage B.C. exporters in new opportunities;
- Attract strategic investments to B.C.'s priority sectors that create jobs and grow competitiveness;
- Leverage investment capital programs (venture capital and infrastructure) to support a competitive business environment; and
- Promote the value of diversity and inclusiveness in B.C. communities.

The Ministry has an oversight role for the following Crown agencies: the [BC Immigrant Investment Fund](#) and its subsidiary the [BC Renaissance Capital Fund](#), and [Forestry Innovation Investment](#). Please see Appendix B for information on these agencies.

Strategic Direction and Context

Strategic Direction

The Ministry plays a key role in delivering on [Canada Starts Here: The BC Jobs Plan](#), a government strategic priority to increase employment, economic growth and exports. The Ministry pursues a number of initiatives which support this priority, captured in the [BC Jobs Plan Trade Strategy](#), with a focus on attracting foreign investment and promoting the export of B.C. products and services to various markets, particularly in Asia.

Premier Christy Clark's [Mandate Letter](#) to the Honourable Teresa Wat, Minister of International Trade, included direction to, among others: balance the ministerial budget; work with the Ministries of Advanced Education, and Technology, Innovation and Citizens' Services to develop and present options to Cabinet on ways to improve the availability of venture capital funding in British Columbia; and develop options and present to Cabinet a strategy for increasing B.C.'s trade with India and presence in the Association of Southeast Asia Nations (ASEAN).

In addition, the Ministry will cooperate with the Ministry of Small Business and Red Tape Reduction to increase exports and expand the LNG BuyBC tool as part of the collective efforts to help businesses grow and reduce unnecessary red tape and regulation, making it easier for citizens and businesses to access British Columbia government services.

Finally, the introduction of the [Taxpayer Accountability Principles](#) (TAP) in June 2014 provided a framework to enhance greater strategic engagement between the Ministry of International Trade and its Crown corporations. The Ministry will continue to work with its Crown corporations to implement TAP and strengthen accountability, promote cost control and support strategic alignment so that these public sector agencies can continue to be effective and efficient in their service delivery, while doing so with integrity and respect and in the best interests of taxpayers.

Strategic Context

The Economic Forecast Council (EFC) expects British Columbia's real GDP to grow by 2.3 per cent in 2017 and 2.2 per cent in 2018. Meanwhile for Canada, the EFC projects national real GDP growth of 1.9 per cent in 2017 and 2.0 per cent in 2018. As such, B.C.'s economic growth is expected to outperform Canada in the coming years. Downside risks to B.C.'s economic outlook include the potential for a slowdown in North American economic activity, ongoing fragility in Europe, slower than anticipated Asian demand (particularly in China), and uncertainty in the outlook for the Canadian dollar.

Most indicators of B.C.'s economic performance through the first half of 2016 show strong domestic activity relative to the same period in 2015. Employment, retail sales, and housing stats data are strong, while exports are underperforming expectations.

Internally, the Ministry continues to implement a focused approach to investment attraction and export support that aligns with key *BC Jobs Plan* sectors. This approach was augmented in December 2015, with the release of [*Raising Our Game in Asia – The BC Jobs Plan Trade Strategy*](#). This strategy focuses on growing the number of companies that export, increasing the value of investments that grow the province's sectors, and enhancing the flow of goods, services, people and ideas between B.C. and its priority markets. This strategy further focuses the province's in-market activities, such as business-to-business meetings and events, and leverages the strengths of our [Trade and Investment Representatives](#) and [B.C.'s Special Representative in Asia](#) to support the entry of B.C. companies into new markets.

Advancing B.C.'s interests in reducing or eliminating trade and investment barriers in other markets is an ongoing priority that provides greater economic opportunities and maintains competitive advantages for the province's businesses, workers and investors. The Ministry works to eliminate barriers that restrict opportunities for B.C. goods, services and investments across Canada and in foreign markets. One instrumental way the Ministry achieves these goals is by representing the province in both national and international trade negotiations, such as the Canadian Free Trade Agreement and the recently signed Comprehensive Economic and Trade Agreement with the European Union. Open markets create economic opportunities for B.C. businesses, workers and investors, and greater choice and value for all British Columbians. The Ministry also advances B.C.'s interests in trade disputes. This is done to protect our access to external markets and ensure businesses from other jurisdictions operate fairly in B.C. The Ministry also works to strengthen regional trade and commercial relationships with other provinces through our work on the [New West Partnership Trade Agreement](#).

Access to venture capital is essential for technology companies to succeed in a competitive global marketplace. The [BC Tech Strategy](#) 2016 is built on improving access to capital for B.C. technology companies as one of three foundational pillars, and the [BC Tech Fund](#) is an important part of this work. Venture capital investment activity in Canada increased in 2015 by 18 per cent compared to 2014. In total, \$2.26 billion of venture capital was invested across Canada. B.C. captured \$450 million – this put B.C. in third place behind Ontario and Quebec. It remains critical for B.C. to increase the amount of available early stage capital needed to grow emerging technologies and keep industry leaders in B.C. That is why the \$100 million BC Tech Fund is so important.

B.C. is Canada's most culturally diverse province and each year we welcome close to 40,000 new immigrants to our communities. It is also home to over 200 First Nation bands. Promoting diversity and multicultural programs across the province is a priority for the Ministry, as this leads to greater understanding, acceptance and personal connections amongst British Columbians. Our deep historical, cultural and business ties with other countries are to be celebrated and provide an opportunity for B.C. to diversify markets and expand international trading relationships in an increasingly globalized economy.

Goals, Objectives, Strategies and Performance Measures

The goals of the Ministry are aligned with government's priorities and the [Minister's mandate letter](#), as provided by Premier Christy Clark. They also reflect the government's [Taxpayer Accountability Principles](#) by focusing government's international efforts to advance B.C.'s economic interests in key sectors and leverage the advantages of our cultural ties throughout priority markets.

Goal 1: B.C. is recognized globally as a preferred place to invest and do business

This goal supports B.C. business and industry in the creation of long-term jobs and investments in the province and converting B.C.'s strengths into strategic, competitive advantages in the global economy.

Objective 1.1: Open and expand priority markets for B.C. goods and services, particularly in Asia

Strategies

- Promote B.C. internationally, and grow markets in key *BC Jobs Plan* sectors through international marketing and by capitalizing on our expanded international trade and investment representative presence, which includes dedicated sector and market staff both domestically and in overseas offices.
- Connect international investors with B.C. businesses and communities—including municipalities, regional districts and First Nations—through the [Trade and Invest British Columbia](#) website.
- Provide B.C. businesses and exporters with streamlined services through B.C.'s [Export Navigator pilot](#), business-to-business opportunities through trade shows and missions, and targeted in-market assistance to help them expand their business through exports and enter new markets to achieve their business growth goals.
- Reduce barriers to trade and investment by advancing B.C.'s priorities in international and domestic trade negotiations, and reduce or eliminate protectionist measures in other jurisdictions through engagement and, where necessary, more formal means.
- Continuously improve the supports that help B.C. businesses grow through trade with international partners.

