

Forest Enhancement Society of BC

2026/27 – 2028/29 Service Plan

February 2026



For more information on the Forest Enhancement Society of BC contact:

101-925 McMaster Way, Kamloops B.C., V2C 6K2

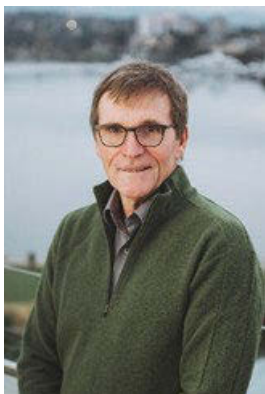
1-877-225-2010

Or visit our website at

<https://fesbc.ca/>

Published by the Forest Enhancement Society of BC

Board Chair's Accountability Statement



The 2026/27 – 2028/29 Forest Enhancement Society of BC (FESBC) Service Plan was prepared under the Board's direction in accordance with the [Budget Transparency and Accountability Act](#). This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 1, 2026, have been considered in preparing the plan. The performance measures presented are consistent with the Budget Transparency and Accountability Act, FESBC'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 FESBC's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink, which appears to read "Ken Day". The signature is stylized with a large, sweeping "K" and a circular flourish at the end.

Signed on behalf of the Board by:

Ken Day
Board Chair, FESBC
February 9, 2026

Table of Contents

Board Chair’s Accountability Statement.....3

Strategic Direction.....5

Purpose of the Organization and Alignment with Government Priorities.....5

Economic Statement6

Performance Planning8

Financial Plan12

Appendix A: Mandate Letter from the Minister Responsible13

Strategic Direction

In 2026/27, the Government of British Columbia will prioritize support for people by taking action to make life better for everyone.

Despite a challenging fiscal environment due to global uncertainty, trade relationship reordering, and low resource prices, over the past year Government made significant progress on efforts to reduce costs for British Columbians, hire more doctors and nurses, and build more homes, hospitals and schools, faster. Government will continue to advance these key priorities even as tariffs, trade policies, and instability outside of the province's borders continue to put pressure on the province's finances.

Ongoing fiscal pressure means all parts of Government must continue to do their part to maximize efficiencies and make sure every dollar counts.

To respond to these extraordinary times, Government will focus on expanding trade and investment both within Canada and abroad and delivering major projects that offer good jobs and opportunities for people and communities. This focus on economic growth and prosperity is critical to delivering the revenue needed to provide services and infrastructure.

Good relationships and mutually beneficial partnerships with First Nations are critical to building a better future for everyone in British Columbia. Government will continue working diligently to implement the Declaration on the Rights of Indigenous Peoples Act Action Plan. Through collaboration and open dialogue, we aim to foster trust, stability and certainty for all.

This 2026/27 service plan outlines how the Forest Enhancement Society of BC will support the Government's priorities and selected action items identified in the Minister's most recent [Mandate Letter](#).

Purpose of the Organization and Alignment with Government Priorities

FESBC contributes to the achievement of Government's strategic priorities through the delivery of its constitutional purposes:

- Prevent and mitigate the impact of wildfire,
- Improve damaged or low-value forests,
- Support the use of fibre from damaged and low-value forests,
- Improve habitat for wildlife, and
- Treat forests to improve the management of greenhouse gas emissions.

FESBC operates on a proponent-driven model, periodically inviting project funding applications which are then reviewed with input from the [Ministry of Forests](#). Technical staff ensure project proposals are aligned with FESBC's purposes and the provincial government's priorities. FESBC

works with service delivery partners to ensure project implementation and treatment on the land base is timely, efficient and provides value for money.

FESBC is supporting projects that mitigate wildfire risks to communities, including reducing fuel loads in dense forests adjacent to communities and infrastructure through various fuel reduction treatments, and when feasible, rather than burning residual fibre that is created from these projects, instead funds are redirected to enable its use for local energy or pulp production.

FESBC is also continuing to support projects that increase the use of low-value or residual fibre including trees damaged by recent wildfires and waste left on site after logging that would otherwise be burnt. These projects occur throughout rural B.C. and will meaningfully impact both Indigenous and non-Indigenous communities. By implementing these projects, FESBC partners will be developing the knowledge and experience required to create a low carbon forest industry while also supporting the achievement of provincial climate change objectives, including those identified in the Province's [CleanBC](#) plan.

