

ISIS

2010 ANNUAL REPORT



SAUDER
School of Business

Opening Worlds

A photograph of a high-speed train in motion at a station platform. The train is blurred, showing horizontal streaks of light and color. In the foreground, a yellow tactile paving strip runs along the edge of the platform, which is paved with light-colored rectangular tiles. The text "REAL SOLUTIONS FOR REAL CHANGE" is overlaid on the right side of the image in white, bold, sans-serif capital letters.

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SOLUTIONS
FOR
REAL
CHANGE

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THANK YOU

WELCOME TO ISIS



ISIS at the Sauder School of Business is focused on leveraging business tools to advance social innovation and sustainability, through research, incubation, and application.

Each semester we welcome new fellows, interns and partners to a solutions-oriented environment where our work is driven by the following core values:

Stewardship and Responsibility: We consider social, environmental and economic impacts, and are optimistic about creating opportunities for change.

Innovation: We are creative, cutting-edge and dynamic.

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

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

Value People: We value people through 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, personal and team development.

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

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



“ISIS has grown to play a key role in the development of social innovation and sustainability in UBC, the business sector and the broader community.”

JAMES TANSEY
EXECUTIVE DIRECTOR, ISIS

EXECUTIVE DIRECTOR'S MESSAGE



Welcome to our 2010 annual report, we hope this report gives you a good overview of the range of projects and programs that ISIS has undertaken in the past year. 2010 was a landmark year for ISIS and would have not been possible without the hard work from our outstanding team at ISIS who have contributed to expanding the profile of the research centre.

We have focused 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 Columbia (and global) economy, and the expertise of the ISIS team.

Over the past year we developed a program with Coast Opportunity Funds to build economic development capacity within the Great Bear Rainforest. We partnered with a number of First Nations on projects ranging from forest tenure assessments, to seafood feasibility studies, to economic development plans. Ultimately the work produced through ISIS is being used to inform and support decision-making on the ground.

This year saw a rapid expansion of British Columbia's provincial commitment to clean technology in the form of the Clean Energy Act, which creates the foundations for a transition to a low carbon economy. ISIS has been very active in this space with contributions to the Green Energy Advisory Task Force, the UBC University 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.

Our work in the social economy has focused on partnerships with organizations in Canada that are seeking to progress social sustainability, such as Ashoka Canada. Our projects range from studies of social enterprise employment policy to supporting the development of a social procurement toolkit. We are proud to contribute to initiatives such as the BC Government Task Force on Social Innovation, which examines local opportunities related to social enterprise structures.

It was also the year during which Vancouver hosted the 2010 Olympic and Paralympic

Winter Games, the greenest in history and the first to be carbon neutral. Our team played a central role in measuring and monitoring the footprint of the Games; we developed Project Blue Sky (an online public engagement tool), and Offsetters, a spinout from ISIS, was selected as the Official Supplier of carbon offsets. This work translated into an opportunity to engage with UNEP to develop a similar strategy for the Sochi 2014 Winter Games.

2010 has been a fantastic year of growth and expansion for ISIS. After only three 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 community. This next year will see a focus on strengthening and enhancing our strategic partnerships, increasing the sustainability of our core programs and expanding the impact and reach of our research. I would like to acknowledge that all this work is only possible because of the ongoing support from our two major donors: the Lalji Family (Larco Group of Companies) and the Swift Family (Arc Financial).

ISIS KEY STRATEGIES & HISTORY



ADVANCING SOCIAL INNOVATION AND SUSTAINABILITY

ISIS at the Sauder School of Business is focused on leveraging business tools to advance social innovation and sustainability, through research, incubation, and application. ISIS defines social innovation as a new approach which fosters initiatives that contribute to solving existing social, cultural, economic, political, and environmental challenges. This encompasses concepts such as social enterprise, social finance, and strategic corporate social responsibility. What it does not involve is simply throwing money at a problem. Rather, ISIS aims to build institutions designed to create value rather than dependency.

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 the field of sustainability and social innovation. We are just as passionate about student development and action oriented research, as we are about creating useful resources, plans, and capacity for our partner communities and organizations.