Performance Measure 1: Total number of international export agreements facilitated by Ministry programs

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Total number of international export agreements facilitated by Ministry programs	125 agreements with a value in excess of \$350M	135 agreements with a value in excess of \$375M	150 agreements with a value in excess of \$375M	160 agreements with a value in excess of \$400M

Data Source: Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism internal data.

Discussion

Expanding the sale of goods and services to new markets is critical to growing B.C. businesses and keeping them here. Export agreements take the form of international purchases of B.C. goods and services, and represent an agreement between two distinct business entities. The Ministry supports and facilitates international export agreements by connecting B.C. businesses and institutions to qualified international prospects; supporting key international trade events; organizing and supporting inbound and outbound missions to target markets; providing information necessary to conclude agreements; assisting parties to work with all levels of government in B.C., Canada, and internationally; and providing other services tailored to the needs of the parties. Examples of agreements facilitated by the Ministry may be found on our [website](#). B.C.'s Special Representative in Asia also works with B.C.'s Trade and Investment Representative offices to support export agreements in East Asia markets.

The Ministry has focused this measure on export agreements that involve the sale of goods and services to clients outside of B.C. These agreements show the economic value that government assistance provides exporters.

Objective 1.2: Attract increased investment to B.C.'s priority sectors

Strategies

- Identify strategic investments and work closely with the Ministry of Jobs, Tourism and Skills Training and other ministries to support successful outcomes from investment opportunities.
- Support B.C.'s targeted investment attraction efforts by raising awareness of a consistent B.C. business brand internationally, and by collaborating with partners to amplify B.C. success stories and competitive advantages among key influencers.
- Encourage reinvestment from companies that have previously invested in B.C.

- Work with HQ Vancouver to attract five Asian head offices to B.C. and continue to attract other national and international offices that create jobs for British Columbians.
- Facilitate positive investment decisions by identifying potential obstacles to investment, developing strategies and delivering timely solutions for clients considering B.C. as an investment location.

Performance Measure 2: Foreign direct investment facilitated by Ministry programs

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Total value of foreign investment facilitated by Ministry programs	\$1.1 Billion	\$1.2 Billion	\$1.25 Billion	\$1.25 Billion ¹

Data Source: Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism internal performance tracking system.

¹ Target will be reviewed and adjusted during the 2018/19 Service Planning process. Economic uncertainty in some of B.C.'s priority markets, including Europe and the U.S., provides estimating targets three years out unpredictable.

Discussion

Foreign investment helps B.C. grow its industries, create and safeguard jobs, and secure a position of strength in the global economy. B.C. has fostered a highly competitive and open investment climate and has included strong investment provisions in trade agreements to show investors that B.C. is a desirable and secure place to do business. The Ministry attracts foreign investment to B.C. by marketing the province's competitive advantages and world-class business environment, and targeting potential investors through our international trade and investment office network.

The Ministry also undertakes activities focused specifically on attracting investment to B.C., for example through marketing campaigns, key market public relations and a suite of services for potential investors. These services include providing detailed information on B.C.'s business climate, facilitating site tours, supporting connections with business services suppliers, and providing assistance with accessing federal, provincial and local government incentive and support programs. Examples of investments facilitated by the Ministry can be found on our [website](#). The target for investment has been increased to reflect the growth of B.C.'s trade and investment network to the Association of Southeast Asia Nations (ASEAN) region.

Performance Measure 3: National and international offices locating in British Columbia

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Total number of national and international offices that locate in B.C. annually as a result of the Ministry and HQ Vancouver's assistance	22	25	25	25 ¹

Data Source: Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism internal performance metrics tracking system. International offices must occupy a physical space such as a storefront to be counted.

¹ Target will be reviewed and adjusted during the 2018/19 Service Planning process. Economic uncertainty in some of B.C.'s priority markets, e.g. in Europe and the U.S., provides estimating targets three years out difficult.

Discussion

Attracting foreign offices to B.C. creates direct and indirect economic benefits, including new jobs; increased contributions to the tax base; higher demand for business services such as accounting, legal, advertising and real estate leasing; and greater national and international awareness of the fact that B.C. is one of the most competitive business jurisdictions in North America. Moreover, businesses are more likely to reinvest in a location once they have an established office location, and these investments often create proportionately more jobs.

Foreign office attraction also helps strengthen B.C.'s sectors by creating industry clusters that attract other complementary businesses. As new offices locate to B.C., other companies that are a part of or are looking to enter the supply chain will locate nearby. Finally, the growth of clusters helps to grow an increasingly skilled workforce that leads to higher paying jobs and greater productivity.

The Ministry works directly with international companies to generate interest in being located in the province and then helps facilitate their move to B.C. This includes, among other things, providing them with in-depth sector information, operating costs and B.C. cost comparison information, connecting them with B.C. suppliers, and identifying appropriate industry contacts and service providers.

Objective 1.3: Leverage investment capital programs to support a competitive business environment

Strategies

- Continue to promote and deliver the Small Business Venture Capital Tax Credit program to facilitate access to investment capital for small businesses in B.C.
- Work with the BC Tech Fund manager to support the BC Renaissance Capital Fund's existing portfolio of venture capital investments which are invested in four key technology sectors: information technology, digital media, clean technology, and life sciences.

- Support the \$100 million BC Tech Fund, a venture capital fund-of-funds focused on early stage (A-round) venture capital funding in B.C., which also includes work to grow a stronger venture capital system in B.C. over the longer-term.

Goal 2: British Columbians value diversity and inclusiveness in our communities

Objective 2.1: Celebrate B.C.'s rich diversity as a source of innovation and global networking

Strategies

- Support capacity-building across B.C. through the development and recognition of leaders in multiculturalism, anti-racism and cultural diversity.
- Provide community grants that support cultural expression and raise awareness about or enhance B.C.'s multicultural identity.

Objective 2.2: Collaborate with communities and partners to challenge racism and barriers to inclusivity

Strategies

- Fulfil the requirements and objectives established in the B.C. *Multiculturalism Act*, which includes developing the annual *Report on Multiculturalism* and supporting the Multicultural Advisory Council in its public engagement and advisory role to the Minister.
- Provide support to B.C. communities to deliver locally-led anti-racism projects.
- Promote awareness and understanding of cultural diversity in B.C. through public education, including online resources and community events.
- Continued implementation of B.C.'s Chinese Legacy projects commemorating the May 15, 2014 apology to the province's Chinese community for historical wrongs.

Performance Measure 4: Organizing Against Racism and Hate Network (OARH) membership

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Number of communities who have completed their annual deliverables to be an active member of the Organizing Against Racism and Hate network	32	36	40	44

Data Source: Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism.

Discussion

The Ministry is responsible for the *Multiculturalism Act*, which includes a policy directive to “reaffirm that violence, hatred and discrimination on the basis of race, cultural heritage, religion, ethnicity, ancestry or place of origin have no place in the society of British Columbia” and “work towards building a society in British Columbia free from all forms of racism and from conflict and discrimination based on race, cultural heritage, religion, ethnicity, ancestry and place of origin.”

The [Organizing Against Racism and Hate](#) (OARH) network helps government implement that policy directive through a community partnership approach, which strives towards local solutions for local incidents. This approach allows communities to prepare for a racially motivated incident early, and before it becomes a major issue.