Many of the forest enhancement projects funded by FESBC achieve multiple objectives. When reviewing project proposals, FESBC places a higher priority on projects that address more than one of the purposes articulated in FESBC's constitution.

FESBC will continue to ensure successful and efficient completion of projects. Effective and diligent oversight of projects will ensure FESBC continues to align with the Province's strategic priorities of making a tangible difference in people's lives, advancing reconciliation with Indigenous Peoples, and supporting a growing economy in B.C. FESBC will continue to communicate its plans and achievements to stakeholders and the general public, recognizing the contributions by the provincial government and Ministry of Forests staff to the success of the program.

Economic Statement

B.C.'s economy saw mixed performance among sectors in 2025 amid U.S. tariffs and related global economic uncertainty and declining B.C. population growth. Consumer spending was strong through the first half of the year, supported by front-loaded spending ahead of U.S. tariffs (particularly for automobiles), lower inflation and interest rates, but spending has slowed in recent months. Residential construction remained above average in 2025 despite declining from the high levels of activity seen in recent years, and home sales were subdued in 2025. Meanwhile other investment indicators (such as public sector investment and commercial building permits) saw steady growth despite headwinds from economic uncertainty. B.C.'s exports have been resilient amid U.S. tariffs. The value of international exports was unchanged as lower forestry exports and coal prices offset higher values of natural gas and copper exports.

The Economic Forecast Council (EFC) estimates that B.C. real GDP grew by 1.5 per cent in 2025. In the near-term, the EFC expects B.C.'s economy to also grow by 1.5 per cent in 2026 and by 1.9 per cent in 2027, similar to the national average. For Canada, the EFC estimates growth of

1.6 per cent in 2025 and projects national real GDP growth of 1.3 per cent in 2026 and 1.9 per cent in 2027.

A volatile global trade conflict as well as immigration and population fluctuations are the main risks to the outlook. Other risks include commodity price instability, renewed inflationary pressures leading to elevated interest rates, prolonged housing market weakness, and climate change impacts.

Performance Planning

Goal 1: Prevent and Mitigate the Impact of Wildfire

Fire is a natural and essential ecological process in some of British Columbia's forests. Changes in management practices, including the exclusion of fire from some landscapes, has increased the risk of catastrophic fires in B.C., especially within the context of climate change. Reducing fuel loads creates opportunities to reintroduce fire onto landscapes without undue negative impacts. It can also modify fire behaviour and increase opportunities for wildfire fighters to more effectively control wildfires. The reduction in fuel to modify fire behaviour is also referred to as "Wildfire Risk Reduction."

Performance Measures

Performance Measure	2025/26 Forecast ^{1,3}	2026/27 Target ²	2027/28 Target	2028/29 Target
1a Priority area of fuel management treatment activities completed (hectares)	2,400	2,550	1,850	1,850

Data source: PwC financial data, FESBC Information Management System (FESIMS) Data, and FESBC staff input

¹Forecast for 2025/26 is based on actual and projected work to be completed as entered into FESIMS.

²Targets are based on proponent project plan data entered into FESIMS, estimates by FESBC staff, and reflect Budget 2026 funding.

³Forecast exceeds [2025/26 target](#) of 2,250 due to an additional \$2.5 Million added to the Wildfire Risk Reduction program from government in late 2025.

Performance Measure	2025/26 Forecast ^{1,3}	2026/27 Target ²	2027/28 Target	2028/29 Target
1b Number of higher-risk communities with wildfire risk reduction activities	35	31	23	23

Data source: PwC financial data, FESBC Information Management System (FESIMS) Data, and FESBC staff input

¹Forecast for 2025/26 is based on actual and projected work to be completed as entered into FESIMS.

²Targets are based on proponent project plan data entered into FESIMS, estimates by FESBC staff, and reflect Budget 2026 funding.

³Forecast exceeds [2025/26 target](#) of 33. Proponent work was carried out in smaller communities that were not captured in the original estimate.

Objective 1.1: Enhance wildfire risk reduction activities for B.C. communities

Fire can be a natural and essential ecological process in many of British Columbia's forests. Historical suppression activities and the impacts of climate change have resulted in more catastrophic fires with severe negative impacts to humans and the environment. Ecologically appropriate forest management activities can reduce the future risk of catastrophic fires. FESBC funds these activities to improve forest resilience and increase community safety.

