

ISIS

2011 ANNUAL REPORT



SAUDER
School of Business

Opening Worlds

An aerial photograph of a suburban neighborhood, showing a grid of streets, numerous houses with varying roof colors, and many trees. The scene is captured from a high angle, looking down on the community. A semi-transparent dark grey rectangular box is overlaid on the right side of the image, containing the text.

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THANK YOU

WELCOME TO ISIS



The ISIS Research Centre at the Sauder School of Business is focused on advancing social innovation and sustainability, through research, incubation, and application. ISIS defines social innovation as new approaches to solving existing social, cultural, economic, political, and environmental challenges.

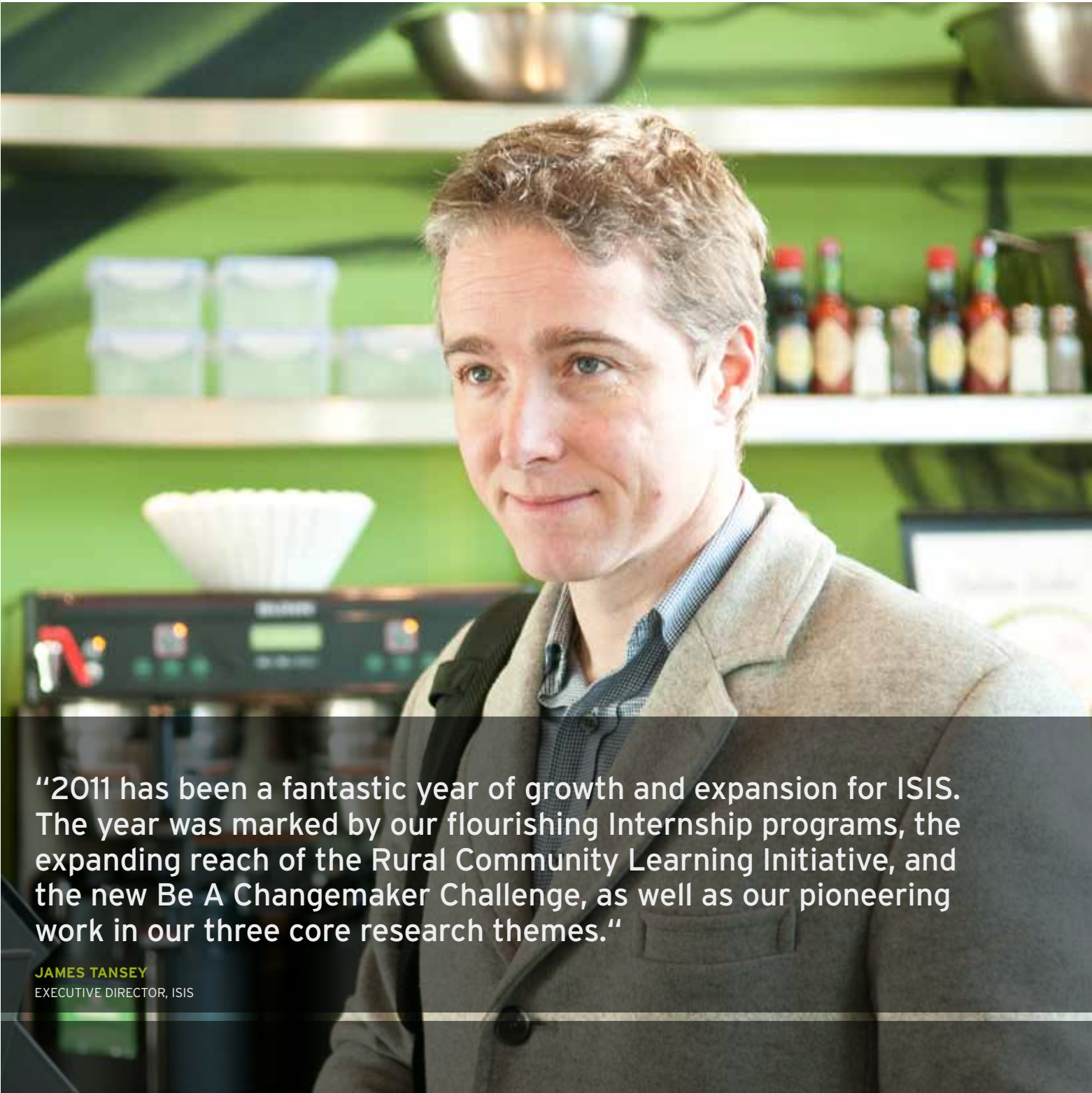
This encompasses three key, global trends across the three sectors – social innovation in the public sector, growth of strategic corporate social responsibility and scaling non-profit social innovation. ISIS partners with individuals, organizations, and communities across all three sectors to incubate and pilot

solutions, build capacity and share ideas in order to create shared value across its projects and programs.

The core research themes at ISIS are: building the low carbon economy, social economy, and economic development with First Nations. Our goal is to build intellectual and human capacity by linking knowledge with action to further social innovation across the various sectors while working actively with our partners to achieve impactful change. We are passionate about student development and action oriented research and work with our partners to challenge the status quo and develop scalable solutions to

complex problems. We strongly value and develop learning opportunities that leverage classroom learned skills and theories, and allow students at all levels to use those skills in real business and community settings, that create tangible outcomes.

We continue to innovate in our approach and pioneer new territory by sticking to our core values as an organization and as individuals, while leveraging the immense intellectual and research resources available through the Sauder School of Business and UBC.



“2011 has been a fantastic year of growth and expansion for ISIS. The year was marked by our flourishing Internship programs, the expanding reach of the Rural Community Learning Initiative, and the new Be A Changemaker Challenge, as well as our pioneering work in our three core research themes.”

JAMES TANSEY
EXECUTIVE DIRECTOR, ISIS

EXECUTIVE DIRECTOR'S MESSAGE



Welcome to our 2011 annual report. We hope it provides you with a good overview of the range of projects and programs that ISIS has undertaken over the past year. 2011 was a year of growth and learning for ISIS and would not have been possible without the hard work from our outstanding team who have contributed immensely to expanding the profile of the research centre. The year was marked by our flourishing Internship and Graduate Fellowship programs, the revived Community Experience Initiative (CEI), the expanding reach of the Rural Community Learning Initiative (RCLI), and the new Be A Changemaker Challenge.

We continue to focus our efforts on three key areas: First Nations Economic Development, the Low Carbon Economy and the Social Economy. These themes represent key priorities within the British Columbian (and global) economy, and leverage the expertise of the ISIS team. Over the past year we have partnered with a number of First Nations, including the Gitga'at, the Nisga'a and the N̓an̓wakolas Council. This year's projects ranged from seafood feasibility studies, energy opportunity assessments, tourism strategies, forest tenure opportunities, and economic development governance plans. We take great

pride in seeing our work being used to inform and support decision-making throughout these communities.

ISIS has been very active in the low carbon economy with contributions to the UBC Sustainability Initiative and our Climate Intelligence Program in partnership with the Pacific Institute for Climate Solutions. We are proud to have informed the public debate in this area and have helped translate high quality research into practice. In this area ISIS was involved in several innovative projects in the province including the study of Ecosystems Services in the Great Bear Rainforest, the QUEST Case Study on Southeast False Creek Neighbourhood Energy Utility, and the Clayoquot Sound First Nations: Green and Culturally Appropriate Housing. Additionally, we continued our ongoing work in the field of Commercial Green Real Estate focusing on the financial aspects of the industry.

Our work in the social economy has advanced in partnership with organizations in Canada that are seeking to progress social sustainability, including Ashoka Canada, LIFT Partners, PLAN, and the Province of BC. Our projects range from studies on the development of a social procurement toolkit to

social cohesion and community development to social innovation. We are proud to contribute to initiatives such as the BC Advisory Council on Social Entrepreneurship, which over the past year has explored local opportunities related to social enterprise structures, social parameters in BC, and general growth and understanding of social innovation in the province.

2011 has been a fantastic year of growth and expansion for ISIS. After only four years, ISIS has grown to play a key role in the development of social innovation and sustainability in UBC, the business sector and the broader regional community. In the year ahead we will look to refine our strategic directions, and leverage our current strengths while developing new partnerships to scale our work. I would like to acknowledge that all this work is only possible due to the ongoing support from our two major donors: the Swift Family (Arc Financial) and the Lalji Family (Larco Group of Companies).

Dr. James Tansey
ISIS Executive Director
Associate Professor, Sauder School of Business

ISIS HISTORY



ADVANCING SOCIAL INNOVATION & SUSTAINABILITY

ISIS was first founded in late 2007 through a donation from the Swift family to establish an organization that would realize Canadian leadership in social innovation. ISIS was officially launched in the spring of 2009 with the generous support of our two founding families: the Swift Family and the Lalji Family.

The original vision behind the creation of the centre was that business, and business education, have significant roles in driving social innovation and active change in a complex global climate characterized by financial, economic, political and environmental instability. Coupled to this was the insight that change could not and will not happen through the actions of an individual but will, in fact, take the collaborative effort of a network of stakeholders, including

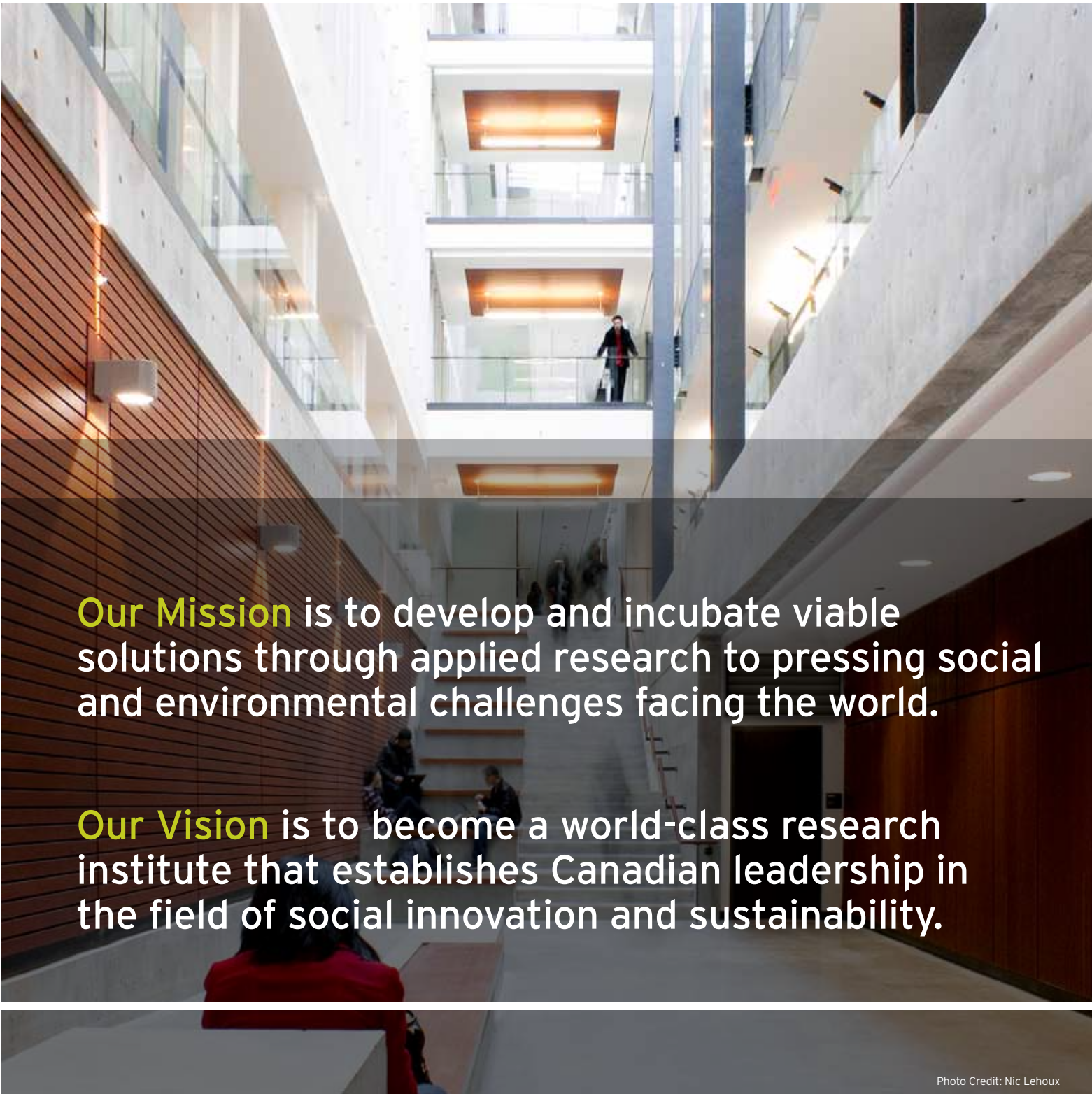
society at large. Business and the business community are uniquely positioned to implement change since they are core to so many essential parts of everyday life in communities around the world. The history of ISIS can be charted over three phases.