The OARH community membership ensures that B.C. communities are able to identify and respond to incidents of racism and hate. Therefore, increasing the number of communities involved in OARH strengthens British Columbia’s overall ability to foster a society “in which there are no impediments to the full and free participation of all British Columbians in the economic, social, cultural and political life of British Columbia.”

Active members of OARH are required to hold regular community partnership meetings, monitor and record acts of racism, and have an established critical incident response protocol for racism and hate as well as a working relationship with the local police force.

Resource Summary

Core Business Area	2016/17 Restated Estimates ¹	2017/18 Estimates	2018/19 Plan	2019/20 Plan
Operating Expenses (\$000)				
International Business Development.....	19,678	22,216	22,766	22,766
International Strategy and Competitiveness	8,974	8,991	9,019	9,019
Corporate Initiatives and Multiculturalism.....	1,627	1,631	1,638	1,638
Transfers to Crown Corporations and Agencies	18,300	19,050	19,550	19,550
Executive and Support Services	1,712	1,712	1,717	1,717
Total	50,291	53,600	54,690	54,690
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services.....	1	1	1	1
Total	1	1	1	1

¹ For comparative purposes, amounts shown for 2016/17 have been restated to be consistent with the presentation of the 2017/18 Estimates.

*Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Appendices

Appendix A: Ministry Contact Information

Minister's Office

Honourable Teresa Wat
Minister of International Trade and
Responsible for Asia Pacific Strategy and Multiculturalism
PO BOX 9063
Stn Prov Govt
Victoria B.C. V8W 9E2
Email: MIT.Minister@gov.bc.ca
Phone: 250 953-0910

Deputy Minister's Office

Clark Roberts
Deputy Minister
Ministry of International Trade and
Responsible for Asia Pacific Strategy and Multiculturalism
PO Box 9063
Stn Prov Govt
Victoria B.C. V8W 9E2
Email: DM.MIT@gov.bc.ca
Phone: 250 952-0242

To learn more about the numerous programs and services provided by the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism, please visit www.gov.bc.ca/mit

To find a specific person or program in the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism, you can use the [B.C. Government Directory](#).

Appendix B: List of Crowns, Agencies, Boards and Commissions

BC Immigrant Investment Fund (BCIIF)

This Crown Corporation promotes economic development and job creation through its investments in public infrastructure projects and venture capital funds that are focused on four key technology sectors: information technology, digital media, clean technology, and life sciences.

BC Renaissance Capital Fund (BCRCF)

This subsidiary of the BC Immigrant Investment Fund invests in venture capital funds that focus on four key sectors: information technology, digital media, clean technology, and life sciences.

Forestry Innovation Investment (FII)

This Crown Corporation is the B.C. government's market development agency for forest products. FII works closely with industry associations and other levels of government in marketing B.C. forest products around the world.

Multicultural Advisory Council (MAC)

This council is a legislated body officially created in 1988 to provide advice to the Minister Responsible on issues related to multiculturalism and anti-racism. The council also performs other duties and functions as specified by the Minister as set out in Section 5(1) of the Multiculturalism Act.

Legacy Initiatives Advisory Council

This council works with Chinese Canadian communities and other key partners to support and advise government and ensure that the legacy projects recommended in the Chinese Historical Wrongs Consultation Final Report are successfully implemented and are known and communicated throughout the province.

**Ministry of International Trade and Minister
Responsible for
Asia Pacific Strategy and Multiculturalism**

2016/17

ANNUAL SERVICE PLAN REPORT



For more information on the British Columbia
Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism,
see Ministry Contact Information on page 16 or contact:

**Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and
Multiculturalism**

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STN PROV GOVT
VICTORIA, BC
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or visit our website at
www.gov.bc.ca/mit

Published by the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy
and Multiculturalism

Minister's Message and Accountability Statement



I am pleased to present the annual report for the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, which outlines the Ministry's priorities and progress toward achieving our commitments during the fiscal year ending March 31, 2017.

This past fiscal year, we have made significant progress on our mandate, which is: to open and expand international markets for B.C.'s goods and services; attract investment for our province's businesses, entrepreneurs and communities; and leverage our many family, cultural and business links to countries across the Pacific and around the world.

The Ministry exceeded all trade and investment targets in 2016/17. The total value of foreign direct investment influenced by government programs was over \$2.0 billion, almost double its target of \$1.1 billion. The Ministry also supported the facilitation of 219 investment deals valued in excess of \$640 million exceeding the target of 125 deals with a value of \$350 million, and assisted 29 new companies – the target was 22 – in setting up offices here.

Under the *Raising Our Game in Asia – The BC Jobs Plan Trade Strategy*, the Ministry opened two new trade and investment offices in Jakarta, Indonesia and Manila, Philippines and announced plans to open an office in Johor Bahru, Malaysia in 2017, which will help British Columbia accelerate our economic ties in the fast-growing ASEAN (Association of Southeast Asian Nations) region.

As part of government's *#BCTECH Strategy*, we launched the \$100-million BC Tech Fund in October 2016 to provide early stage capital to B.C. companies and grow B.C.'s tech sector.

British Columbia is a strong supporter of free trade and the many benefits that free trade agreements bring for B.C. businesses. Our Ministry participated in negotiations for the Canadian Free Trade Agreement – to come into effect July 1, 2017, and represented the province's interests in the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) signed on October 30, 2016. We have also worked to advance other trade and investment agreements, and defend B.C.'s interests both domestically and internationally.

We have also continued our work towards completing the Chinese Legacy Projects and championing the benefits of multiculturalism for all British Columbians. In partnership with the Ministry of Justice, the Ministry introduced the *Discriminatory Provisions (Historical Wrongs) Repeal Act* to permanently remove discriminatory provisions in historical private legislation. The first regional monuments honouring early Chinese Canadian contributions to the development of B.C. were unveiled in Kelowna, Cumberland, Ashcroft, Kamloops and Barkerville – part of the Chinese Legacy Projects.

Finally, I was pleased to host the seventh British Columbia Multicultural Awards recognizing British Columbians whose exceptional work helps bring diverse cultures together. The ceremony was attended by 400 people and five award nominees were recognized for delivering exceptional work in business, organization, individual, youth and government categories.

The *Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism 2016/17 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2016/17 – 2018/19 Service Plan*. I am accountable for those results as reported.



*Honourable Teresa Wat
Minister of International Trade and
Minister Responsible for Asia Pacific Strategy and Multiculturalism
June 16, 2017*

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Purpose of the Ministry

The [Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism](#) pursues strategic opportunities to promote British Columbia internationally as a preferred place to invest and do business. This is achieved by delivering services that accelerate British Columbia's exports, attracting strategic investments including international offices, developing international partnerships, and increasing awareness of B.C.'s competitive advantages, as well as by negotiating and managing trade agreements and delivering venture capital programs.

The Ministry also promotes the benefits of B.C.'s diverse cultures and connects communities with services to eliminate racism and foster the full and free participation of all British Columbians in the economic, social, cultural and political life of British Columbia. These efforts promote economic prosperity in communities across the province while simultaneously positioning the province for long-term growth and creating jobs for British Columbians.