Key Strategies

- Work with the Ministry of Forests and other responsible organizations to implement strategic wildfire risk management activities;
- Coordinate and support the effective delivery of funds for wildfire prevention planning and fuel management treatments, and maintenance treatments, that reduce risk to communities and critical infrastructure;
- Promote the recovery and utilization, and reduce the disposal by burning, of low-value residual fibre resulting from wildfire risk reduction treatments;
- Support the delivery of the [Community Resiliency Investment](#) (CRI) program in cooperation with existing agencies including the Ministry of Forests, [Union of BC Municipalities](#) and the [First Nations' Emergency Services Society of British Columbia](#); and,
- Promote projects where other FESBC purposes can be addressed as ancillary benefits.

Discussion

This objective supports progress towards FESBC's goal of investing in fuel management treatments. FESBC works collaboratively with provincial agencies, local governments, Indigenous communities and partners, and other non-governmental organizations to both reduce the risk and mitigate the consequences of wildfires. Projects include thinning stands and pruning trees and removing dead and down material in forests adjacent to communities and infrastructure such as transmission corridors and public roads. The goal of this work is to change or mitigate fire behavior by reducing the buildup of fuels in these forests and reducing the likelihood of more significant fires in the forest canopy. These activities are also being planned in areas outside the [Wildland Urban Interface](#) that are strategically located to create landscape level fuel breaks.

To ensure the continuation of effective wildfire risk reduction activities, FESBC invests in fuel management treatment plans. The operational planning and accompanying prescriptions are prerequisites to completing wildfire reduction and prevention treatment activities. FESBC proponents must follow [Crown Land Wildfire Risk Reduction Program](#) standards as outlined in the [BCWS Tools for Fuel Management](#).

To monitor the impact of this work, FESBC tracks the completion of approved fuel management treatment activities, analyzes volumes of residual fibre being utilized from those activities, and identifies the communities positively impacted by these projects.

Goal 2: Increase Utilization of Residual Biomass Generated by Forest Management Activities

The default mechanism for disposing of biomass generated as forest management byproducts is often burning in piles in the treatment area. This goal supports FESBC's purposes related to supporting the use of fibre from damaged and low-value forests and treating forests to improve the management of greenhouse gases. Utilizing fibre that would otherwise be burnt

helps reduce the negative impacts of wood smoke and greenhouse gas emissions. Enabling the utilization of this fibre is an important part of how B.C. is redefining the future of forest management.

Performance Measures

Performance Measure	2025/26 Forecast ^{1,3}	2026/27 Target ²	2027/28 Target	2028/29 Target
2a Forest fibre utilized (cubic metres)	465,000	330,000	500,000	470,000

Data source: FESBC Information Management System (FESIMS) Data and FESBC Staff

¹Forecast based on delivered and estimated volume.

²Targets are based on estimated delivery costs, inflation estimations, and Budget 2026 funding.

³Forecast exceeds 2025/26 target of 400,000 due to: realized delivered costs were 12% lower than estimated, and FESBC allocated \$0.25 Million more to the utilization program mid-year to meet spending target.

Objective 2.1: Encourage diversity and innovation by the forest sector to utilize uneconomic waste fibre

Through funding the additional transportation costs needed to have this material shipped to secondary forest products facilities, FESBC is creating more opportunities for fibre utilization and recovery in B.C. Encouraging fibre utilization reduces residual waste while also reducing the amount of greenhouse gasses caused by open burning. Partnerships with harvesting contractors and the secondary industry, including producers of pulp, cants, wood pellets and energy, helps preserve forest sector jobs while making a significant contribution to the forest industries' efforts to reduce greenhouse gas emissions related to forest management activities.

Key Strategies

- Fund only the differential between the cost of operations and the market value of the product;
- Track volumes and calculate the avoided emissions realized from these projects to report out the environmental benefits of the program; and,
- Allow all secondary manufacturing facilities including pulp mills, cant mills, pellet mills and energy complexes and small tenures holders and contractors to submit projects for funding, provided the fibre they are procuring meets the eligibility criteria including those related to costs.