Phase one laid the ground work for ISIS to develop as a real entity. The team started by evaluating what other business schools were doing in the field of innovation and sustainability. Time was spent benchmarking what similar organizations were doing in terms of programmatic and educational activities, and in their general interactions with industry. This early stage work allowed us to identify the strengths that existed for ISIS in BC and Vancouver, through its' strong ties to the social sector, private and public institutions.

We are currently in phase two which started with the official launch of ISIS in 2009. It has consisted of piloting a range of different

approaches to social innovation and social enterprise. Over these early years we have developed our incubator function, a variety of programs, and started to work on curriculum development. It is a time of great reflection and learning for ISIS. We have continued to measure what strategies create meaningful impacts and align with the goals that we have set for ourselves, as well as those of the University and the Sauder School of Business.

Phase three will be a stage of maturity, shifting towards a much more programmatic approach. In this phase we will lock in strategic goals for ISIS in respect to social innovation and ensure that we have the partnerships and financial support in place to deliver on them. Our projects and programs will be much more institutionalized not only at ISIS but within the schools and the communities we work with.



Our Mission is to develop and incubate viable solutions through applied research to pressing social and environmental challenges facing the world.

Our Vision is to become a world-class research institute that establishes Canadian leadership in the field of social innovation and sustainability.

3 STRATEGIC RESEARCH THEMES



LOW CARBON ECONOMY

The global transition to a low carbon economy is creating new opportunities for business innovation. British Columbia, as a leading jurisdiction in North America for carbon and climate policy, offers great advantages for further innovation, particularly in the areas of carbon markets, offsetting, clean technology and energy companies.



SOCIAL ECONOMY

The social economy operates between the private and public sectors through a broad range of community, voluntary, not-for-profit, and social profit activities. It engages the community to explore opportunities to improve delivery of public services through novel means, community regeneration, more inclusive wealth creation, and active citizenship.



FIRST NATIONS ECONOMIC DEVELOPMENT

First Nations possess an abundance of human capacity, natural resources and cultural heritage. These assets provide the foundation on which lively and sustainable communities are built. By leveraging these assets, First Nations can develop and maintain thriving economies while preserving local culture.



Photo Credit: Don Erhardt



IN THE NEWS



Photo Credit: Don Erhardt



2011 was a busy year at ISIS and no less so because of the team's frequent sharing of insights through speaking engagements. The most prolific speaker of the team, Executive Director, James Tansey was in high demand. He started off the year at the Green Meeting Industry Council's Sustainable Meetings Conference in Portland providing insights on the business dimensions of sustainability, and was the keynote speaker at the A&W Convention in New Orleans.

He spoke at the Tribal Opportunities in Carbon Markets workshop, the QUEST V Conference, UBC CIRS Conference, Vancouver Energy Roundtable, the Carbon Governance Project Workshop Series in Vancouver and the UK, and the International Student Energy Summit. Dr. Tansey taught the Sauder Executive Education Accelerated Leadership Program on Sustainability and Strategy, the sustainability component in the MBA core program, E-MBA programs in Vancouver and for Zhejiang

University, and presented sustainability concepts to Sauder's first-year undergraduates through the COMM 101. Dr. Tansey was also a judge at the 2011 GLOBE Awards for Environmental Excellence and a panel judge at the Be a Changemaker Challenge Panel. He also served as an active member of the BC Advisory Council on Social Entrepreneurship for the provincial government, member of the advisory council for PICS, consulted the Climate Action Secretariat as a member of the Forest Carbon Offset Protocol Technical Working Group and its Green Building Protocol, and consulted for the London 2012 and Sochi 2014 Olympic Games on how to build a carbon offset program.

Post Doctoral Fellow, Mauricio Guaragna taught Intellectual Property Law at the UBC Law School and presented extensively on his work on the VALGEN project. Additionally, in November 2011, Dr. Guaragna led a workshop titled 'Changing Goals of Governance for

Agricultural Genomics: An Examination of Current Regulatory and Intellectual Property Regimes' and presented a lecture in December 2011 at the Pontificia Universidade Catolica in Brazil.

Managing Director, Joanna Buczkowska led several workshops at Sauder for the Early Career Masters and MBA classes titled 'Careers in Sustainability and Working in the Social Sector'. She also taught Social Entrepreneurship to the first-year undergraduate class in the Sauder COMM 101 course. She topped off the year by moderating our inaugural Be A Changemaker Challenge Panel in November.

First Nations Manager, Chris Hild spoke at the National Aboriginal Business Opportunity Conference on collaborative opportunities for First Nations and private sector groups looking to develop joint ventures or partnerships in resource projects.



“It’s a priority for ISIS to ensure that the lessons we learn from our research at the university are translated into a form that is engaging and accessible to the public and other stakeholders.”

JAMES TANSEY
EXECUTIVE DIRECTOR, ISIS

FEATURED ARTICLES

“CALIFORNIA - CANADIAN MARKET TO START SMALL”
APRIL 12, 2011, REUTERS

“B.C. HAS BECOME STRAGGLER IN BATTLE AGAINST GREENHOUSE GASES”
APRIL 12, 2011, VANCOUVER SUN

“CARBON CREDITS COULD BE A BILLION-DOLLAR INDUSTRY”
APRIL 19, 2011, VANCOUVER SUN

“MAKING COMMUNITIES BETTER PLACES”
OCTOBER 25, 2011, FINANCIAL POST

“CALIFORNIA'S BIG MOVE ON CLIMATE POLICY CHALLENGES BC”
OCTOBER 27, 2011, THE TYEE

“BRITISH COLUMBIA AS A CLIMATE CHANGE INNOVATION LABORATORY”
NOVEMBER 17, 2011, COP 17 MAGAZINE

“COLLABORATION, INNOVATION KEY TO SOCIAL ILLS”
NOVEMBER 18, 2011, VANCOUVER SUN

LIVE INTERVIEWS

GREEN WITH ENVY RADIO SHOW

BILL GOOD RADIO SHOW

CBC BC ALMANAC WITH MARK FOSYTHE

ISIS TEAM



Photo Credit: Nic Lehoux



The ISIS team is a group that is passionate about creating innovative change to address the challenges we face today as a global community. We are striving to create a world economy where social impact is valued alongside financial impact. The successes and growth of ISIS to date have been on account of the team of passionate, creative, and dedicated individuals who have made the challenges we tackle their own.

To support intellectual curiosity, continual learning and peer engagement at ISIS, we run several programs to keep the team informed and involved in work outside of their individual project teams. Our peer sessions over the past year have included project storms (brainstorming sessions with individuals outside of the project team), lunch & learns (an opportunity for a team expert to share knowledge), peer learning feedback circles (constructive feedback in a safe environment),

and alumni events. In keeping with our mission to address social and environmental challenges, the ISIS team established an internal committee aimed at promoting a culture of volunteerism within the organization. The Volunteer Committee was tasked with finding opportunities within the local community that aligned with the ISIS values, and enabled us to directly support local organizations and individuals.

STAFF ROSTER

JAMES TANSEY
Executive Director

JOANNA BUCZKOWSKA
Managing Director

CHRIS KANTOWICZ
Director of Strategy

CHRIS HILD
Manager, First Nations Economic Development

NEIL THOMSON
Manager, Low Carbon Economy

ALISON SHAW
Manager, Climate News Scan

KRISTINA WELCH
Manager, Green IT

ANDREA LLOYD
Manager, Rural Community Learning Initiative

MAURICIO GUARAGNA
Post Doctoral Fellow, Intellectual Property

ADAM BUMPUS
Post Doctoral Fellow, Carbon Governance

EMMA GAIGER
ISIS Co-ordinator

OUR VALUES

Innovation We are creative and cutting-edge.

Relevance We address timely challenges, with solutions that have real world impact.

Integrity and Quality We have pride in our work, and are critical thinking, evidence-based researchers.

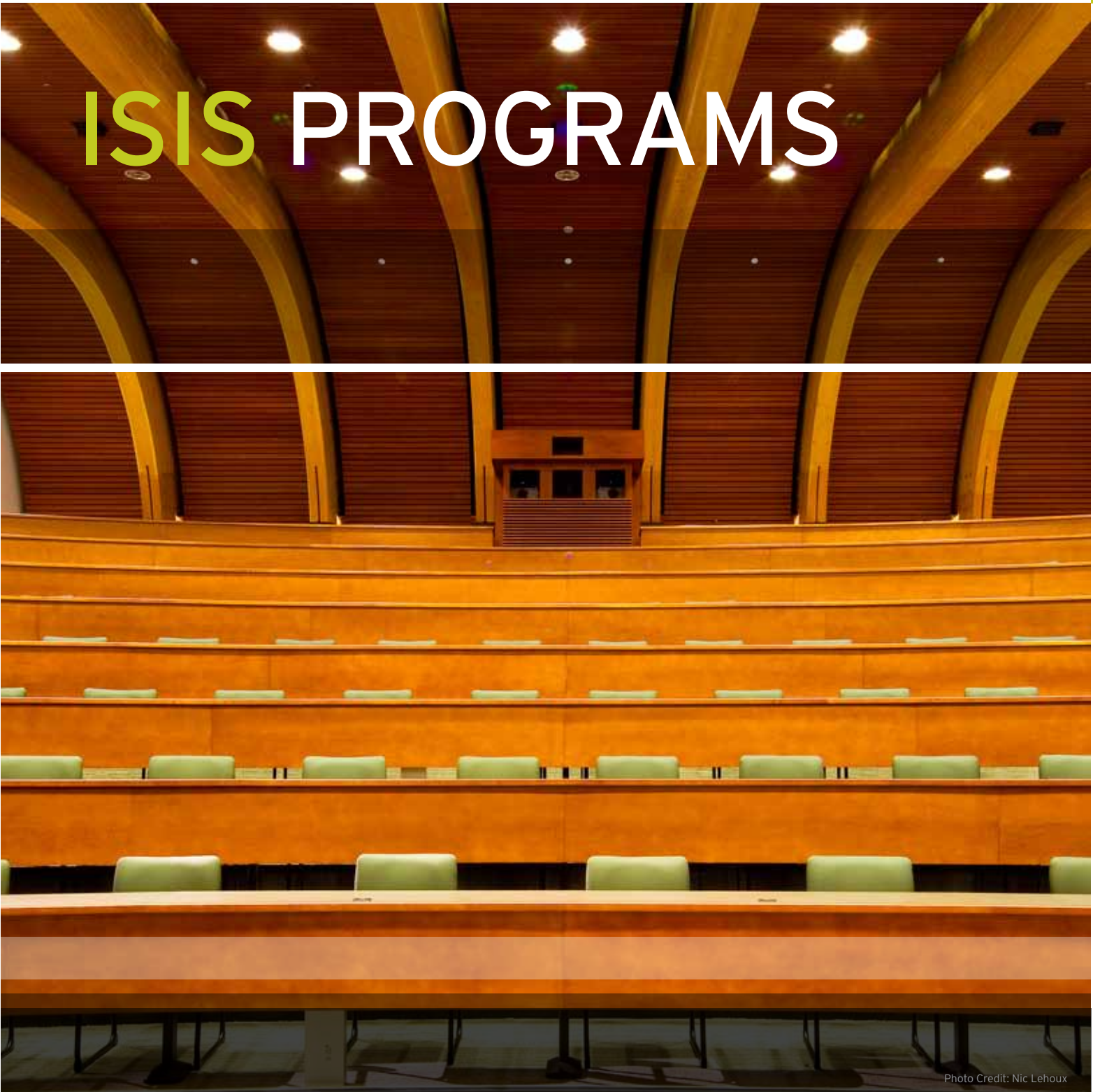
Value People We provide mentorship and a healthy work/life balance.