Specifically, the Ministry works to:

- Open and expand priority markets for B.C. goods and services, particularly in Asia, Europe and the United States, and to engage B.C. exporters in new opportunities;
- Fight protectionism and address barriers to trade, investment and labour mobility in domestic and international markets to ensure B.C. companies, investors and workers compete on a level playing field;
- Advance the province's interests and priorities with the Government of Canada in international trade negotiations and defend the province's interests in domestic and international trade disputes;
- Attract strategic investments to B.C.'s priority sectors that create jobs and grow competitiveness;
- Leverage investment capital programs (venture capital and infrastructure) to support a competitive business environment; and
- Promote the value of diversity and inclusiveness in B.C. communities.

The Ministry has an oversight role for the following Crown agencies: the [BC Immigrant Investment Fund](#) and its subsidiary the [BC Renaissance Capital Fund](#), and [Forestry Innovation Investment](#). Please see Appendix B for information on these agencies.

Strategic Direction and Context

The Ministry plays a key role in delivering on government strategic priorities with a focus on creating good jobs, sustainable economic growth and exports. These priorities are supported by a number of Ministry initiatives, including attracting foreign investment and promoting the export of B.C. products and services to various markets, particularly in Asia.

The Premier's [Mandate Letter](#) to the Minister of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, included direction to, among other actions: balance the ministerial budget; work with the Ministries of Advanced Education, and Technology, Innovation and Citizens' Services to develop and present options to Cabinet on ways to improve the availability of

venture capital funding in British Columbia; and develop options and present to Cabinet a strategy for increasing B.C.'s trade with India and presence in the ASEAN region.

In addition, the Ministry works with the Ministry of Small Business and Red Tape Reduction, and the Ministry of Jobs, Tourism and Skills Training to help growth-oriented small and medium-sized businesses navigate and access existing services to support them in becoming export ready and make it easier to get their goods and services to new domestic or international markets.

Finally, the introduction of the [Taxpayer Accountability Principles](#) (TAP) in June 2014 provided a framework to enhance greater strategic engagement between the Ministry of International Trade and its Crown corporations. The Ministry will continue to work with its Crown corporations to implement TAP and strengthen accountability, promote cost control and support strategic alignment so that these public sector agencies can continue to be effective and efficient in their service delivery, while doing so in the best interest of taxpayers with integrity and respect.

British Columbia's real GDP increased by 3.7 per cent in 2016 (according to preliminary GDP by industry data from Statistics Canada), the strongest growth among provinces. Employment in B.C. grew by 3.2 per cent in 2016, its fastest annual pace since 1994. Consumer spending was strong for a third consecutive year as retail sales were supported by strong employment growth, increased tourism, interprovincial migration and low interest rates. B.C.'s housing market saw elevated levels of activity in 2016, with the highest number of annual housing starts since 1993. B.C. manufacturing shipments and exports expanded in 2016 as goods exports to both the U.S. and the rest of the world increased.

The strategic context in which the Ministry operated in 2016/17 was also marked by:

- Current economic conditions, including the multi-year declines in commodity values, has impacted international investment interests globally and also in B.C.'s traditional natural resource sectors. The Ministry is continuing to actively market and promote provincial strengths in these sectors, but is also taking initiative to increase awareness of B.C. capabilities in associated sectors such as Agritech and Natural Resource technology areas.
- The province's technology sector experienced significant growth, resulting in increased investment interest and requests to support B.C. exports.
- Protectionist sentiments in key markets for B.C., such as the United States and the United Kingdom, have changed the landscape for open trade policies. Significant Ministry resources were expended supporting key sectors of the province, such as forestry and construction, in international disputes. Global attention has also been drawn towards East Asia where Canada has a free trade agreement with South Korea; and China has stepped forward to champion free trade and open markets.

Report on Performance

The reference point for this annual report is the Ministry's [2016/17- 2018/19 Service Plan](#), which was informed in part by the Premier's July 30, 2015 [Mandate Letter](#) to the Minister of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism. In 2016/17, the Ministry successfully completed 12 of the 14 deliverables outlined in the *Mandate Letter*, while the remaining two are of an ongoing nature. More detail on actions taken in response to the *Mandate Letter* can be found in Appendix C of this report.

Consistent with its *Mandate Letter* direction, the Ministry worked to achieve the following two goals:

Goal 1: B.C. is recognized globally as a preferred place to invest and do business.

Goal 2: British Columbians value diversity and inclusiveness in our communities.

Of its four performance targets for the year, the Ministry exceeded three and met one. More detail about the Ministry's goals, strategies, performance measures and targets is provided below.

The Ministry operates under the [Taxpayer Accountability Principles](#), which strengthen accountability to the citizens of B.C. by providing a common platform of compensation and accountability across the public sector. The six principles—cost-consciousness (efficiency), accountability, appropriate compensation, service, respect and integrity—are integrated into the Ministry's operations and reflected by the goals, objectives and measures of its service plans.

Goals, Objectives, Strategies and Performance Results

Goal 1: B.C. is recognized globally as a preferred place to invest and do business

This goal supports B.C. business and industry in the creation of long-term jobs and investments in the province and converting B.C.'s strengths into strategic, competitive advantages in the global economy.

Objective 1.1: Open and expand priority markets for B.C. goods and services, particularly in Asia

Strategies

Key strategies in 2016/17 included:

- Promoting B.C. internationally and growing markets in key sectors by capitalizing on our expanded international trade and investment representative presence and deploying dedicated sector and market staff both domestically and in overseas offices.
- Providing B.C. businesses and exporters with streamlined services, business-to-business opportunities including trade shows and missions, and targeted in-market assistance to help them expand their business through exports, and enter new markets to achieve their business growth goals.
- Reducing barriers to trade and investment by advancing B.C.'s priorities in international and domestic trade negotiations and reducing or eliminating protectionist measures in other jurisdictions through engagement and, where necessary, more formal means.
- Continuously improving the supports that help B.C. businesses grow through trade with international partners.

Performance Measure 1: Total number of international export agreements facilitated by Ministry programs

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total number of international export agreements facilitated by Ministry programs	276	250	125 agreements with a value in excess of \$350M	219 agreements with a value in excess of \$640M	135 agreements with a value in excess of \$375M	150 agreements with a value in excess of \$375M

Data Source: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism internal data.

Discussion

Expanding the sale of goods and services to new markets is critical to growing B.C. businesses and keeping them here. Export agreements take the form of international purchases of B.C. goods and services and represent an agreement between two distinct business entities. In 2016/17, the Ministry facilitated 219 international business agreements with a financial value of approximately \$640 million. The Ministry supports and facilitates international export agreements by connecting B.C. businesses and institutions to qualified international prospects, supporting key international trade events, organizing and supporting inbound and outbound missions to target markets, providing information necessary to conclude agreements, assisting parties to work with all levels of government in B.C., Canada and internationally and providing other services tailored to the needs of the parties. Examples of agreements facilitated by the Ministry may be found on our [website](#). B.C.'s Special Representative in Asia also worked with B.C.'s Trade and Investment Representative Offices to support export agreements in East Asia markets.

The Ministry focused this measure on export agreements that involve the sale of goods and services to clients outside B.C. These agreements show the economic value that government assistance provides exporters.