A BIT OF HISTORY

ISIS was first conceived in late 2007 through a private 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 two founding families: The Swift Family and the Lalji Family. The original vision 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 with 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.



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 the 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.



ECONOMIC DEVELOPMENT FOR FIRST NATIONS

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.



ISIS TEAM



The ISIS team is a diverse group of individuals that are passionate about developing and discovering the solutions to the challenges facing us today while striving for a sustainable world economy and a world where we value social impact as much as financial impact. Ultimately the underlying driver of all that we have been able to achieve as a research centre is 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

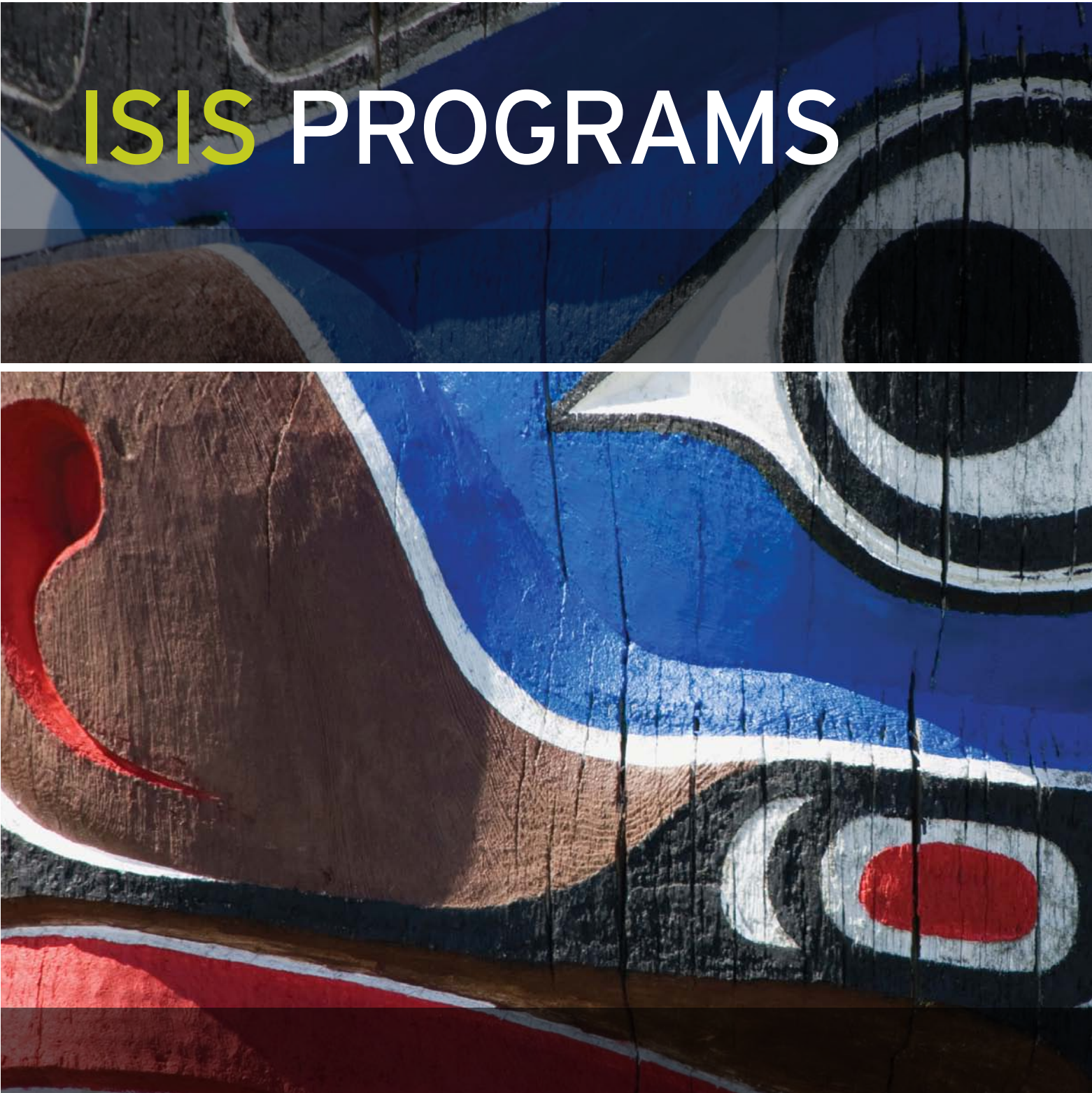
knowledge), peer learning feedback circles (constructive feedback in a safe environment), and volunteer events.