Finish What We Start We plan thoroughly and deliver on schedule.

Self Improvement We value reflection, proactive learning, both personal and team development.

Respect and Diversity We embrace new ideas, are open-minded, and foster honest dialogue.

Collaboration We share our ideas, create synergies, and are direct and clear in our communication.



INTERNSHIP PROGRAM



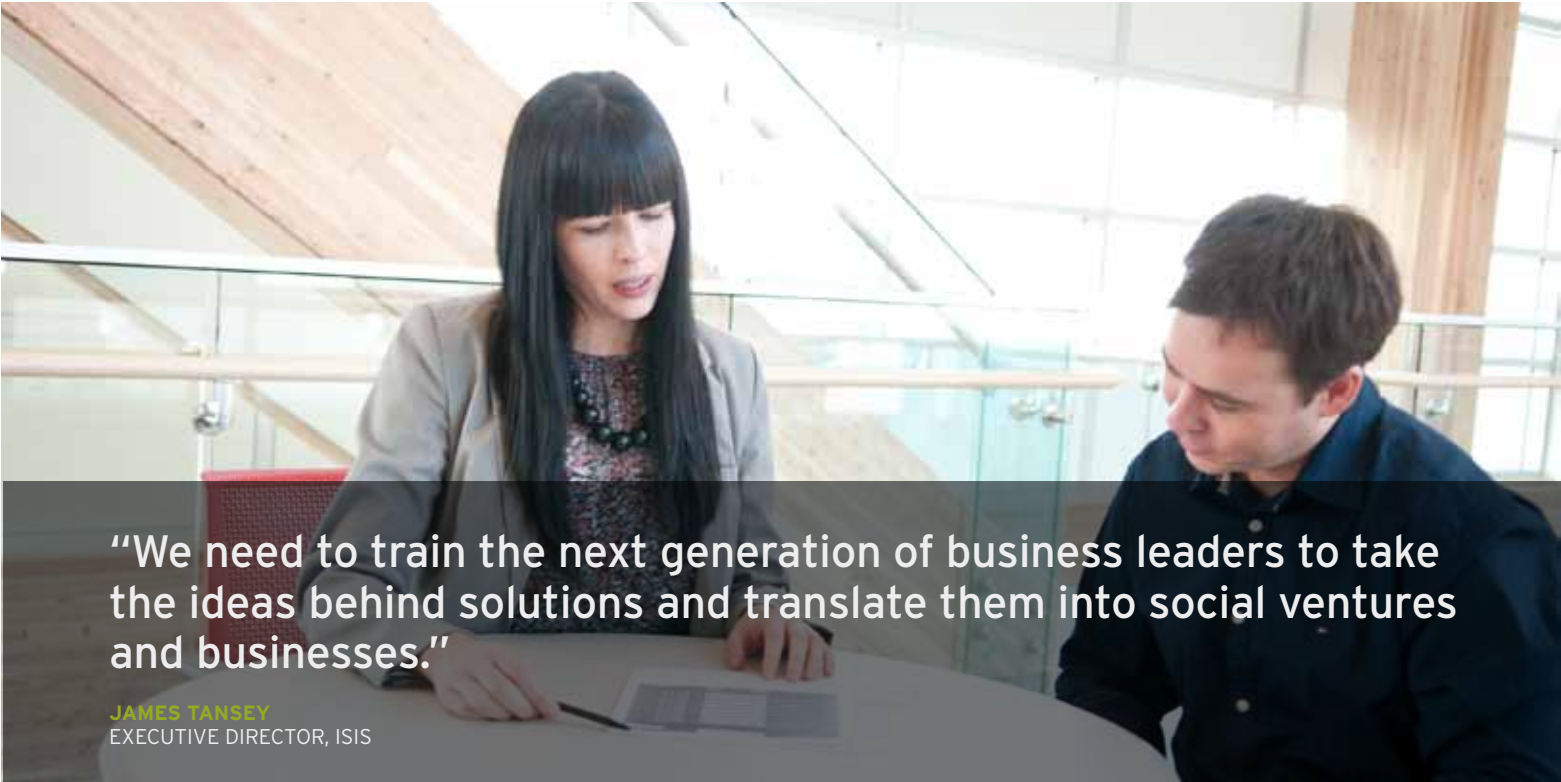
Photo Credit: Acton Ostry Architects Inc.



The ISIS Internship Program is a summer employment program providing MBA and Graduate students from across Canada with opportunities to engage in applied research in the fields of low carbon economy, social economy, and economic development with First Nations. An underlying focus of the program is to bring critical business and management skills to organizations addressing important social and environmental issues while giving students hands-on experience working in these fields.

Our goal for each internship is to engage the student in a project that provides the partner with impactful, measurable, and achievable outcomes, while offering a challenging yet insightful experience for the intern.

All internship projects are run in partnership with community and/or industry partners. Each internship spans three to four months over the summer and includes various learning opportunities including P2P (peer-to-peer) learning sessions, introduction to research themes, project management training, brainstorming sessions and team outings. Each year students are selected on a competitive basis from across Canadian business schools, and are matched to specific projects at ISIS based on their skills, experiences, interests, and career goals.



“We need to train the next generation of business leaders to take the ideas behind solutions and translate them into social ventures and businesses.”

JAMES TANSEY
EXECUTIVE DIRECTOR, ISIS

2011 INTERNS

SABINA CHATTERJEE
UNIVERSITY OF VICTORIA - MA
Nisga'a: Strategic Initiative Planning

JASON CHIH
ROTMAN SCHOOL OF BUSINESS - MBA
Nisga'a Economic Development Cluster: Gingolx Village Government Economic Profile & Gingolx Village Government Business Incubation Centre Analysis

ANDREW NORDEN
UNIVERSITY OF BRITISH COLUMBIA - MF
Ecosystem Services in the Great Bear Rainforest

ROSA RIVERO
HASKAYNE SCHOOL OF BUSINESS - MBA
Gitga'at Economic Development Cluster: Hydro Economic Case Analysis

MATTHEW PATTINSON
SAUDER SCHOOL OF BUSINESS - MBA
Nisga'a Economic Development Cluster: Tourism Research of Nisga'a Nation Assets

TYE SPICER
SAUDER SCHOOL OF BUSINESS - MBA
Commercial Green Real Estate Cluster: Financial Tools Assessment for Commercial Retrofits

FELLOWSHIP PROGRAM



The Fellowship program is designed as an opportunity for students, academics, and experts to expand and apply their knowledge in innovative ways to specific fields within the broader themes of low carbon economy, social economy, and First Nations economic development. Fellows are immersed in a collaborative work environment, and encouraged to leverage the resources and networks of the university to accomplish their research.

GRADUATE FELLOWSHIPS
4-8 month term | 9 Graduate Fellows in 2011

Designed for MBA and Master students, focused on working in the areas of low carbon economy, First Nations, and the social economy, or are transitioning into these fields. The program is ideal for students that have

recently graduated from their respective programs, and are looking to gain critical experience. Graduate Fellowship intakes begin in January and September each year.

POST DOCTORAL FELLOWSHIPS
1-2 year term | 2 Post Doc's in 2011

This program is designed for individuals who have recently completed their PhD studies in an interdisciplinary field related to the ISIS research themes and priorities. Post Doc Fellows are invited through a competitive selection process. The Fellowship provides a vehicle for students to deepen their expertise on a specialized subject matter while advancing the scholarly mission of ISIS. Fellows are encouraged to develop their teaching skills both by developing new courses and through guest lectures at the Sauder

School of Business and in other interested UBC faculties.

SENIOR FELLOWSHIPS
Ongoing | 2 Senior Fellows in 2011

The Senior Fellow program was designed as a means to leverage international expertise in cutting edge research areas in the fields of social innovation and sustainability. Our Senior Fellows are thought leaders in their respective fields who have partnered with ISIS to share their knowledge and experience, as well as provide mentorship to staff and fellows and provide guidance on research direction.



“ISIS gave me the invaluable opportunity to contribute to the development of a more sustainable model of intellectual property ownership in the Canadian economy while also allowing me to explore new career paths.”

MAURICIO GUARAGNE
POSTDOCTORAL FELLOW

2011 GRADUATE FELLOWS

ANDREAS BOEHM, MPP
Gitga'at: Small Fish Processing Plant

CHAD COMEAULT, MBA
QUEST: Southeast False Creek Neighbourhood Energy Utility Case Study

JULIA DOROFEEVA, MBA
Carbon Neutral Olympic Games

MIGUEL GUERRERO, MBA
Gitga'at: Community Sawmill Assessment

THOR JENSEN, PHD CANDIDATE
Commercial Green Real Estate Cluster: Drivers of Environmental Performance in Commercial Buildings

KEVIN MOROSO, MBA
Nanwakolas Council: Industrial Land Usage

VALERIE PRESOLLY, MBA
Gitga'at: Old Town Development Strategy Assessment

ROBIN POIRIER, MBA
Nanwakolas Council: Market Based Opportunities in the Seafood Industry

GEOFF TAYLOR, MBA
Clayoquot Sound First Nations: Green and Culturally Appropriate Housing

POSTDOCTORAL FELLOWS

MAURICIO GUARAGNA
VALGEN PROJECT

ADAM BUMPUS
CARBON GOVERNANCE PROJECT

SENIOR FELLOWS

ANN DUFFY

JUSSI WESTERGREN

COMMUNITY EXPERIENCE INITIATIVE



The Community Experience Initiative (CEI) is a summer internship program that develops community-minded business leaders of tomorrow and strengthens the capacity of Canada’s social profit sector.

The program was created to engage business schools and their graduates as active supporters in the creation of a more socially responsible and environmentally sustainable society. The program provides opportunities for MBA students to intern in the non-profit and responsible business sectors and to experientially learn while applying their business skills. As an added benefit, the program provides linkages between the business school and the non-profit sector and sustainable business practitioners.

The mandate for CEI is:

“TO INTEGRATE THE VALUES OF COMMUNITY ENGAGEMENT, SOCIAL JUSTICE AND ENVIRONMENTAL SUSTAINABILITY INTO BUSINESS EDUCATION AND CULTURE.”

In the summer of 2011, the program paired three Sauder MBA students with non-profit organizations in the social sector. The matches were made based on finding MBA students with the appropriate skills and experience to address the needs of each organization.

In 2012 the Community Experience Initiative will celebrate its 10th year of providing MBA students with social venture opportunities. The Initiative has attracted renewed funding support through a leadership gift from the Carraresi Foundation and the generous support of the Greene Innovation Fund, established in memory of Virginia Greene.