Objective 1.2: Attract increased investment to B.C.'s priority sectors

Strategies

Key strategies in 2016/17 included:

- Identifying strategic investments and—working closely with the Ministry of Jobs, Tourism and Skills Training and other ministries—supporting successful outcomes from investment opportunities.
- Encouraging reinvestment from companies that have previously invested in B.C.
- Working with HQ Vancouver to attract five Asian head offices to B.C. and continuing to attract other national and international offices that create jobs for British Columbians.
- Facilitating positive investment decisions by identifying potential obstacles to investment, developing strategies and delivering timely solutions for clients considering B.C. as an investment location.

Performance Measure 2: Foreign direct investment facilitated by Ministry programs

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total value of foreign investment facilitated by Ministry programs	\$1.91 billion	\$1.407 billion	\$1.1 billion	\$2.0 billion	\$1.2 billion	\$1.25 billion

Data Source: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism internal performance tracking system.

Discussion

Foreign investment helps B.C. grow its industries, create and safeguard jobs, and secure a position of strength in the global economy. B.C. has fostered a highly competitive and open investment climate and has included strong investment provisions in trade agreements to show investors that B.C. is a desirable and secure place to do business. The Ministry attracts foreign investment to B.C. by marketing the province's competitive advantages and world-class business environment, and targeting potential investors through our international trade and investment office network.

The Ministry also undertakes activities focused specifically on attracting investment to B.C., for example through marketing campaigns, key market public relations and a suite of services for potential investors. These services include providing detailed information on B.C.'s business climate, facilitating site tours, supporting connections with business services suppliers and providing assistance with accessing federal, provincial and local government incentive and support programs. Examples of investments facilitated by the Ministry can be found on our [website](#). In 2016/17, ministry programs facilitated \$2.0 billion in foreign investment. The target for investment has been increased to reflect the growth of B.C.'s trade and investment network to the ASEAN region.

Performance Measure 3: National and international offices locating in British Columbia

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total number of national and international offices that locate in B.C. annually as a result of the Ministry and HQ Vancouver's assistance	15	21	22	29	25	25

Data Source: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism internal performance metrics tracking system. International offices must occupy a physical space such as storefront to be counted.

Discussion

Attracting foreign offices to B.C. creates direct and indirect economic benefits, including new jobs, increased contributions to the tax base, higher demand for business services such as accounting, legal, advertising and real estate leasing, and greater national and international awareness of the fact that B.C. is one of the most competitive business jurisdictions in North America. Moreover, businesses are generally more likely to reinvest in a location once they have an established office location and these investments often create proportionately more jobs.

Foreign office attraction also helps strengthen B.C.'s sectors by creating industry clusters that attract other complementary businesses. As new offices locate to B.C., other companies that are a part of, or are looking to enter the supply chain, will locate nearby. This helps to grow an increasingly skilled workforce that leads to higher paying jobs and greater productivity.

In 2016/17, the Ministry exceeded its goal of 22 national and international offices locating in B.C., with 29 offices opening in the province. These outcomes are a result of the Ministry working directly with international companies to generate interest in locating in the province and then helping to facilitate their move to B.C. This includes, among other things, providing them in-depth sector information, operating costs and B.C. cost comparison information, connecting them with B.C. suppliers, and identifying appropriate industry contacts and service providers.

Objective 1.3: Leverage investment capital programs to support a competitive business environment

Strategies

Key strategies in 2016/17 included:

- Continuing to promote and deliver the [Small Business Venture Capital Tax Credit](#) program to facilitate access to investment capital for small businesses in B.C.
- Continuing to manage \$90 million of committed capital in the BC Renaissance Capital Fund, a venture capital fund-of-funds model, aimed at attracting venture capital fund managers to B.C. Investments are committed to fund managers who make direct equity investments in companies across four key technology sectors: information technology, digital media, clean technology and life sciences.
- Implementing the \$100 million [BC Tech Fund](#), a venture capital fund-of-funds to address the current early stage (A-round) venture capital funding gap in B.C. and support the development of a stronger venture capital system over the longer-term.
- Completing a venture capital review and implementing its findings through the development of a multi-year action plan.

Goal 2: British Columbians value diversity and inclusiveness in our communities

Objective 2.1: Celebrate B.C.'s rich diversity as a source of innovation and global networking

Strategies

Key strategies in 2016/17 included:

- Supporting capacity-building across B.C. through the development and recognition of leaders in multiculturalism, anti-racism and cultural diversity.
- Providing community grants that support cultural expression and raise awareness about or enhance B.C.'s multicultural identity.
- Working to integrate multicultural festivals and events with in-bound trade and investment missions to highlight the strong cultural ties that connect B.C. to our overseas business partners.

Objective 2.2: Collaborate with communities and partners to challenge racism and barriers to inclusivity

Strategies

Key strategies in 2016/17 included:

- Fulfilling the requirements and objectives established in the B.C. *Multiculturalism Act*, which includes developing the annual *Report on Multiculturalism* and supporting the Multicultural Advisory Council in its public engagement and advisory role to the Minister.
- Providing support to B.C. communities to deliver locally-led anti-racism projects.
- Promoting awareness and understanding of cultural diversity in B.C. through public education, including online resources and community events.
- Continuing the implementation of B.C.'s Chinese Legacy projects commemorating the May 15, 2014 apology to the province's Chinese Community for historical wrongs.

Performance Measure 4: Organizing Against Racism and Hate Network (OARH) membership

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Number of communities who have completed their annual deliverables to be an active member of the Organizing Against Racism and Hate network	28	28	32	32	36	40

Data Source: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism.

Discussion

The Ministry is responsible for the *Multiculturalism Act*, which includes a policy directive to “reaffirm that violence, hatred and discrimination on the basis of race, cultural heritage, religion, ethnicity, ancestry or place of origin have no place in the society of British Columbia” and “work towards building a society in British Columbia free from all forms of racism and from conflict and discrimination based on race, cultural heritage, religion, ethnicity, ancestry and place of origin.”

This measure provided an indication of the strong foundation of community partners working to continually challenge racism in B.C. It measures the number of communities active in the [Organizing Against Racism and Hate](#) (OARH) network until March 2017. The OARH network helps government implement that policy directive through a community partnership approach, which strives towards local solutions for local incidents. This approach allows communities to prepare for a racially motivated incident early, before it becomes a major issue.

The OARH community membership ensures that British Columbia communities are able to identify and respond to incidents of racism and hate. Increasing the number of communities involved in OARH strengthens British Columbia’s overall ability to foster a society in which there are no impediments to the full and free participation of all British Columbians in the economic, social, cultural and political life of British Columbia.

Active members of OARH are required to hold regular community partnership meetings, monitor and record acts of racism, and have an established critical incident response protocol for racism and hate as well as a working relationship with the local police force.

Financial Report

Discussion of Results

This Discussion of Results reports on the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism financial results for the year ended March 31, 2017 and should be read in conjunction with the Financial Report Summary Table provided below.

Operations

- In 2016/17, the Ministry managed within its Estimates budget and other authorizations with no overall variance before accounting for an adjustment of prior year accruals.
- A surplus in Executive and Support Services Division was realized due to lower than estimated administrative costs for the Ministry.
- In 2016/17, additional financial appropriation was provided through access to contingencies to support the expansion of B.C.'s Trade and Investment Office network in the ASEAN region and export capacity development for small- and medium-sized enterprises.