Discussion

Residual fibre from conventional timber harvesting or other forest management activities, such as salvaging burned or insect-damaged stands, that is of too low quality to use for lumber or too far away to be used for pulp or energy is usually piled and burned in the forest after primary logging. These quality issues include logs being too small, having defects such as rot or large knots, or being too crooked to be processed in a sawmill. These residual piles

present two problems to forest managers: they occupy growing space and inhibit reforestation, and they increase the risk of wildfire.

Strategies under this objective focus on delivering residual fibre to the secondary forest product producers without disrupting normal competitive fibre markets. FESBC funding is available only for the differential between the actual costs of delivering the fibre and the fair market value. In other words, FESBC aims to reduce the amount of material that is disposed of by burning by making that fibre economically available to secondary facilities, not to reduce the cost of available residual fibre.

FESBC works with proponents to determine whether support is warranted by determining whether the cost of delivering the fibre in a usable form exceeds the market value of the fibre. The delivered log and fibre information, the products made at the receiving sites and other project specific data is also used to calculate the reduction of carbon emissions that are achieved by avoiding residual slash pile burning.

Financial Plan

Financial Summary

\$000s	2025/26 Forecast	2026/27 Budget	2027/28 Plan	2028/29 Plan
Revenues				
Contributions from the Province	22,500	20,000	20,000	20,000
Other Revenue	2,776	661	936	675
Total Revenue	25,276	20,661	20,936	20,675
Expenses				
Grants	22,500	18,000	19,000	19,000
Operating Costs	2,768	2,656	1,931	1,670
Amortization	8	5	5	5
Total Expenses	25,276	20,661	20,936	20,675
Annual Surplus (Deficit)	-	-	-	-
Total Debt	-	-	-	-
Accumulated Surplus (Deficit)	-	-	-	-
Capital Expenditures	-	-	-	-

Notes: The above financial information was prepared based on current Generally Accepted Accounting Principles. Revenue is based on expenditures.

Key Forecast Assumptions, Risks and Sensitivities

The FESBC forecast is based on direction provided by government, mandates and priorities set for the Ministry of Forests, and funding granted and announced to date. Expenditure forecasts rely heavily on grant recipients' estimated completion timelines. FESBC strives to clearly outline its expectations, monitors projects against agreed upon milestones and works with grant recipients' dealing with unforeseen circumstances to mitigate risks of delayed projects.

Management's Perspective on Financial Outlook

FESBC will continue to closely monitor resources and expenditures to ensure funded projects are delivered in an efficient, timely and cost-effective manner. FESBC will continue to consider on a go-forward basis the impacts of inflationary pressures on active projects. FESBC will work collaboratively and in a coordinated way to leverage partnerships, support the Ministry of Forests, the Ministry of Environment and Parks, the Ministry of Water, Land and Resource Stewardship and other Ministerial strategic priorities as applicable, to ensure alignment with key Government commitments and, while doing so, will manage expenditures accordingly.

Appendix A: Mandate Letter from the Minister Responsible



May 26, 2025

Dave Peterson, Chair
Forest Enhancement Society of BC
101-925 McMaster Way
Kamloops, British Columbia V2C 6K2

Dear Dave Peterson:

On behalf of Premier Eby and Executive Council, I would like to extend my thanks to you and your board members for your organization's leadership, dedication, and expertise in which you serve the people of British Columbia.

Public sector organizations—including Crown corporations, Health Authorities and Post-Secondary Institutions—support British Columbians by delivering vital public services and are accountable to the public through their Minister responsible. Your continued leadership in advancing and preserving the public interest strengthens trust in public institutions.

This mandate letter, which I am sending in my capacity as Minister responsible for the Forest Enhancement Society of BC, communicates our government's priorities for the entire public sector and provides specific direction and expectations of your organization for the duration of Government's term.

Government's priority is to make a tangible difference in people's lives through growing the economy, creating good paying jobs, strengthening health care and making our communities and neighbourhoods safer for British Columbians. British Columbians expect public sector organizations to deliver responsible, quality services equitably in all regions across the province. This includes strategic stewardship in planning, operations, financial, risk, and human resource management including information security and privacy protection. Providing equitable service requires due consideration of the diverse needs of local communities with specific attention to the unique needs of rural, remote and First Nation communities.