“My internship at the Hastings Institute was a career building experience. It was rewarding to get involved with a small non-profit and to have the opportunity to interact closely with different stakeholders. ”

LAURA BARRECA
CEI INTERN

LAURA BARRECA HASTINGS INSTITUTE Laura Barreca was paired with the Hastings Institute, an organization working out of the City of Vancouver's Equal Employment Opportunity Program, focused on equity, human rights and diversity training in the workplace. Over the summer Laura developed a full-fledged strategic development plan for the organization that included a set of recommendations to address the long term economic sustainability of the Hastings Institute.	AMNA MALIK STARWORKS PACKING & ASSEMBLY Amna Malik was paired with the social enterprise arm of the Canadian Developmental Disabilities Association, Starworks Packaging and Assembly. Over the summer Amna developed a sales and marketing strategy for the organization that identified opportunities for Starworks to develop relationships with more long-term clients.	GARTH YULE VANCITY COMMUNITY FOUNDATION Garth Yule was paired with the Vancity Community Foundation. He was tasked with fine tuning and prepping the organization's 'Demonstrating Value Project' for a fall launch. Garth created elegant digital reporting solutions that will enable organizations across Vancouver's social sector to dynamically show the impact and economic return of their social investment.
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CLIMATE INTELLIGENCE PROGRAM



The Climate Intelligence Program is an ISIS initiative, commissioned by the Pacific Institute of Climate Solutions (PICS), that consists of the PICS Climate News Scan and the PICS Briefing Note Program. The program was developed in response to a need from government, researchers, and business decision makers for accurate and timely information and analysis of how climate change is impacting BC. The program, which began in 2010, has proven popular and remains an ongoing initiative with new, weekly content available to the public on both the ISIS and PICS websites.

PICS CLIMATE NEWS SCAN

The PICS Climate News Scan is a weekly news publication produced by ISIS. Our team of climate analysts search each week for the major climate change related science, technology, and policy advances of direct

relevance to the BC government, business, civil society, and Canada at large. The findings are neatly structured according to four thematic areas, with each story providing a brief synopsis of the primary research and then contextualizing the work to highlight its relevance to BC. The PICS Climate News Scan is published every Tuesday on both the ISIS and PICS websites as well as being available by email or RSS feeds, and is sent to a direct audience of over 3,000 readers and made available online to a considerably larger audience. We have received glowing reviews from our readership who enjoy the accessibility that we bring to the largely academic content. In August 2011 we celebrated the production of our 100th Climate News Scan.

PICS BRIEFING NOTE PROGRAM

The PICS Briefing Note Program was formed as a vehicle through which leading climate change researchers and practitioners in the province can influence key public and private sector decision makers on climate related issues. The briefing notes are 800 - 1000 words long and are intended to communicate content consistent with the rigor of an academic white paper, yet in a more accessible and compelling format. As with the Climate News Scan, these works are intended to emphasize why the issue is relevant to BC and to make realistic recommendations for action. ISIS manages the Briefing Note Program from conception through to publication, providing editorial guidance and quality assurance for the finished product. In 2011, 15 briefs were published through the program with 7 of these authored by ISIS climate analysts.



“We help policy makers and business leaders identify opportunities and overcome the challenges of the global transition to a low carbon economy.”

NEIL THOMSON
MANAGER, LOW CARBON ECONOMY, ISIS

2011 PICS BRIEFING NOTES
(REPRESENTATIVE SELECTION)

IS BC’S OCEAN ENERGY POLICY FIT FOR PURPOSE?
Neil Salmond

BC’S CAP AND TRADE DESIGN IN THE WESTERN CLIMATE INITIATIVE
Neil Thomson

DEPLOYING ELECTRIC VEHICLE CHARGING INFRASTRUCTURE IN BC
AnnaLisa Meyboom

FOSTERING ENERGY EFFICIENCY IN BC’S RENTAL HOUSING
Hurrian Peyman

HARNESSING THE ENTREPRENEURIAL POWER OF SMALL BUSINESS: NEW STRATEGIES FOR REDUCING GREENHOUSE GAS EMISSIONS
Sarah Burch

PICS CLIMATE NEWS SCAN THEMES

- 1. THE LOW CARBON EMISSIONS ECONOMY
- 2. SUSTAINABLE COMMUNITIES
- 3. RESILIENT ECOSYSTEMS
- 4. SOCIAL MOBILIZATION

RURAL COMMUNITY LEARNING INITIATIVE



“When I reflect on the project, I think that this experience was useful and essential. Not only did we use classroom knowledge but also knowledge from our work experience. On the whole, we enjoyed the process of building a marketing plan for a real life client.”

DAN LE
4TH YEAR STUDENT, SAUDER SCHOOL OF BUSINESS

The Rural Community Learning Initiative (RCLI) is a co-curricular program focused on bringing real projects from across British Columbia to the business students at Sauder.

The RCLI is a joint initiative between the Sauder School of Business, the UBC Community Learning Initiative (UBC-CLI), and the Irving K. Barber Centre. Community engagement is a key commitment enshrined in the UBC strategy of Place and Promise. Set in a context of community engagement, Community Service Learning (CSL) pedagogy strives to balance academic rigor with

practical relevance, which provides students with a broader, enriched educational experience.

At Sauder, this approach complements and enhances foundational elements of the business curriculum through its focus on developing essential professional skills in areas such as creative problem-solving, critical thinking, leadership, and communication. CSL enables business students to directly experience and purposefully reflect on the role they can play in contributing to economic development and

the resiliency of rural communities, and how their professional skills can be deployed in complex 'real life' contexts.

Students taking part in the RCLI enjoyed learning while making genuine contributions to small businesses and community organizations, many of which had limited human and financial resources.

- 01 ATLIN**
2009/10 - 2 projects (9 students)

02 FORT ST. JOHN
2010/11 - 1 project (29 students)

03 DAWSON CREEK
2010/11 - 1 project (5 students)
Course: Marketing Applications

04 TERRACE
2010/11 - 13 projects (48 students)

05 CAMPBELL RIVER
2009/10 - 8 projects (25 students)
2010/11 - 2 projects (10 students)

06 COURTENAY
2010/11 - 6 projects (30 students)

07 TOFINO
2010/11 - 13 projects (36 students)

08 PORT ALBERNI
2010/11 - 11 projects (50 students)

09 PEMBERTON
2010/11 - 1 project (5 students)

10 KOOTENAY REGION
2010/11 - 1 project (5 students)



ORKIDZ ART STUDIO Pemberton, BC

Courses: COMM 462 - Integrated Marketing Communication
Instructor: Ann Stone

The final presentations of Ann Stone's COMM 468 Marketing Applications course, demonstrated the impact of community-engaged collaborations in a powerful and moving scene between the student team and their community partner.

Layna, an artist and entrepreneur from Pemberton, is the owner of Orkidz Art Studio, a creative space whose mission is “to encourage kids to explore their boundless potential and ignite their passion for the arts through creativity”. Layna is passionate about kids, art and community, but her enthusiasm and artistic gifts were not translating to the

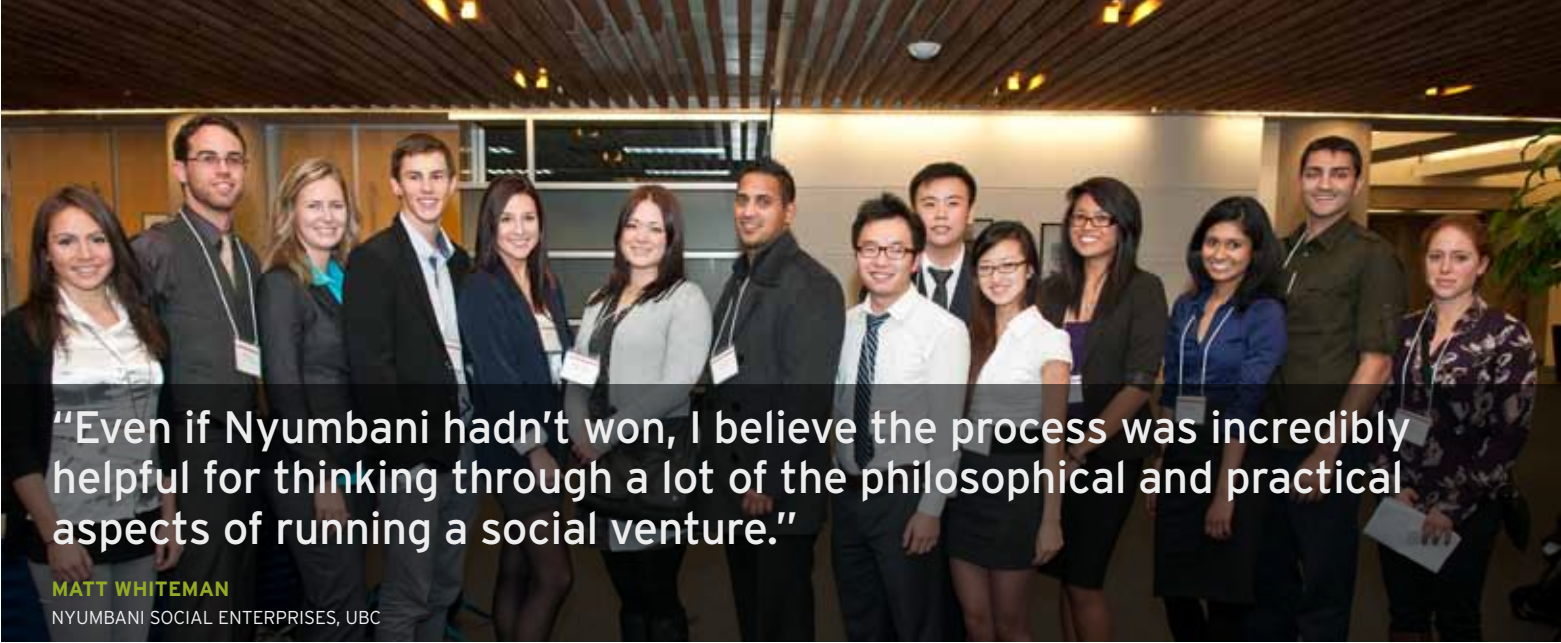
success of her business. She was reaching a point where it was no longer viable for her to continue with Orkidz due to economic pressures. She had heard about the Sauder community service learning initiative through one of the community economic development agents in Pemberton, also a Sauder faculty member, who nominated her as a partner for the marketing students.

At the final presentation, Layna was in attendance with her daughter. From the energy and creativity of the presentation, it was clear the students wholly embraced Layna and her company, and wanted her to succeed. The students redesigned her website, optimized search engines, created a compelling marketing brochure and a video, which demonstrated Layna's remarkable gift of sharing her passion with children.

Layna was overcome with emotion as she listened to the students. She and her daughter both had tears of excitement streaming down their faces, which were matched, surprisingly, by one of the male members of the Sauder team. It was evident to the audience that this experience was meaningful to both community partner and students.

This story truly highlights the value of students getting out of the classroom to respond to real issues across the province. As the story demonstrates, the return on the investment is about more than grades. The Sauder Rural Community Learning Initiative helps assist individual rural entrepreneurs in realizing their goals, but in a wider sense, it supports local and regional economic development by connecting community partners with the resources of UBC and the cutting-edge business knowledge at the Sauder School of Business.

BE A CHANGEMAKER CHALLENGE



“Even if Nyumbani hadn’t won, I believe the process was incredibly helpful for thinking through a lot of the philosophical and practical aspects of running a social venture.”

MATT WHITEMAN
NYUMBANI SOCIAL ENTERPRISES, UBC

In 2011 ISIS partnered with Ashoka Canada, Ashoka Youth Venture and Simon Fraser University (SFU) to deliver the ‘Be a Changemaker Challenge’. The Challenge was sponsored by Starbucks and engaged students at both SFU and UBC campuses. The vision for the challenge was to seed the idea of social entrepreneurship by providing students with an avenue to learn about the subject outside the traditional classroom setting. The challenge involved training and incubating teams of student entrepreneurs eager to make a social impact in their

communities and beyond. The challenge included a Changemaker Bootcamp, Dragon Den Style Panel, and an opportunity to win seed funding and support for their ventures. The Vancouver Be a Changemaker Challenge launched at the Morris J Wosk Centre for Dialogue on October 1, 2011, with a daylong workshop titled “Be a Changemaker Bootcamp”. Over 70 students gathered for this session to learn how to fund, launch, lead, and implement their sustainable social ventures in their communities.