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. The team embraced the idea of getting out of the office and spending time working alongside community partners.

Our first ISIS Volunteer Day was scheduled in late August 2010. We partnered with the Broadway Youth Resource Centre (BYRC) who

put our team to work on a residential apartment building occupied by youth enrolled in their Supported Housing Program. Our goal was to improve the living environment of these youth and help make them proud of their surroundings. So, alongside the BYRC coordinator, the building landlord, and some enthusiastic tenants we spent a day painting, cleaning, and removing graffiti. The end result was a spruced up look for the building's common areas and a lot of shared stories and laughter throughout the day.

ISIS PROGRAMS



INTERNSHIP PROGRAM



The ISIS internship program was created to foster environments that will create more socially and environmentally conscious business leaders. The program provides MBAs and other graduate students with opportunities to engage in applied research in the fields of low carbon economy, First Nations economic development, and social economy. The internships are meant to be a challenging experience allowing students to use their business, research and interpersonal skills in non-traditional sectors and projects.

All projects are run in partnership with community and/or industry partners. Students are provided with office space and support at ISIS but often travel and interact directly with partner and community stakeholders.

Our goal for each internship is to engage in projects that provides impactful, measurable, and achievable outcomes for the partner while offering a challenging yet attainable research goal for the student. It is important to note that the program creates value both by offering students a unique experience and by providing new opportunities for our community partners.

Each internship spans three to four months in the summer and includes various learning and social opportunities including P2P (peer-to-peer) learning sessions, introductions to research themes, project management training, brainstorming sessions and team outings. Students are selected on a competitive basis throughout the spring and

are matched to specific projects at ISIS based on their experience, interests and career goals.



2010 INTERNS

SCOTT PENNEY
Gitga'at MicroHydro Project

ROBIN PIORIER
HEDC Freight Company Analysis

KEITH MARTIN
HaiCo Boutique Hotel Study

RAMYA IYER
HaiCo Forestry Assessment

MARYANNE MATHIAS
Success and Failure Rates of Co-operatives

NICOLE GOLDBERGER
Green Commercial Real Estate; Corporate Social Responsibility Benchmark Study

GEOFF TAYLOR
Sustainability & CSR in Office Assets

ANDREAS BOEHM
Role of Government in Green Commercial Real Estate

AMIN SHAHBAZ
Sustainability & CSR in Mixed Used Development

ALISON LUNDY, STEVEN PUGH & ERIN CARTER
Project Blue Sky

VALERIE PRESOLLY, MIGUEL GUERRERO & ANNE HUTCHINSON
VALGEN

SAMANTHA SHAMASH
Social Enterprises and Employment

FELLOWSHIP PROGRAM



The Fellowship program is designed as an opportunity for students, academics and experts to advance and apply their knowledge in specific fields within the broader ISIS themes of low carbon economy, First Nations economic development, and the social economy.

Fellows are immersed in a collaborative work environment and can leverage the resources of the university to accomplish their objectives. Fellowships are run at three different levels; Graduate Fellowships, Post Doctoral Fellowships, and Senior Fellowships.

GRADUATE FELLOWSHIPS
4-8 month term | 10 Graduate Fellows in 2010

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 programs, and are looking to gain some critical experience. Graduate Fellowships run starting in January and September each year.

POST DOCTORAL FELLOWSHIPS
1-2 year term | 3 Post Doc's in 2010

The program is designed for individuals who have recently completed their PhD studies in an interdisciplinary field related to the ISIS research themes. 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 | 3 Senior Fellows in 2010

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 directions.