Financial Report Summary Table

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance ²
Operating Expenses (\$000)					
International Business Development.....	19,678	1,354	21,032	21,131	99
International Strategy and Competitiveness	8,974	2,500	11,474	11,491	17
Corporate Initiatives and Multiculturalism	1,627	0	1,627	1,651	24
Transfers to Crown Corporations and Agencies...	18,300	0	18,300	18,300	0
Executive and Support Services	1,712	0	1,712	1,572	(140)
Sub-Total	50,291	3,854	54,145	54,145	0
Adjustment of Prior Year Accrual ³	0	0	0	(20)	(20)
Total	50,291	3,854	54,145	54,125	(20)

Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
By Core Business	1	0	1	0	(1)
Total	1	0	1	0	(1)

¹ "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

Contingencies access:

- ASEAN Trade Investment Office Presence \$1.354 million.
- Export capacity development for small and medium-sized enterprises \$2.500 million.

² Variances of a business line's Actual results from Total Estimated are considered material if they exceed 5 per cent. The Ministry experienced a \$0,140 M surplus in Executive and Support Services as the result of lower than estimated administrative costs incurred for the year.

³ The Adjustment of Prior Year Accrual of \$0.02 million is a reversal of accruals in the previous year.

Appendix A – Contact Information and Hyperlinks

Minister's Office

Honourable Teresa Wat
Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and Multiculturalism
PO BOX 9063
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Victoria B.C. V8W 9E2
Email: MIT.Minister@gov.bc.ca
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Deputy Minister's Office

Clark M. Roberts
Deputy Minister
Ministry of International Trade and
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To learn more about the numerous programs and services provided by the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, please visit www.gov.bc.ca/mit.

To find a specific person or program in the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, you can use the [B.C. Government Directory](#).

Appendix B – List of Crowns, Agencies, Boards and Commissions

BC Immigrant Investment Fund (BCIIF)

This Crown Corporation promotes economic development and job creation through its investments in public infrastructure projects and venture capital funds that are focused on four key technology sectors: information technology, digital media, clean technology, and life sciences.

BC Renaissance Capital Fund (BCRCF)

This subsidiary of the BC Immigrant Investment Fund invests in venture capital funds that focus on four key sectors: information technology, digital media, clean technology, and life sciences.

Forestry Innovation Investment (FII)

This Crown Corporation is the B.C. government's market development agency for forest products. FII works closely with industry associations and other levels of government in marketing B.C. forest products around the world.

Multicultural Advisory Council (MAC)

This council is a legislated body officially created in 1988 to provide advice to the Minister Responsible on issues related to multiculturalism and anti-racism. The council also performs other duties and functions as specified by the Minister as set out in Section 5(1) of the Multiculturalism Act.

Legacy Initiatives Advisory Council

This council works with Chinese Canadian communities and other key partners to support and advise government and ensure that the legacy projects recommended in the Chinese Historical Wrongs Consultation Final Report are successfully implemented and are known and communicated throughout the province.

AdvantageBC

This non-profit Society communicates the tax incentive program as well as the many advantages British Columbia offers as a location for corporate investment, including an educated and multilingual workforce, an outstanding telecommunications infrastructure, clean and competitive energy, and a high quality of living.

Appendix C – Minister’s Mandate and Actions Summary

In the [Premier’s July 30, 2015 Mandate Letter](#), the Minister of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism received direction on strategic priorities for the 2015/16 fiscal year. These priorities and the Ministry’s resulting actions are summarized below:

Mandate Letter Direction	Ministry’s Action
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia.	Completed – The Ministry balanced its budget in 2016/17, and met expenditure targets.
2. Coordinate trade missions across all ministries to ensure maximum coverage and minimal duplication as ministries execute BC Jobs Plan strategies.	Completed – The Ministry of International Trade submitted the 2016/17 Cross Government Mission Plan to the Premier’s Office. The Ministry continues to work with all ministries across government to ensure approved trade missions align with government priorities. The Ministry is coordinating all international travel to ensure there is no duplication in market.
3. Work with the BC chapter of the Canadian Manufacturers and Exporters Association to further export opportunities for BC business that were identified by your ministry last year.	Completed – The Ministry worked closely with the Canadian Manufacturers and Exporters Association of BC (CME BC) to develop recommendations to advance export opportunities for B.C. businesses. CME BC was engaged in the consultation process to develop the Export Navigator pilot project, which assists B.C. companies with export readiness.
4. Continue to work with Canada and the BC Business Council and HQ Vancouver to attract major Asian firms to invest in BC and locate their North American presence in our province as committed in Strong Economy, Secure Tomorrow.	Ongoing – The project was announced in February 2015. The first head office announcement was made on May 1, 2015. The project spans three years and includes ongoing alignment between the Ministry and HQ Vancouver.
5. Work with the federal government to ensure British Columbia’s interests are protected in the Trans-Pacific Partnership trade negotiations.	Completed – A final agreement was signed in February 2016. Since then, the United States has withdrawn from the TPP and the agreement is now not likely to come into force.
6. Work with the BC construction industry to fight the federal tariffs imposed on imported rebar and ensure construction costs remain as low as possible in BC.	Completed – The Canadian International Trade Tribunal (CITT) issued its original opinion and supporting reasons report in December 2015. CITT found that public interest does not warrant a reduction or elimination of duties.
7. Work with the Ministries of Advanced Education and	Completed – The Ministry worked with the Ministries of Advanced Education and Technology,

Technology, Innovation and Citizens' Services to develop and present options to Cabinet on ways to improve the availability of venture capital funding in British Columbia.	Innovation and Citizens' Services to complete the province's venture capital policy review, and received Cabinet direction in summer 2015. The #BCTECH Strategy was announced in December 2015 and the related BC Tech Fund was launched in October 2016.
8. Develop and present options to Cabinet on a trade strategy for China focusing on mid-sized Chinese cities.	Completed – The Ministry worked to develop a strategy for mid-sized Chinese cities, seeking to identify new trade and investment opportunities that align with B.C. sector priorities and building upon current engagement with key coastal cities in China over the past several Premier and Ministers missions to China. The mid-sized Chinese cities strategy was approved by Cabinet in April 2016.
9. Work with the Premier's Office to recognize the 20th anniversary of the sister province relationship between British Columbia and Guangdong, China.	Completed – The Premier's mission to Guangdong Province in November 2015 marked the culmination of a year-long celebration of the 20 th anniversary of sister province relations. Over 200 B.C. participants from a diversity of sectors and community members joined the Premier's mission to Guangdong to celebrate the occasion.
10. Develop options and present to Cabinet a strategy for increasing our trade with India and presence in the ASEAN nations.	Completed – Both ASEAN (October 2015) and India strategies (February 2016) were presented and approved by Cabinet.
11. Continue to implement the recommendations of the Chinese Historical Wrongs Consultation Report and provide an update to Cabinet on their status by December 31, 2015.	Completed – As of March 31, 2017, 12 of the 13 Report Recommendations are fulfilled, with the remaining one recommendation expected to be completed by fall 2017.
12. Work with the Ministry of Education to ensure the Historical Wrongs Educational Curriculum Supplement is available to BC schools in the 2015/16 school year.	Completed – The Ministry of International Trade (MIT) worked with the Ministry of Education to develop learning objectives related to Asian and South Asian discrimination in the updated education curriculum. The updated education curriculum was announced in August 2015. The education curriculum supplement for Chinese Historical Wrongs developed by MIT and the Ministry of Education was announced and made available to B.C. schools in September 2015.
13. Work with the Minister of State for Small Business and Tourism to review and make options to Cabinet on ways to expand the LNG-Buy BC online tool to other sectors of the provincial economy.	Ongoing – The Ministry has been working with the Ministry of Jobs, Tourism and Skills Training and the Ministry of Small Business and Red Tape Reduction on the LNG-Buy BC online tool.