The day covered topics such as social entrepreneurship, root cause analysis and idea marketplace, market analysis and social business planning. Local social entrepreneurs and Ashoka Fellows attended the event to share their stories of starting social ventures. After the kickoff, the application process remained open until early November. Ten teams were then shortlisted through a rigorous process conducted in tandem with Ashoka, SFU and UBC. The Selection Panel brought together five business experts



and social entrepreneurs who selected the launchable social ventures. Panelists included: James Tansey (ISIS, Sauder School of Business, UBC), Tom Lawrence (Beedie School of Business, SFU), Shannon Vanderwoerd (Starbucks Canada), Elisha Muskat (Ashoka Canada) and John Richardson (Ashoka Fellow). The selected student youth venture groups pitched their ideas for their own social ventures in front of the entrepreneur panel and an audience of 100 curious attendees at the event. Venture teams were evaluated and judged based on: feasibility of the venture, scalability, readiness for launch, and general innovation of the venture. The six winning teams received \$1,000 of seed funding, incubation support, and access to a global network of peers.

- 2011 WINNING TEAMS**

ASPIRE
Mandate is to address the inequality that people with ASD (Autism Spectrum Disorder) face by providing them with work opportunities that utilize their autistic characteristics in the software testing industry.

FUSION KITCHEN
Mandate is to close the employment gap for immigrant women by providing work opportunities and transferrable skill development, and in the end allow them to be socially and financially independent.

GREEN DIRT
Mandate is to increase the predominance of composting, and will be achieved through a for charge pick up for the business community.

- HEALTHY HOMES**
Mandate is to eliminate inefficiency in the BC health care system through decreased visits to health care sites, starting with palliative care.

SFU BAGS FOR KOLKATA WOMEN'S EMPOWERMENT
Mandate is to address the issue of economically empowering victims of human trafficking in Kolkata, and seek to expand employment capacity for these women through developing a product line to be sold at SFU.

NYUMBANI SOCIAL ENTERPRISES
Mandate is to provide street youth with housing security, food security and gainful employment. Providing free business training, counselling services, and accommodation, as they sell high quality animal products in Eldoret, Kenya.

CARBON GOVERNANCE PROJECT WORKSHOPS



Carbon management is often seen as a response to climate change legislation but true competitive advantage for business is gained through innovation ahead of the regulatory curve. The Carbon Governance Project (CGP) Workshop Series grew out of ISIS research in 2010 that explored how businesses were responding to the price signals from the government of British Columbia's low carbon policies. This led to questions of what strategic opportunities and actions are being taken in other jurisdictions where governments are implementing innovative carbon policies. In partnership with the University of Oxford and the University of California, Berkeley, the first workshop of the international series took place in Vancouver on June 1, 2011.

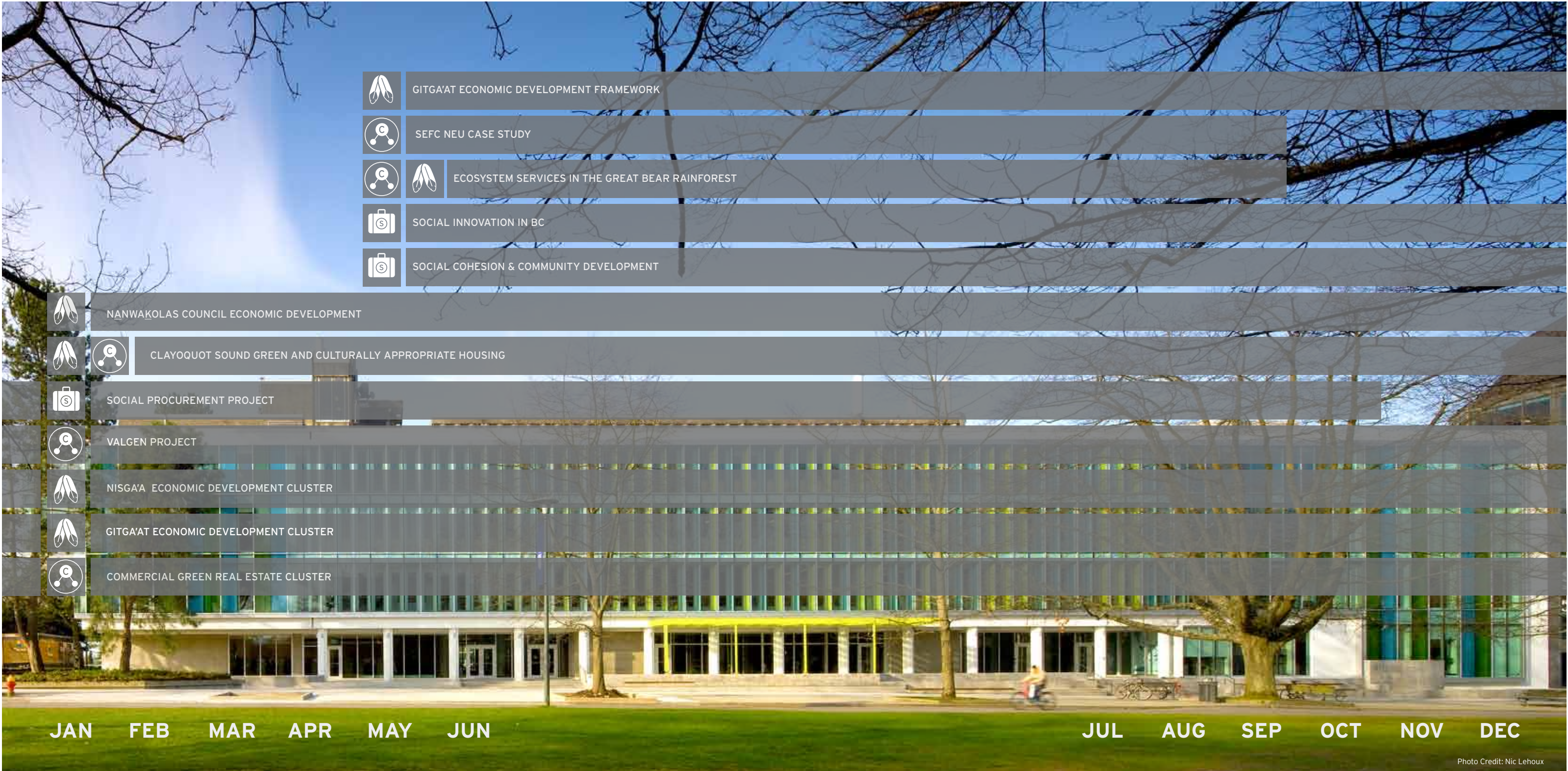
Vancouver's CGP workshop, subtitled 'Innovation, Capital and Carbon', brought together 48 leading industry experts, scholars and government representatives to focus on understanding the factors that enable and constrain British Columbia's transformation to a low carbon economy. The group displayed a strong consensus that BC should innovate and lead even in the absence of a globally binding agreement on restricting carbon emissions. BC's leadership opportunities exist precisely because it is small, has relative autonomy from the federal system, is linked into fast growing international economies, and has found public and political support for innovative climate policy. Equally important, the group identified that BC needs to build a positive vision of a future low carbon economy, and this must be inclusive, accessible and resonate both broadly and emotionally.

The workshop also uncovered and explored several ideas that would support the creation of this positive, low carbon vision of the future for BC. One of the more surprising developments of the Vancouver workshop was that the participants identified the need for a broad, multi-industry consortium that could provide coordinated support. A second idea that proved popular was the concept of the province providing a supportive place for demonstration projects.

The UK workshop was hosted by the University of Oxford in late September and was subtitled 'Energy and Climate Change 2012-2050: Business Transformation in Uncertain Policy Landscapes'. The central objective of this workshop was to understand the conditions under which a future low carbon economy can be achieved through effective and scalable business transformation.

The California session is scheduled for March of 2012. ISIS and its partners plan to compile and analyze the results from all three workshops and bring them together for publication in 2012.





2011

PROJECT TIMELINE

 LOW CARBON ECONOMY

 SOCIAL ECONOMY

 FIRST NATIONS ECONOMIC DEVELOPMENT



COMMERCIAL GREEN REAL ESTATE CLUSTER

Buildings in which North Americans live and work are estimated to produce 39% of total greenhouse gas emissions (GHG) while consuming up to 70% of total electricity. It would stand to reason that “greening” our building stock would be an effective way to curb emissions and reduce the demand for power. After all, the built environment is responsible for more GHG emissions than either the transportation or industrial sectors, which are often more visible targets for cuts.

The Commercial Green Real Estate Cluster project was developed in partnership with Larco Investments. The two year project has explored the commercial real estate sector through a sustainability lens. The first stage of the project centered on benchmarking the different commercial asset classes, such as retail, hospitality, mixed use, and office, in terms of their performance in environmental

standards. The project addressed the gaps in the existing literature and industry needs and produced a global scan of best practices for CSR performance at the corporate level. The work transitioned in 2011 from benchmarking and review studies to evaluating barriers to environmental performance and their correlation to certifications, capital access and policy. The three main studies in 2011 were:

01 DRIVERS OF ENVIRONMENTAL PERFORMANCE IN COMMERCIAL BUILDINGS

Efforts to reduce the environmental impact of the building sector have led to the development of certification programs for green buildings such as BOMA BEST and LEED. Since the introduction of these programs in the Canadian market, there has been a steady increase in the average level of certification

for both programs. This led the research team to ponder what other elements are driving the improvement of environmental performance in commercial buildings. The purpose of the research was to examine the relationship between operating costs, incentives, and environmental performance. Drivers of operating costs - such as climate or the price of electricity and natural gas - were compared to the level of certification attained by commercial green buildings across Canada.

The results of the work reveal that the environmental performance of commercial green buildings is related to drivers of operating costs; however not always in the way anticipated. Some insights included: building owners and managers may be responding to higher energy costs by increasing the energy efficiency of their buildings; buildings in regions where electricity prices had increased



“ISIS was able to match my research interests with industry relevant problems. The working environment was fantastic, and the ISIS Team pushed me to answer tough questions and to deliver a higher quality final product.”

THOR JENSEN
GRADUATE FELLOW

the most prior to certification had lower levels of BOMA BEST certified buildings; buildings in colder climates, with greater heating requirements, are less likely to exhibit higher levels of eco-certification, and; the realization that there was no relationship between the price of natural gas and the level of certification for BOMA BEST or LEED certified buildings.

02 RETROFITTING EXISTING COMMERCIAL BUILDING STOCK: A VANCOUVER PERSPECTIVE

With less than 3% of Vancouver’s commercial building stock being newly built annually, retrofitting of commercial spaces is a necessary direction for the real estate sector to take if it is serious about improving its environmental footprint. Despite the seemingly obvious benefits of energy retrofits, without changes in the legislative framework, incentive structures, or a shock to energy prices, adoption will likely continue to be low.

Buildings in British Columbia enjoy the lowest average energy cost in Canada and also have one of the lowest energy intensity levels, both of which limit the relevance of utility bills as a catalyst for a retrofit project. In order to move the market forward, governments at all levels should put in place a combination of rules and incentives that move building owners toward retrofits in a manner that is profitable for them and benefits society through job

creation and cost effective GHG reductions. The research explored various policy options including those being openly considered by the City of Vancouver as well as those enacted in other jurisdictions at various levels of government.

The published report is not intended to be a direct policy recommendation but rather a high-level assessment of the barriers that exist and a realistic approach to navigating them. The report lays out the barriers that are commonly understood to be actively preventing retrofits from gaining critical mass, followed by a discussion of some available policy and market tools that could be employed in the Metro Vancouver context to aid in removing barriers.

03 FINANCIAL TOOLS ASSESSMENT FOR COMMERCIAL RETROFITS

When you consider that building owners can often obtain higher revenues, lower costs, increased satisfaction from occupants and reduced carbon emissions, it is difficult to understand why all buildings are not going green. It would appear that lack of clear and unbiased information seems to be the largest single barrier to increased investment in green building. The sector is especially unclear on how various environmental features of a building impact current future investment values and performance.