“The fellowship experience has helped to enhance my classroom learning in an applied setting while participating in a real project that will bring clean energy to a remote First Nations community.”

MIGUEL GUERRERO
GRADUATE FELLOW

2010 GRADUATE FELLOWS

ADAM MCKECHNIE
HEDC Fish Plant Feasibility Study

NEIL MCGUIGAN
HEDC Banking Access Assessment

JOANNA PEDERSON
HEDC Commercial Centre Opportunity Assessment

HURRIAN PEYMAN
Green Economy, Green Jobs

AXEL SCHAEFER & FLORIAN GUHR
NRC Cleantech Assessment

ALEXIS LANZET
Industrial Land Usage

JOEL TURNER
Commercial Retrofit Market Tool Analysis

POSTDOCTORAL FELLOWS

ADAM BUMPUS
Carbon Governance Project

REBECCA GOULDING
Global Health and Access to Medicines

MAURICIO GUARAGNA
VALGEN

SENIOR FELLOWS

ANN DUFFY

JUSSI WESTERGREN

EMILY MARDEN

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 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.

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. We have received glowing reviews from our readership who enjoy the accessibility that we bring to the largely academic content.

The PICS Briefing Note Program was formed as a vehicle through which leading climate change researchers and practitioners in the province can influence key decision makers on climate related issues, both in the public and private sector. The briefings 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 form for the readership. As with the News Scan, these works are carefully crafted 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 2010, 28 briefs were published by PICS with 18 of these authored by our own climate analysts.



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

2010 PICS BRIEFING NOTES (REPRESENTATIVE SELECTION)

CLIMATE CHANGE ACTION IN COMMUNITIES

Sarah Burch, Oxford University

INTEGRATING A PUBLIC HEALTH PERSPECTIVE INTO MUNICIPAL CLIMATE CHANGE POLICIES

Hannah Moffatt, Simon Fraser University

OVERCOMING BARRIERS TO RESIDENTIAL ENERGY EFFICIENCY

Hurrian Peyman, University of British Columbia

BIOFUELS AND BC'S LOW CARBON FUEL STANDARD

Calyn Shaw, University of British Columbia

GREEN DATA CENTRES IN A LOW CARBON ECONOMY

Kristina Welch and James Tansey, University of British Columbia

TRANSPORTATION SECTOR EMISSIONS AND REDUCTION MEASURES

Neil Thomson, University of British Columbia

THE POTENTIAL OF BC'S WASTE AND BY-PRODUCT HYDROGEN

David Wilkinson and Malcolm Shield, University of British Columbia

PICS CLIMATE NEWS SCAN THEMES

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

RURAL COMMUNITY LEARNING INITIATIVE



“It’s not enough to cite dusty concepts from a textbook. You have to deliver something that is certain to affect the client’s bottom line. It was powerful. We felt a real responsibility to do good work.”