14. Implement the Medal of Good Citizenship and ensure potential nominees are aware of the program in advance of its first investiture ceremony in 2016.	Completed – The Ministry worked with the Intergovernmental Relations Secretariat to announce the Medal of Good Citizenship Award. The nomination period has closed and the selection committee recommendations have gone forward to the Lieutenant Governor in Council. Regional presentations take place throughout the year.
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****REVISED FORMAT****

Updated: 11 July 2017

30/60/90 Tracking Document

DESCRIPTION For Decision or Information For Who (DM; Min; Cabinet)	PURPOSE, CONTENT AND CONTEXT (100 words or less) In plain language, What is the item? What is the problem or opportunity? Why is it required now? What are the consequences if this does not go ahead? Who requested this change? (stakeholder, Cabinet direction, legal requirement, etc.) What is the cost? How will cost be covered? Stakeholders / Ministries Affected (who is impacted, were they consulted, do they support, why or why not?)	MILESTONES (Next Steps/Decision Points/Timeline)
30 DAYS GOAL	STATUS	MILESTONES (Next Steps/Decision Points/Timelines)
NAFTA initial guidance and approval for stakeholder consultations ISC/Jamie	<div>s.12,s.13,s.17</div> <div>s.13,s.17</div>	Timing TBC

<p>Prince George Foreign Trade Zone (FTZ) application (ISC/Jamie)</p>	<p>On May 2, 2017, the City of Prince George was informed by Western Economic Diversification Canada (WD) that their application to be designated a Foreign Trade Zone Point under the federal Foreign Trade Zone program was approved. This information is strictly confidential until a federal announcement is made. WD has agreed to wait until after the interregnum period to make a joint announcement with the Province and City of Prince George. The Ministry's communication branch has connected with WD and drafted an event plan.</p> <p>In April, 2017, Natural Resources Canada received a letter from the Vancouver Island Economic Alliance (VIEA) indicating that they intended to submit a Foreign Trade Zone Point designation application. In May, VIEA contacted MIT staff to request that MIT begin drafting a letter of provincial support for VIEA's application. Staff indicated that work on the Foreign Trade Zone file is on hold until after the interregnum period.</p> <p>An FTZ is a place where raw materials, components and finished goods are exempt from import tariffs and taxes – similar to a duty free zone at the airport. Canadian FTZ programs offer duty deferral benefits for export-oriented activities, without limiting these activities to specific, geographic sites. This provides businesses with cash flow benefits and is a significant trade advantage for Prince George, helping the city attract foreign investment, open up global markets for exporters, and create local jobs.</p>	<p>June 2017 (TBC): WD has agreed to delay a federal announcement until June 2017 so the Province and Prince George can both participate. MIT GCPE has drafted an event plan.</p> <p>No Cabinet / TB decisions required.</p>
<p>BC Multicultural Awards (CIMD/Dean)</p>	<p>The BC Multicultural Awards honour and celebrate British Columbia's cultural diversity. Individuals, organizations and businesses, whose work helps bring our diverse cultures together, are nominated by the public during the nominations period, which is usually open from June/July through September.</p> <p>The awards ceremony is traditionally held during B.C.'s Multiculturalism Week in November.</p>	<p>July 2017: A decision is required on the date of the Awards ceremony – Multicultural Awards to be held in November 2017, or delay Awards ceremony until early 2018.</p> <p>If the Awards are still held in November 2017, Minister must send out a request for nominations by end of July.</p>

Rebar I Reinvestigation (ISC/Jamie)	<p>The CBSA is conducting a reinvestigation of the 2015 anti-dumping investigation for rebar imported from China, Korea and Turkey. Nominal values used for China did not take into account that Chinese producers are state-owned enterprises and values were not competitive market prices.</p>	<p>Key CBSA Dates:</p> <table><tr><th>Date</th><th>Event</th></tr><tr><td>August 4, 2017</td><td>Closing of the record</td></tr><tr><td>August 14, 2017</td><td>Case arguments due from all parties</td></tr><tr><td>August 21, 2017</td><td>Reply submissions due</td></tr><tr><td>September 1, 2017</td><td>Conclusion of re-investigation</td></tr></table> <p>No Cabinet / TB decisions required.</p>	Date	Event	August 4, 2017	Closing of the record	August 14, 2017	Case arguments due from all parties	August 21, 2017	Reply submissions due	September 1, 2017	Conclusion of re-investigation
Date	Event											
August 4, 2017	Closing of the record											
August 14, 2017	Case arguments due from all parties											
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September 1, 2017	Conclusion of re-investigation											
Regulatory Reconciliation Cooperation Council (RCT) (ISC/Jamie)	<p>The Canadian Free Trade Agreement (CFTA) establishes a regulatory reconciliation process to address differences in regulatory measures that create barriers to trade across Canada.</p> <p>The CFTA's new Regulatory Reconciliation and Cooperation Table (RCT) will be responsible for identifying and addressing regulatory barriers.</p> <p>s.13</p>	<p>Parties have been asked to provide the name of senior-level official to act as its RCT representative (i.e. ADM level) by July 14, 2017. As each appointment is supposed to be made by First Ministers, BC had indicated it will not be able to meet this deadline.</p>										

60 DAYS GOAL	STATUS	MILESTONES
Chinese Historical Wrongs Legacy Project - Commemorative Plaques and Monuments Plan (CIMD/Dean)	<p>This is one of four legacy recommendations progressing toward completion, of the 13 recommendations committed to by Government from the Consultation Final Report.</p> <p>The remaining monuments in discussion and planning stage are: Prince George, Musqueam market Garden, Richmond at Steveston, Victoria Immigration House, Victoria Chinatown, and Craigellachie. The proposed Vancouver Monument plan is under development.</p>	<p>Summer 2017 (TBC): Regional monuments in Lytton Village and Yale are ready for unveiling. Communities have requested Minister participation for these events.</p>