The research group identified a serious gap in establishing a market link between the purported advantages of a green building and a positive economic return for investors. This link is necessary in order to mobilize capital for further investment in green building projects. The uncertainty surrounding the economic viability of green building underlies the majority of the specific barriers that restrict capital availability for investment. The work that ISIS undertook in partnership with Lighthouse Sustainable Building Centre set out to understand what tools exist in the marketplace and are available for the use of large scale commercial retrofit developments in Canada while drawing on examples from international best practices.

The work explored financial instruments used and identified specific incentive mechanisms that facilitate the flow of capital to green development. Some of the financial instruments analyzed included PACE Bonds, Green Loans, and Power Purchase Agreements. The team also explored the future of green real estate finance in Canada and the role of alternative mechanisms such as carbon markets. The full report will be published in 2012.





GITGA'AT ECONOMIC DEVELOPMENT CLUSTER



Located approximately 150 kilometres southeast of Prince Rupert on British Columbia's northwest coast is the community of Hartley Bay, which is the central community and home of the Gitga'at Nation. Descendants of the present Gitga'at people lived at their ancestral home of Laxgal'tsap (Old Town) in Kitkiata Inlet, on the northwest side of the Douglas Channel. Overall, the Nation's territory covers 7,500 square kilometres where rare and special ecosystems, flora, fauna and cultural heritage values co-exist.

Approximately 170 people reside year round in Hartley Bay where traditional customs and structures are observed in concert with modern laws and policies. The Gitga'at people,

including those living outside of Hartley Bay, are members of the Tsimshian cultural group, which is a matrilineal society organized by Waap (house groups). These Waap belong to the four clans of Tsimshian society: Gispudwada (Blackfish or Killerwhale), Laxsgiik (Eagle), Ganhada (Raven), and Laxgibuu (Wolf).

The Gitga'at people are exploring sustainable economic development opportunities that will meet the needs and aspirations of existing and future generations. The Nation's goals within this context are to generate significant economic benefits to its people, while maintaining ecological integrity of the area and advancing overall well-being within the community.

01 SUSTAINABLE TOURISM STRATEGY DEVELOPMENT

The Gitga'at territory is nestled in the heart of the Great Bear Rainforest, one of the largest intact coastal rainforests remaining in the world. On account of this rare landscape, the Nation had invested significant resources to investigate tourism opportunities in the past but a cohesive strategy was required to align the many opportunities. ISIS worked on developing an updated sustainable tourism strategy that built upon this earlier work meant to support the economic, social, environmental and cultural goals of the community. As part of this work a series of short and long-term opportunities were



identified and recommended for implementation.

02 OLD TOWN DEVELOPMENT STRATEGY ASSESSMENT

Located approximately 50km north of Hartley Bay is Old Town (Laxgal'tsap), which until 1887 was the primary home of the Gitga'at Nation. In recent times, Old Town is mainly utilized in September as a harvest camp (where salmon berries and moose are harvested) and also serves as a retreat for elders and youth to strengthen and exchange cultural knowledge within the Gitga'at society. For several years, the community had been considering the development of Old Town for culturally appropriate tourism. ISIS focused on evaluating two high-level development strategies for Old Town: a discovery camp focused on strengthening youth self-concept and connections with elders, and a commercial tourism offering that focused on profit seeking community economic development. The report was completed in Spring 2011.

03 HYDRO ECONOMIC CASE ANALYSIS

In their quest to be the 'Greenest First Nation in Canada', the Gitga'at people have chosen to positively leverage their local topography and over 4.5 metres of annual rainfall to develop a 900kW small storage hydroelectricity facility. When installed in 2013, the run-of-river facility will provide a reliable source of energy while

largely eliminating the use of fossil fuels within the community.

During the construction phase, a number of contractors, engineers and labourers will be required. This influx of workers represents an economic opportunity for the community. ISIS was tasked with evaluating economic opportunities in employment, accommodation and catering operations. The outcomes of this research have informed the creation of tender documents for contractors to bid on the build-out opportunity and have advised the Nation's negotiators on how to insist that contract partners invest in services within the community.

04 COMMUNITY SAWMILL ASSESSMENT

The community of Hartley Bay has long been involved in various forms of forestry with most efforts focused on partnerships with industry and management of the resource. Seeking to create additional value from their harvested timber, the Nation had previously purchased a portable sawmill that was intended to support the community's needs for primary processed wood as well as to provide employment opportunities.

ISIS explored the conditions and structure that would lead to financial stability for the sawmill operations while aligning with the economic, social, environmental and cultural goals of the Nation. ISIS also investigated

export opportunities as a potential means of diversifying end markets for the finished products. We found that given the relative remoteness of the community, its challenges with meeting market demands, and a lack of economic factors required to support expanded operations, it was determined that the operation would not be financially successful.

05 SMALL FISH PROCESSING PLANT

The Gitga'at are people of the sea, whose livelihoods have long been intertwined with fishing and harvesting of marine resources within their territory. With industry changes caused by declining seafood stocks and overall consolidation of value chain activities, their participation has become increasingly difficult.

The community was interested in learning how a small-scale fish processing plant could provide greater economic benefits for the Nation. ISIS evaluated the potential for a facility where production would focus on seafood obtained from existing channels for sale to export markets. The study brought to light additional investment opportunities that are now being further explored.



NISGA'A ECONOMIC DEVELOPMENT CLUSTER



The Nisga'a people have lived in the Nass River Valley along British Columbia's northwest coast for thousands of years. Located on nearly 2,000 square kilometres, the Nisga'a territory is home to approximately 1,800 people divided amongst the four Nisga'a villages of Gingolx, Gitwinksihlkw, Laxgalts'ap and Gitlaxt'aamiks. In addition, more than 4,700 Nisga'a citizens live in the three Nisga'a Urban Societies of Terrace, Prince Rupert/Port Edward and Vancouver, as well as throughout North America.

The vision of the Nisga'a Nation, in the spirit of Sayt-K'il'im-Goot, is a place where: the laws, customs, language, and culture

are the foundation of the Nisga'a identity; learning is a way of life; sustainable prosperity and self-reliance is sought after; effective communication inspires trust and understanding; and governance and services evolve to meet the needs of the people.

After 113 years of land treaty negotiations, the Nisga'a signed a treaty in 2000 with the governments of BC and Canada. The agreement was the first modern day treaty with a First Nation in BC and, among other things, is characterized by strong self-governance that will grant individual property rights to all Nisga'a people by 2013. The Nisga'a Lisims Government represents

all Nisga'a people and is moving forward with implementation of the Nation's vision as a foundation for prosperity and self-determination.

01 STRATEGIC INITIATIVE PLANNING

Since the signing of the treaty on May 11, 2000, the Nisga'a Lisims Government was formed to lead the Nation's development, by seeking to deliver on a mandate of collaboration with its four villages and three urban societies located in Terrace, Prince Rupert and Vancouver. Recognizing the various skill sets required to move forward on economic development, the Nisga'a Lisims Government partnered with ISIS



and an external consulting team to facilitate a community led process aimed at creating solid strategic initiatives for economic development.

This planning process focused on the following goals and objectives: a shared vision of sustainable economic prosperity; high level 5 to 10 year action plans based on strategic development; improved alignment and collaboration between all Nisga'a stakeholders; and the ability to build the Nations capacity through the mutual transfer of skills and knowledge. ISIS focused on conducting background research, interviews with community stakeholders and analysis of language to inform the creation of economic development scenarios. In 2012, ISIS will be re-engaging with the Nisga'a Lisims Government on the overarching strategic planning work related to economic development.

02 GINGOLX VILLAGE GOVERNMENT ECONOMIC PROFILE DEVELOPMENT

Located furthest west of the four Nisga'a villages, the Village of Gingolx is situated where the mouth of the Nass River meets the Pacific Ocean. Gingolx is a vibrant village with a strong history of independence, partly due to its isolated location. In 2003 the construction of a new road connected the village with the rest of the Nisga'a Nation, which opened up greater ability to take advantage of development opportunities.

The newly built infrastructure, led to an increase in community owned enterprises. Recently, decision makers identified a need to create a cohesive economic profile to better communicate development opportunities and attract investment to the village. ISIS was engaged to prepare an economic profile that would capture both existing business conditions and development opportunities for investors and partners.

03 GINGOLX VILLAGE GOVERNMENT BUSINESS INCUBATION CENTRE ANALYSIS

As part of its economic development strategy, the Gingolx Village Government recognized the opportunity to better support its community entrepreneurs and worked with ISIS to develop a feasibility study for a business incubation centre (BIC) within the community. The team evaluated the business model for the BIC's operations by considering two physical infrastructure options; (1) renovating an existing building in the heart of the village, or (2) constructing a new facility near the waterfront. Since both options require substantial investment, ISIS analyzed the full short and long-term economic impacts of each.

The recommendations included proposed changes to local legislation, an increased focus on market research activities, and, improvements to basic community amenities.

Further recommendations included: implementation of a strategic plan, attract financial resources and provide clear communication. This research proved to be an important step in helping to clarify the economic development strategies within the community.

04 TOURISM RESEARCH OF NISGA'A NATION ASSETS

The approximate 2,000 square kilometres of Nisga'a territory are a travel seeker's dream. Each village has tourism assets within its boundaries that contribute to an attractive tourism profile. A million stories embody Nisga'a life and culture, with the natural beauty of the Nisga'a territory serving as inspiration for many of them.

Fishing and forestry industries have historically been the most developed industries within the Nass Valley. However, tourism is being highlighted as the next industry to provide benefits to the Nation. ISIS evaluated potential opportunities for existing assets including the Vetter Lodge and the Nation's commercial recreation tenure. ISIS provided broad recommendations for tourism within the Nisga'a territory, which focused on the creation of an overarching tourism strategy. Follow-up work is planned in 2012, including business plans for the lodge and alternative scenarios for the commercial recreation tenure.



VALGEN PROJECT



ISIS continued its role as a partner in the VALGEN project which stands for Value Addition through Genomics and GE³LS (Genomics and its related Ethical, Environmental, Economic, Legal and Social aspects). The project was initiated in October 2009 and is supported by Genome Canada and managed by Genome Prairie.

The project looks to explore three critical questions about the future of genomics. Those questions are: when innovation is discovered, who owns it? who controls it? and who wants it? VALGEN is designed to understand and respond to the deep governance challenges and opportunities of applied genomics for bio products and crops by focusing on the core issues of intellectual property management, regulation and governance and democratic engagement in order to add value to the genomics science and integrated GE³LS projects.

The VALGEN team includes researchers from across the country from the University of British Columbia, University of Calgary, University of Regina, University of Ottawa, McGill University, and Laval University. At ISIS, our team has worked on the issues of intellectual property and technology transfer. The team has examined how scientific and technological discoveries leave the laboratory as intellectual property such as patents, copyrights and trade secrets. The research has investigated how these legal tools are currently used and their effects on innovation, and how intellectual property law, adjustments in institutional policies and changes in practices of scientists and managers might need reform to better meet Canada's needs for timely and accessible innovation.

In 2011, the team delivered two research papers and a management brief for Genome Canada on intellectual property management

in the life sciences. The brief identified three options for policymakers:

- (1) encouraging as much acquisition and commercialization of intellectual property rights as possible,
- (2) supporting the public domain through free revealing of knowledge and technology, and
- (3) leveraging intellectual property rights through collaborative or "open" licensing models.

These options are not mutually exclusive, and the appropriate blend in the end will depend on the essential nature of the commercial or non-commercial value to be created and shared among stakeholders.



SOCIAL PROCUREMENT PROJECT



The idea of social procurement at its most basic level involves organizations and individuals choosing to value a social outcome when they buy a good or service. A social procurement policy is implemented at the corporate level and intends to create social impact and blended value by prioritizing purchasing from social enterprises, minority-owned businesses or any other socially driven organization, or by requiring members of their supply chain to have a positive social impact.