In the current economic and fiscal context including the threat of U.S. tariffs and other global economic challenges affecting British Columbian families, your organization is to work with ministry staff to review all existing programs and initiatives to ensure programs remain

Ministry of Forests

Office of the Minister

Mailing Address:
PO BOX 9049 Stn Prov Govt
Victoria, BC V8W 9E2

Tel: 250 387-6240
Fax: 250 387-1040
Website: www.gov.bc.ca/for

relevant, efficient, sustainable, grow the economy, and help keep costs low for British Columbians. Public sector organizations are expected to adhere to the principles of: cost consciousness, accountability, appropriate compensation, service, and integrity. This includes following the spirit and intent of core government fiscal management practices to make all efforts to achieve administrative and operating efficiencies while delivering core programs and services.

Strategic stewardship requires public sector organizations keep up-to-date systems and implement effective cybersecurity practices, including maintaining information management and cybersecurity policies, guidelines, and standards; assessing enterprise risk for high-value information and services, including confidential and sensitive data; and continuously evaluating and updating security practices to align with industry standards. The [Office of the Chief Information Officer](#) within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas including communication protocols with core government.

As required by the *Climate Change Accountability Act*, you must ensure your organization implements plans and strategies for minimizing greenhouse gas emissions and managing climate risk. Your organization is expected to work with my ministry to report out on these plans and activities as required by legislation. Public sector organizations will continue to take action on climate change, a commitment that remains foundational and key to a healthy and prosperous BC for future generations.

Underlying all this work is our partnership with Indigenous peoples and our commitment to advancing reconciliation. I expect your organization to comply with the *Declaration on the Rights of Indigenous Peoples Act*, including implementing existing commitments made under it. I expect your organization to work in partnership with First Nations rights-holders to advance shared interests.

Public sector organizations must also adhere to government direction provided through the [Public Sector Employers' Council Secretariat](#) (PSEC) with respect to public sector compensation and bargaining mandates. Your organization's compensation decisions must be consistent with policy direction provided through PSEC. Please coordinate closely with PSEC before finalizing compensation decisions for existing CEOs or Presidents and Vice Presidents and in the recruitment of new CEOs or Presidents. PSEC consultation is also encouraged prior to hiring for Vice President positions.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the [Crown Agencies and Board Resourcing Office](#) will continue to support your board on recruitment, appointments and professional

development by ensuring board composition and governance reflects the diversity of our province.

I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and as you develop plans to address the following priorities:

- Working with the BC Wildfire Service, identify and fund priority projects that mitigate wildfire risk to make communities safer and forest ecosystems more resilient to climate change.
- Fund projects that rehabilitate forest ecosystems impacted by wildfires, bark beetles or other forest health impacts to support a sustainable land-base for timber harvesting while protecting old growth forests. These projects should utilize low-value fibre or wildfire impacted timber that would otherwise not be utilized or be burned.
- In carrying out the above activities, prioritize projects that have one or more of the following:
 - treat or commercially utilize residual fibre from management activities to minimize open burning,
 - maintain existing wildfire risk reduction investments by supporting appropriate re-treatment of previously completed FESBC wildfire risk reduction projects,
 - improve the quality of remaining timber post-treatment,
 - assist forest ecosystems in adapting to climate change,
 - reduce greenhouse gas emissions, and
 - improve habitat for wildlife.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by June 2025.

I look forward to continuing to work with you and your board colleagues to ensure the sustainable delivery of the services the public relies on.

Sincerely,



Minister

Date: May 26, 2025

pc: Honourable David Eby, KC, Premier of British Columbia
Shannon Salter, Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service
Doug Scott, Deputy Minister and Secretary to Treasury Board, Ministry of Finance
Elenore Arend, Associate Deputy Minister, Crown Agencies Secretariat, Ministry of Finance
Makenzie Leine, Deputy Minister, Ministry of Forests
Jason Fisher, Executive Director, Forest Enhancement Society of BC

Dave Peterson

Ken Day

Dave Peterson
Chair
Forest Enhancement Society of BC
Date: June 3, 2025

Ken Day
Board Member
Forest Enhancement Society of BC
Date: May 28, 2025

Trish Dohan

Ian Meier

Trish Dohan
Board Member
Forest Enhancement Society of BC
Date: May 28, 2025

Ian Meier
Board Member
Forest Enhancement Society of BC
Date: June 10, 2025

Mike Kelly

John Massier

Mike P. Kelly
Board Member
Forest Enhancement Society of BC
Date: May 28, 2025

John Massier
Board Member
Forest Enhancement Society of BC
Date: May 28, 2025