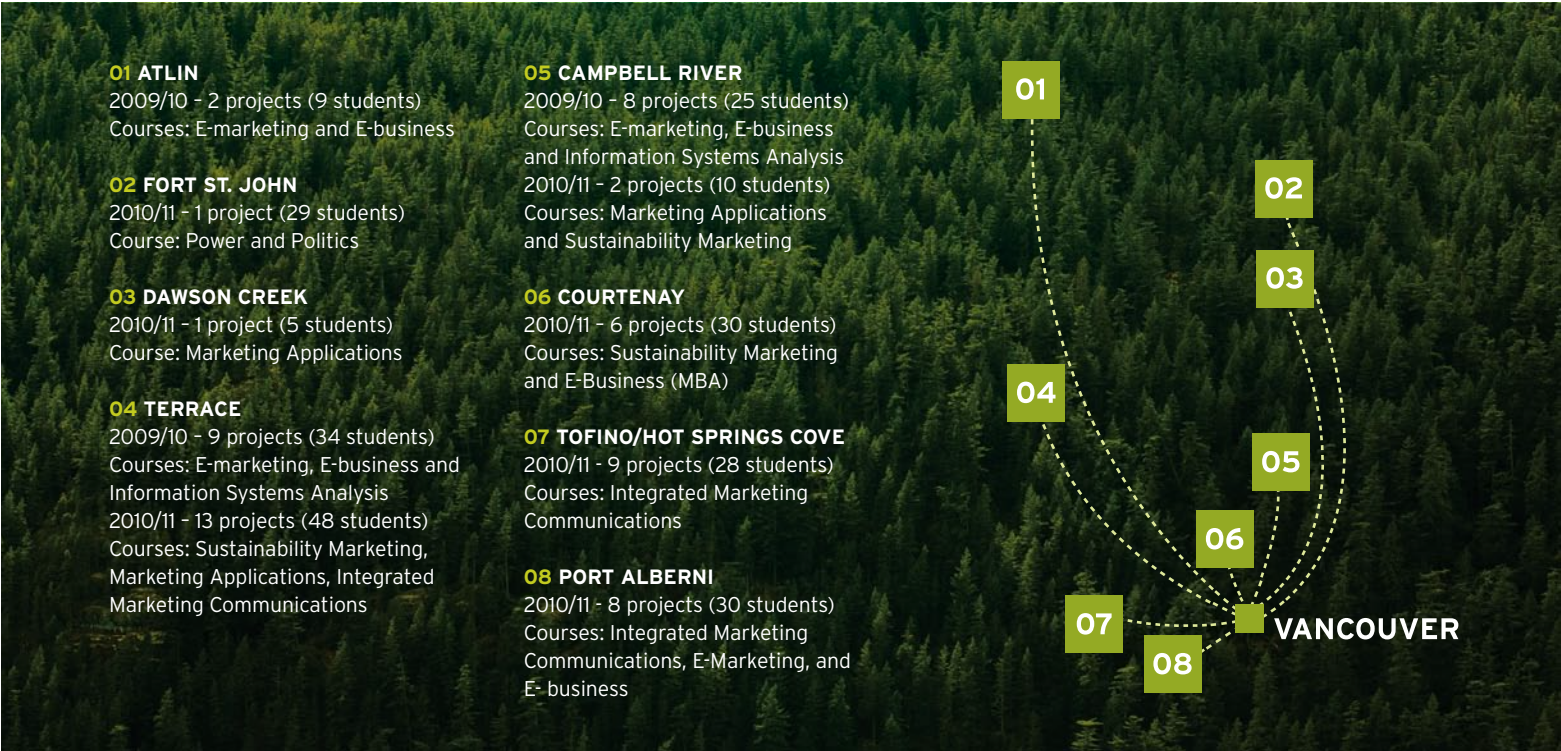
DONALD LAKE
STUDENT, SAUDER SCHOOL OF BUSINESS

The Rural Community Learning Initiative (RCLI), a joint initiative of ISIS, the Irving K. Barber Centre, and the UBC-Community Learning Initiative, has continued to expand after a successful pilot during the 2009/10 academic year. The Sauder School of Business has long used applied learning projects for real-world clients in its undergraduate and graduate level programs. In October 2009, Sauder expanded its experiential learning portfolio with the launch of the Sauder Rural Community Service Learning Pilot. The unique focus on rural communities is a response to requests for business expertise from economic development agents in rural and remote parts of BC. The model works by partnering Sauder students with small businesses in need of expanded knowledge and skills. This year several student teams travelled throughout BC to meet and collaborate with new partners and gained first-hand insight into the challenges and opportunities of conducting business in a rural setting.

An interim evaluation of the program has indicated substantial enthusiasm from students, community partners and faculty, which is further supported by the growth

in the number of projects and participating communities. As we look forward to 2011 and 2012, the next phase of the program will focus on clarifying and streamlining communications with our rural and remote partners by maximizing the program’s travel opportunities and utilizing Sauder’s exceptional technological resources to connect remotely.

We will continue to evaluate the program’s impacts and will expand and deepen the relationships formed during the pilot year to better meet the economic development and social sustainability objectives of our partner communities.