One of the key goals of social procurement is the active support and development of the social enterprise sector by recognizing and valuing the outcomes that social enterprises demonstrate. By doing this the process increases the size of accessible market for those social enterprises.

Over the course of 2010 and 2011, ISIS undertook the Social Procurement research project in partnership with Enterprising Non Profits (enp), funded through the BC and Alberta Research Alliance on the Social Economy. The mandate for the project was three fold: (1) develop an online social purchasing information toolkit, (2) provide a comprehensive guide of social procurement practices around the globe, and (3) develop a simple evaluation tool to be used as a guide for measuring social procurement practices at an organizational level.

In the summer of 2010 enp launched the online information toolkit at www.enterprisingnonprofits.ca. The online platform is an essential content tool to provide context and a common language about social procurement. The site itself attempts to dissect what social purchasing is, why it

is important as a business choice, and how organizations of all sizes can engage in social purchasing decisions. The platform also includes a comprehensive online directory of social enterprises called the Social Enterprise Marketplace.

Alongside this work in 2011, the ISIS team worked on developing a comprehensive report of social procurement practices across the world. That report will be published in 2012. As a supplement to the report, we will also be including the evaluation tool and measurement protocol, which ISIS developed in collaboration with enp. That tool is meant to be used as a starting point to weigh social purchasing decisions, and measure the impact of such decisions.



NANWAKOLAS COUNCIL ECONOMIC DEVELOPMENT



The Nanwakolas Council is comprised of eight member First Nations whose traditional territories are located in the northern Vancouver Island and adjacent south central coast areas of British Columbia. The member Nations have had a cultural connection with their traditional territories that is critical to the maintenance of their community, governance and economy. Member Nations of the Nanwakolas Council are: Kwakiutl, Mamalilikulla Qwe'Qwa'Sot'Em, Tlowitsis, 'Namgis, Da'naxda'xw Awaetlatla, Gwa'sala-'Nakwaxda'xw, Kwiakah, and K'ómoks'. Nanwakolas, which in Kwakwaka means "a place to find agreement" is a guiding principle of the organization, where it advocates for the recognition, protection and promotion of its member First Nation's Aboriginal rights and interests in land and marine resource planning.

The council also facilitates management discussions with the provincial and federal governments, industry and stakeholder groups. Along with its member Nations, the council seeks to maintain the cultural connection and enhance ecological integrity of their traditional territories while focusing on the promotion of human well-being.

Fresh from establishing a mandate in collaboration with its membership, the Nanwakolas Council was tasked with developing a Regional Economic Development Strategic Plan to inform and strengthen current and potential business and economic activities of the member Nations. The goal of the work is to identify economic potential within the traditional territories while helping member Nations prepare to capitalize on

opportunities that create a dynamic and sustainable regional economy.

01 OPPORTUNITIES WITHIN THE FORESTRY SECTOR

The provincial government's recent practices of sharing forest revenues with First Nations represented a significant opportunity for Nanwakolas Council member Nations to increase participation in the industry. Through cash payments and forest tenure, precedence was being set by other provincial First Nations that signed agreements with the province. In light of these practices, Nanwakolas required a greater understanding of methods to extract maximum value from within the complex forest sector while also identifying other options for the management of forest tenure.



ISIS was invited to: investigate strategies for extracting maximum value from current and future forest tenure allocations, explore opportunities within the primary and secondary processing markets, and identify related product and service lines within the industry where member Nations could benefit from increased participation. Research recommendations were adopted into the Nanwakolas Council Regional Economic Development Strategic Plan, and re-enforced previously concluded ideas derived from industry consultants and from within the membership. The study has provided the council and its members with an additional level of comfort in making confident decisions around what should be done with its available forest tenure.

02 MARKET BASED OPPORTUNITIES IN THE SEAFOOD INDUSTRY

Member Nations of the Nanwakolas Council have long lived off the bounty of the ocean to provide fresh seafood as a means of supporting a sustainable lifestyle. Seafood and seafood products have been the essentials of this lifestyle, which have enabled historical trading opportunities and societal advancement. Increased regulation and consolidation of the seafood industry over the past few decades has impacted the ability for member Nations to fully participate, which undermines the highly desired economic and social benefits that had traditionally resulted. With the climate of improved government-to-government relations within British Columbia at hand, the Nanwakolas Council and its member Nations recognized the opportunity to re-energize its collective seafood sector.

ISIS was tasked with researching the seafood industry in BC with an objective to influence participation in the sector and increase economic benefits to member Nations. The research study focused on: (1) increasing ownership and involvement where participation could be expanded, and (2) creating efficiencies in areas where participation currently exists. The ISIS report made recommendations specific to which opportunities should and could be pursued.

A key insight gained from this analysis was that the market has an appetite for both First Nations and sustainably branded products. This insight, along with the recommendations proposed, was integrated into the Nanwakolas Council strategic planning process and helped form an implementation schedule for the seafood sector.



CLAYOQUOT SOUND FIRST NATIONS: GREEN AND CULTURALLY APPROPRIATE HOUSING



The state of First Nations housing in Canada is in crisis. Overcrowding, toxic mould, poor insulation, and sub-standard construction have all contributed to making First Nations on-reserve housing amongst the worst living conditions within Canada and comparable to those in the developing world. These concerns are compounded by an accelerating need for new housing as the First Nations on-reserve population grows at double the rates of the Canadian average. The recent national attention brought to the issue by the housing crisis in Attawapiskat is simply indicative of the issues that have plagued communities across Canada for a very long time.

In the First Nation communities of Clayoquot Sound on the west coast of Vancouver Island, there are currently plans for more than 300 new homes to be constructed over the next 10 years. With funding from the Vancouver Foundation and the Real Estate Foundation, ISIS partnered with Ecotrust Canada to examine how best to incorporate both culturally sensitive and green building design into low cost, on-reserve housing in these communities. The first stage of research was completed in the spring of 2011. The finished report provides a framework for decision makers in future stages of the project by presenting best practices in residential housing construction, insights from the local community, suggestions for incorporating local materials and jobs, and a community development strategy.

A key component of the project was the engagement of an architect who consulted with community members and developed new designs for single family homes. Ecotrust and ISIS are working directly with two families who are using these designs to build their homes in two different Clayoquot Sound First Nation communities. The partners plan to follow the progress of the construction, document opportunities for cost savings and conduct post-occupancy testing of air quality, energy efficiency and tenant satisfaction over the coming years. It is hoped that with the successful completion of these new pilot project homes, a healthy and culturally appropriate option will be added to First Nation residential home design that is well suited to the BC coastal climate and its inhabitants.



SOCIAL COHESION & COMMUNITY DEVELOPMENT

Development theorists and people involved in community change movements around the world have been increasingly aware of the correlation between social conditions and the efficacy of economic reform. Communities that have experienced historic trauma, ongoing marginalization and embedded poverty may not respond to prosperity plans in the same way that other communities can. To utilize linear, 'expert-driven' processes with these communities can serve to alienate the population. This, in turn, leads to increased social exclusion, creates barriers to social cohesion and will result in few, if any, economic development changes. According to the United Way of America, by changing the social environment, public policies, practices and networks within communities, facilitators are creating changes in social conditions. Exploring underlying issues to help guide communities to identify the target outcomes that will truly make a difference, can expand the focus from exclusively looking at job creation, housing or big economic deals, to also seeing the connections between social conditions, social inclusion and social cohesion.

In 2011 the ISIS team, in conjunction with our work in First Nations economic development attempted to tackle the idea of social conditions as a direct influencer on community economic development. The work explored change processes and theories of change, and how understanding change can be an integral part of community development. It also focused on social determinants of health, social inclusion and social cohesion as key indicators of economic development in communities with historic trauma.

It looked at the lessons learned within dispute resolution, public health and community development, and how those lessons are so very important not only to communities themselves but for Community and Economic Development consultants working within the Canadian context. The work attempts to provide a brief overview of concepts and approaches that show that social cohesion should be seen as a key determinant of success within community development strategies. Understanding the social conditions of a particular community is a fundamental component of understanding the economic growth opportunities that could exist for that community and facilitate the process of target outcomes that will truly make a difference. The final report on this work will be published in Summer 2012.





SOCIAL INNOVATION IN BC



Social Innovation is an umbrella concept that involves new approaches to old problems and collaboratively engages the public, private and non-profit sectors. Social innovation as a concept reminds us that the goal of a society that lives and works together is not simply to deliver abstract goals like maximizing profit, reducing bureaucracy or improving reciprocity, but to solve social problems and improve human well-being. Social innovation captures three key global trends across the three sectors – social innovation in the public sector, strategic corporate social responsibility and scaling non-profit social innovation.

Recognizing the importance of social innovation, the province, with several partners, including ISIS, supported the Non-Profit Partnerships Summit. The summit was the first time all sectors have been brought together to discuss innovation and create pathways to made-in-BC model for social innovation. As an introduction to the ongoing work in this

field, ISIS prepared and published the ‘Social Innovation Primer.’ The report starts off by exploring the definition of social innovation, its origins, and its complex dynamic within the private, government and social sectors. It moves on to showcase the concept in modern times, and how different social movements and organizations are actualizing it, particularly framing the examples around the three sectors.

Social innovation in the public sector has occurred as a necessity. Many governments have recognized that they struggle to innovate well internally while they have been key drivers of social innovation at the larger scale. In Europe, social innovation has been driven by a new wave of activity that focuses on changing the way that government delivers social services to communities. The large bureaucracies created to deliver these services operate on a very large scale and have become alienated from the citizens

they are supposed to serve. There is fear by those in the social sector that social innovation driven by government signals a retreat by governments from their duties and responsibilities for citizens; it is seen as an excuse to reduce spending. As a result of these concerns, governments driving social innovation must build trust with the social sector and commit to focus first on the effectiveness of new initiatives over the cost and efficiency of spending.

In the private sector many critics have questioned whether the modern economy, focused on growth and shareholder value, has lost sight of its core purpose. Economic growth is not an end in itself; it is a proxy for improved human well-being and development. For decades, critics have argued that businesses sometimes succeed at the expense of society and the natural environment. Leading businesses recognize that they are facing a crisis of trust.



These pressures on modern businesses have resulted in a wide range of new approaches to managing their operations, including the creation of ‘Triple Bottom Line’ strategies, strategic corporate social responsibility (CSR) programs and, the most recent incarnation, the concept of creating shared value. External market measures like the Dow Jones Sustainability Index and the Carbon Disclosure Project hold companies accountable for the broader impacts of their activities in a way that influences share prices.

But the real change occurs when companies begin to look beyond defensive measures that ensures they ‘do no harm’ to initiatives where they are able to create much wider positive impacts on the communities they effect. In one example, Danone, worked with Grameen Bank to create an affordable yogurt snack for children in Bangladesh. The product was popular with children while also providing a wide range of nutrients for their development. While it is still only the minority of companies that have recognized that they need to develop new strategies, the impact of changes to their operations are global.

Publicly traded businesses operate according to a balanced scorecard approach, where profitability is one of the goals, balanced against long-term resilience and risks to

corporate reputation. True social innovation requires an authentic commitment to improving human well-being but this requires an initial investment in trust-building between the sectors.

Much of the innovation in the social sector occurs in response to the challenge of expanding highly focused and innovative programs to a larger and more effective scale. It is a real paradox that the organizations that have the greatest ability to change the lives of the people they work with, often have the least ability to grow and expand their programs.

In Canada, recent initiatives include the Task Force on Social Finance, which was established to “unleash new sources of capital, develop intermediaries and policy, and build a pipeline of entrepreneurial ventures with social and environmental impact”. A simple way of thinking about the potential for growth through innovation is to recognize that many non-profits depend on grants that are funded by the interest on endowments held by foundations. Social innovation, in this case, focuses on bringing expertise from the social sector and from financial markets to bear on the creation of new forms of corporations, new financial instruments and funds and a pipeline of ‘investable’ projects.