	The first regional unveiling was in Kelowna on Dec 3, 2016. The second unveiling was in Cumberland Jan 13, 2017.	
Export Navigator Pilot (ISC/Jamie)	s.13,s.17	s.12,s.13,s.17
MUJI Canada investment in BC (IBD/Brian)	Japan-based MUJI Canada will establish major department stores in Richmond (Metrotown mall) and in Vancouver (Robson Street). MIT is assisting with introductions to BC services providers (e.g. PR, legal, local wholesalers, etc). The Robson Street store will be the largest MUJI store in North America. There will be an opportunity for MIT to participate in the grand openings and announcements.	Sept 2017 (TBC): Opening of MUJI department store in Richmond. Dec 2017 (TBC): Opening of MUJI department store on Robson Street, Vancouver.
Chinese Historical Wrongs Legacy Project - Celebration Book (CIMD/Dean)	The Launch of a Chinese Canadian "Celebration Book" which profiles prominent Chinese Canadians (both Past and present). This is one of five legacy recommendations progressing toward completion, of the 13 recommendations committed to by Government from the Consultation Final Report. Approximately 1,700 copies of the book will be printed, with a PDF version posted on the Chinese Legacy website. s.13 s.13	Sept 2017 (TBC): Decision required regarding Celebration Book launch date. <u>Note:</u> The book is currently under review in regard to information privacy and personal content approval.

s.12,s.13,s.17

90 DAYS+ GOAL	STATUS	MILESTONES
Exploratory Discussions toward a Canada-China FTA (ISC/Jamie)	s.13	
Softwood Lumber Negotiations		

s.13,s.17

(ISC/Jamie)

Bid Protest Mechanism

(ISC/Jamie)

s.13,s.17

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s.12;s.13;s.17



30-DAY NOTE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) RENEGOTIATIONS

Issue:

- NAFTA negotiating mandate to assert provincial interests to the Government of Canada.

Background:

- The NAFTA came into force in 1994. The current US President has committed to renegotiating the NAFTA, or withdrawing if unsatisfied with the negotiations.
- As required under US Trade Promotion Authority law, the President notified Congress on May 18, 2017 of his intention to initiate negotiations with Canada and Mexico in order to modernize the NAFTA. With Congress notified, the earliest negotiations can start is August 16, 2017.
- s.13,s.16,s.17

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Decision Required:

- **30-day issue.**

Attachment:

- Appendix 1: Softwood Lumber and the North American Free Trade Agreement

Division: International Strategy & Competitiveness

Contact: Janna Jessee, Senior Manager, 250 952-0453

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s.16;s.13;s.17

Page 286

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s.13;s.17



30-DAY NOTE WINE DISPUTE

Issue:

- US trade challenge over sale of BC only wine on grocery store shelves.

Background:

- On January 18, 2017, the US launched a challenge against Canada at the World Trade Organization (WTO) over BC's policy of allowing the sale of only 100 per cent BC wines on some grocery store shelves. Australia, the European Union, New Zealand, and Argentina joined the dispute as third parties.
- The US alleges that these regulations discriminate against the sale of US wine, breach Canada's WTO commitments, and adversely impact US wine producers. Canada and the US met for formal consultations on this matter on April 21 in Ottawa (a Ministry of International Trade staff member attended the meeting).
- If consultations do not resolve the dispute, the US could be in a position to request the establishment of a dispute panel as early as July 20.

s.13,s.16,s.17

s.13,s.17

Decision Required:

- **30-day issue.**

s.13,s.17

Division: International Strategy & Competitiveness

Contact: Janna Jessee, Senior Manager, (250) 952-0453

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s.13;s.17



60-DAY NOTE SOFTWOOD LUMBER DISPUTE

Issue:

- While trade litigation is ongoing, Canada and the US have been meeting to determine if a negotiated solution to the long-standing dispute is possible.

Background:

- The Ministry of Forests, Lands and Natural Resource Operations (FLNRO) leads this file on behalf of the Province, with the Ministry of International Trade providing support. The Minister of International Trade participates in the Forest Trade Policy Committee.
- In November 2016, the US industry petitioned the US Department of Commerce, alleging that Canadian lumber exports are subsidized, injure the US industry and that Canadian exporters are guilty of dumping (selling below market rates) their products. The April 24, 2017 preliminary subsidy determination applied duties to softwood exports from BC companies ranging from 19.5 per cent to 24.12 per cent, depending on the company.
- The preliminary antidumping determination issued on June 26, 2017 resulted in an average additional duty to be applied to softwood exports, as follows: Canfor 7.72 per cent, Tolko 7.53 per cent and West Fraser 6.76 per cent, and all other BC softwood producers 6.87 per cent. As with the subsidy case, all BC softwood producers other than Canfor, Tolko and West must pay retroactive duties going back 90 days.
- The total average duty now paid by BC's softwood lumber producers exporting to the US is approximately 27 per cent.
- The final decisions for both subsidy and dumping could be issued by the US as early as September 6, 2017. Avenues of appeal are through the North American Free Trade Agreement, the US Court of International Trade, and the World Trade Organization. Canada has had some success with appeals in past disputes, but it can take years before the industry can be relieved of unfair duties.

• s.13,s.16,s.17

s.13,s.16,s.17

Decision Required:

- **60-day issue.**
- s.13,s.16,s.17

Division: International Strategy & Competitiveness

Contact: Janna Jessee, Senior Manager, (250) 952-0453



90-DAY NOTE

CHINESE HISTORICAL WRONGS – COMMEMORATIVE REGIONAL PLAQUES AND MONUMENTS UNVEILING

Issue:

- Chinese Historical Wrongs Regional Monument Legacy Project.

Background:

- A Vancouver monument and up to 10 Regional monuments will be ready for unveiling in 2017 in partial fulfillment of recommendations from the *Chinese Historical Wrongs Consultation Final Report*.
- The Ministry has been mandated to complete up to 15 regional commemorative monuments to recognize the historical contribution of Chinese Canadians in British Columbia.
- To date, five regional monuments have been unveiled (Kelowna, Cumberland, Ashcroft, Kamloops and Barkerville).
- Regional monuments in discussion and development include: Prince George, Craigellachie, Musqueam Market Garden (Vancouver), Richmond, Victoria Chinatown, Victoria Immigration House, and Hell's Gate, some of which may be ready to be unveiled in spring or summer 2017.
- A larger proposed Vancouver Monument plan is under development.

Decision Required:

- **90-day issue.**
- Confirmation of Minister participation and unveiling dates in Yale and Lytton Village.

Division: Corporate Initiatives and Multiculturalism
Contact: Dean Sekyer, Executive Lead, 250 952-0409

FEDERAL PROVINCIAL TERRITORIAL (FPT) COMMITTEES

Committee on Internal Trade

Under the *Agreement on Internal Trade* a Committee on Internal Trade (CIT) is established to:

- (a) Supervise the implementation of the Agreement;
- (b) Assist in the resolution of disputes arising out of the interpretation and application of the Agreement;
- (c) Approve the annual operating budget of the Secretariat; and
- (d) Consider any other matter that may affect the operation of the Agreement.

The current Chair is New Brunswick. Their CIT representative is Roger Melanson, President of Treasury Board and Responsible for Trade Policy.

The CIT meets annually. The renegotiation of the *Agreement on Internal Trade* has been the main focus of the CIT for the past two years.

A CIT meeting was held on April 7, 2017. At this meeting, all provinces, territories and the federal government approved and released the new *Canadian Free Trade Agreement* (CFTA).

When the CFTA comes into force on July 1, 2017, the AIT will be phased out. The CIT will continue with the same functions under the CFTA.

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