The primer concludes, or rather directs the conversation to the idea, that if we accept that social innovation is not owned by any single sector then the task is to identify the problem we’d like to solve, develop intentional and ambitious processes of innovation and choose the right tool for the job. For some tasks, a charitable vehicle is still the right tool; in other cases a conventional business model could be the right vehicle. In all cases, social innovation requires an investment in trust building across all three sectors and a willingness to work together.

It was out of this sentiment that BC’s Premier, Christy Clark, announced at the Social Innovation Summit in November the rollout of a key partnership between the Province of BC, the Provincial Advisory Council for Social Entrepreneurship, Ashoka Changemakers, LIFT Philanthropy Partners, TELUS and the Sauder School of Business to launch BC’s first province-wide social innovation competition. The competition will take place in 2012 and is aimed at fostering social innovation throughout the province.



“All definitions of social innovation refer to the needs for new approaches to old problems.”

JAMES TANSEY
EXECUTIVE DIRECTOR, ISIS



ECOSYSTEM SERVICES IN THE GREAT BEAR RAINFOREST



The Great Bear Rainforest (GBR) is the largest remaining coastal temperate rainforest in the world, containing significant amounts of highly valuable biodiversity whose survival has been guaranteed by its protection. Spirit bears (blue and white variants of the black bear), marbled murrelet, northern goshawks and coastal tailed frogs are all threatened species that have benefited from the establishment of the GBR. Watershed protection has had a positive effect on water quality, which in turn provides benefits outside the direct project area.

The area contains the spawning grounds for 20% of the world's wild salmon, which has ecological as well as commercial implications. Wetlands for six million migratory birds, plants and other aquatic species are also protected through the GBR project. Perhaps the greatest success of the GBR, however, has been the diverse group of stakeholders who were engaged during the process to establish it.

First Nations, environmental NGOs and foundations, logging companies and the

provincial government were all involved in the successful protection of the GBR. The GBR conservation project was announced in 2007 and was implemented in March 2009. It involved a significant reduction in logging, freezes on infrastructure development and a \$120 million development fund for First Nations. It guarantees the protection of an area the size of Switzerland and aims to sequester 1 million tonnes of CO₂ every year by reducing forest harvest levels. The commoditization and sale of carbon can provide further funding to conserve and protect the GBR as well as assisting with First Nations development. The value of these carbon credits is estimated to be almost 1 billion dollars, over a 30-year crediting period.

In 2011, ISIS undertook the Ecosystem Services in the Great Bear Rainforest Project, which was funded through Sustainable Prosperity, a national research and policy network. The project examined the potential application of market-based instruments (MBI) to add economic incentives to further forest

conservation in the Great Bear Rainforest geographical zone.

The research identified what the crucial success factors of the GBR conservation project were, with an underlying goal to creating recommendations for similar environmental conservation projects planned in the future. Additionally, the work looked at how MBIs can be generated from such conservation projects. Of particular importance is the role of First Nations in the creation of MBIs in the GBR. MBIs have the potential to generate significant revenue that can be utilized for First Nations development.

The project went beyond a simple review of the current state of the markets and investigated the potential for more advanced MBIs to be used in the GBR. The final report concluded that there were a number of assets within the GBR that had the potential to be monetized, and just as importantly, ruled out a number of others that had previously been considered.



SOUTHEAST FALSE CREEK NEIGHBOURHOOD ENERGY UTILITY CASE STUDY



One of the legacies of the Vancouver 2010 Winter Games was the city's decision to establish an energy efficient, greenhouse gas neutral neighbourhood in the Southeast False Creek (SEFC) area. This location includes a new mixed-use development and its first condominium towers which initially played home to the Olympic Athletes Village. While the city's bailout of the development attracted much of the press, what often gets overlooked is the City of Vancouver's deployment of a unique district energy system and its creation of an independent utility that serves the entire SEFC neighbourhood. To showcase this innovative system and its development, ISIS partnered with QUEST (Quality Urban Energy Systems of Tomorrow) to produce the first report in the non-profit's Integrated Community Energy System Business Case Series.

The ISIS case study thoroughly documents, for the first time, the full business case behind Vancouver's SEFC Neighbourhood Energy Utility with special attention paid to its

project financing, ownership and governance structure. Strategies and best practices that contributed to the Neighbourhood Energy Utility's success were identified. The expectation is that the recommendations can be applied to future, similar projects in order to aid municipalities, real estate developers and communities in the successful implementation of Integrated Community Energy Systems.

The SEFC NEU is a low-carbon district heating system that recovers waste heat from Vancouver's sewage system and in turn supplies heat energy for space heating and hot water to mixed-use buildings in the neighbourhood. This wastewater heat exchange technology is the first of its kind in North America. A City of Vancouver owned and operated utility was created to manage the system and is governed by City By-laws with energy rates set by an appointed panel accountable to City Council. The report explores some of the development strategies that contributed to the project's success,

such as a staged approach to the installation of the energy generation equipment, active public consultation, the use of experienced and multi-disciplinary teams, equitable rate setting strategies, financial flexibility for the utility and the decision to implement a proven technology.

The reports recommendations for future projects include more flexibility of the physical plant design in order to better handle the incremental addition of generating capacity and to delay the installation of the utility's most capital intensive equipment until demand has risen to projected levels, increasing the lead times for public consultation and considering alternative ownership and project procurement models to better allocate risk and foster innovation. With details and recommendations such as these the case study provides important lessons for future developers of Integrated Community Energy Systems and showcases the leadership the City of Vancouver has demonstrated in this field.



GITGA'AT ECONOMIC DEVELOPMENT FRAMEWORK



Historically, the Gitga'at people have flourished on British Columbia's northwest coast as their intricate connection to Gitga'at lands, waters and resources have sustained abundant and long-lasting economic opportunities. The community has always valued development opportunities that create both economic and employment benefits while maintaining the area's ecological integrity and the community's well-being. However, as political and business landscapes have changed over years, the mandate of some institutions had become unclear. As a result, the community embarked on a multi-phased economic development planning process, whose first phase aimed at establishing a five-year strategy. Once the strategy was developed in early 2011, the

community began the next phase of work which involved the establishment of legal frameworks to support implementation of the economic development strategy.

ISIS began working with the Gitga'at to develop a stakeholder-led governance structure tasked with overseeing economic development activities on behalf of the Nation. An important part of this framework is that the structure supports community-driven economic development objectives and also allows for adequate separation of the Nation's economic, political and administrative functions. Working directly with hereditary and elected chiefs, elected councillors of the Nation, and administrative staff, ISIS is project

managing the set-up process, which will result in the establishment of a shareholder centric board of directors and leadership. This work is expected to be completed in the spring of 2012 which will then allow for the final implementation stage of the mandate provided by the Gitga'at Nation.



THE YEAR AHEAD



Building off the successes and lessons of previous years, 2012 is looking to be a year of great promise for ISIS. Over the final months of 2011, the ISIS team worked to develop a three year strategic plan in order to clearly articulate and focus its efforts. The refined strategy will allow for a more coherent approach to the continued growth and will allow for the prioritizing of opportunities and initiatives. What follows is a sample of the directions and initiatives that will shape our coming year.

 SOCIAL ECONOMY

Our efforts in the realm of the social economy will focus on how we can best spread the idea of social innovation throughout BC. A primary focus will be a province-wide collaborative competition that will formally launch in April 2012 and is aimed at bringing to scale new solutions to complex social problems. ISIS is partnering with an ever-growing list of

partners including a core team that includes LIFT Partners, the Province of BC, PLAN, and Ashoka. This initiative is the beginning of an ongoing program that will change the status quo for tackling endemic social problems. Using a unique technology platform to engage dispersed groups and by creating new pathways for investment into those doing innovative work, the partnership has high hopes for making real change across the province. ISIS is helping shape the initiative and is leading on an engagement campaign that showcases local and international examples of social innovation.

In addition, to further promote the concepts of social innovation, ISIS is launching a series of speaking events featuring global thought leaders, as well as a social innovation weekly publication which will be distributed electronically. Focusing on the need for social investment, ISIS will lead on developing and running a conference later in the year that will

bring together experts on impact investing and social finance. ISIS will continue to develop cross country partnerships for its growing work in the social economy.

 LOW CARBON ECONOMY

Another focus for ISIS will be to support BC initiatives that, if successful and widely adopted, would mitigate climate change. The continuation and expansion of the Climate Intelligence Program will remain an ongoing focus since it provides support and international context to the expansion of the provincial government's implementation of low carbon business policies.

Overlapping with our work in First Nations Economic Development is a new research initiative looking at the potential of linking sustainable forest management practices with carbon offsets on tribal reserve lands in the United States. Dependent on additional

funding, this project could link to a larger ISIS proposal that will look internationally at various jurisdictions where indigenous peoples might be able to align conservation and economic goals by participating in financial markets for ecosystem services.

 FIRST NATIONS ECONOMIC DEVELOPMENT

2012 will show continued efforts in programs and partnerships to improve the economic opportunities for BC First Nations members living on reserves. The successful graduate student internship and fellowship programs will once again match students with projects in various First Nation communities around BC. The Da'naxda'xwa Awaetlatla, Gwa'sala-'Nakwaxda'xw, Nisga'a and Haida First Nations are among those expected to participate in the ISIS program this coming year. The Green and Culturally Appropriate Housing project taking place with Clayoquot Sound First Nations will

see the completion of two homes using its innovative design. ISIS will publish the results of these case studies in order that others can utilize the designs more widely. Future steps will include working with partners, such as Coast Opportunity Funds and Ch'nook, to promote the use of local materials and local labour in the building of these homes in order to increase economic opportunities on reserve.

KNOWLEDGE DISSEMINATION AND COMMUNICATION

In 2012, ISIS will continue to explore new ways to expand the methods we use to share ideas and stories widely, clearly and passionately. With the beginning of a weekly social innovation publication, in addition to our established weekly PICS Climate News Scan, we will look for more syndication partners as well as expand our own online delivery systems. A new ISIS website will be launched which will allow for more flexibility

in highlighting and searching our publications and reports. We will also be hosting a formal series of speaker events which will allow us to highlight great global examples of innovation along with those in our own backyard.

CURRICULUM

With the launch of the re-imagined Sauder MBA program in the autumn of 2012, ISIS is working with the Dean's Office and other divisions in the school to incorporate sustainability and social innovation into all aspects of teaching at Sauder. Cognizant of the realities of international business, the school has refocused from having "Sustainability" as a stand-alone series of courses to making it an integral part of the undergraduate, graduate and executive education curriculum. ISIS will take a leadership role in making this a reality over the coming year.





THANK YOU

The establishment and ongoing work of ISIS have been made possible by two BC – based founding families: the Swift Family (ARC Financial) and the Lalji Family (Larco Group of Companies).

On behalf of the ISIS team and the Sauder School of Business, we would like to thank our founding families, supporters, community and project partners for providing the capacity and support that makes the groundbreaking and innovative work at ISIS possible.

FOUNDING FAMILIES

The Lalji Family

The Swift Family

ISIS SUPPORTERS

Heenan Blaikie LLP

COMMUNITY AND PROJECT PARTNERS

Ahousaht First Nation

Ashoka Canada

Ashoka Youth Venture

BALTA: BC – Alberta Research Alliance on the Social Economy

Beedie School of Business, Simon Fraser University

CIRS: Centre for Interactive Research on Sustainability

Coast Opportunity Funds

Deloitte

d-Studio

Ecotrust Canada

enp: Enterprising Non Profits

Hartley Bay Band Council: Gitga’at First Nation

Larco Investments Ltd.

LIFT Partners

Lighthouse Sustainable Building Centre

Mitacs

Nanwakolas Council

National Research Council

Nisga’a Lisims Government

Offsetters

Pacific Institute for Climate Solutions

Province of British Columbia

Real Estate Foundation

Smith School of Enterprise and the Environment, University of Oxford

Sustainable Prosperity

Tla-o-qui-aht First Nation

Quest: Quality Urban Energy Systems of Tomorrow

UK Trade & Investment

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Valgen: Value Addition Through Genomics and GE³LS

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