AS YOU LIKE IT CATERING COURTENAY, BC

Courses: BAIT 513 (MBA) - E-business with Dr. Ron Cenfetelli; and COMM 486F with Instructor Tamar Milne

“As You like It Catering”, based in Courtenay on Vancouver Island, was founded by Laura Agnew whose mission is “to help the Comox valley, surrounding islands and areas live a happy healthy life by providing them with local organic gourmet meals”. It participated in the RCLI program through through two Sauder courses that enabled students to work with Laura to launch her new catering venture.

Laura, a very active participant in her community as a member of the Comox Valley Growers and Seed Savers society, is truly committed to sustainable food systems. However, the prospect of advancing her business systems online was potentially overwhelming, because after her active schedule in the garden and kitchen preparing her products, not a lot of time is left over to make the business decisions that will have a great impact on the success of her company. The Sauder teams worked on developing a positioning strategy to assist Laura in marketing and branding, and an e-business analysis of web strategies and tools to sell her sustainable products.

For Sauder students, working with “As You Like it Catering” gave them an opportunity to collaborate with an energetic entrepreneur who is very ‘hands on’ in her business, and participate in the growing sustainable business trend. One team visited Laura and her family at her home, and conducted market research in Courtenay. The trip to the island offered the students a view of Laura’s community that helped them achieve a more successful final project, and more importantly, provided their client with more accurate recommendations. Laura was inspired by their findings and recommendations: “Instead of being intimidated about the whole online presence, I’m feeling excited about getting started.”

Impact: This example 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 not just about grades. The Sauder RCLI initiative helps assist individual rural entrepreneurs in realizing their goals, but in a wider sense, it supports local and regional economic development through connecting community partners with the resources of UBC and knowledge at the Sauder School of Business for mutual benefit.

SOCIAL ENTREPRENEUR PROGRAM



“ISIS has provided a supportive and encouraging environment that has helped both myself and OA Projects to become more focused and effective”

GAVIN HOLLETT
EXECUTIVE DIRECTOR, OA PROJECTS

A fundamental mandate for ISIS is the advancement of social innovation through incubation. At ISIS we believe that innovation in the social sector happens through the courage, passion, and creativity of individual leaders.

The Social Entrepreneur program, launched in 2010, is meant to nurture the social entrepreneur and social innovation, through the strategic incubation of ideas and support for concept development, planning, implementation, network development and mentoring. The program provides Social Entrepreneurs with more than just office

space. It provides a home where the individual leader can be part of a collaborative culture and team who provide support during the early stages of development for their social venture.

The program spans a 12 month period with Social Entrepreneurs accepted through an annual competition in the Fall. Successful Social Entrepreneur applicants are those in the early to mid stages of the development of their social venture, with a new and innovative model that addresses current social or environmental issues and who possess a strong and creative vision of how to implement it.

GAVIN HOLLETT

OA Projects
www.oaprojects.org

Conflict and civil war have damaged the social fabric of many communities in East and Central Africa, turning neighbours into enemies. Without a strong investment in reconciliation that focuses on youth, conflict can create fault lines that last for generations.

OA Projects (OA) empowers local and like-minded peace-building organizations to work together to enable soccer based activities for youth after violent conflicts have created a breakdown in social and cultural frameworks. OA empowers youth and community through a model that is locally driven, scalable, and impact focused.

OA was founded by Canadian university students in 2006 after being inspired by a passage in a book by Canadian General Romeo Dallaire about a group of children in Rwanda during the 1994 Genocide who, amidst violent chaos, temporarily escaped the horror surrounding them by playing soccer with a clump of banana leaves. Drawing on this simple story of reconciliation, over the last three years OA Projects has completed projects in Ecuador in 2007 and Rwanda in 2008 with a combined impact of project activities reaching more than 10,000 children and youth in over 35 communities. This includes:

- Reconstructing 6 soccer fields that are used by over 7,000 youth;
- Training 60 local youth leaders in peace-building, soccer coaching and leadership;
- Conducting 5 soccer camps for peace for

over 400 war-affected children;

- Creating 2 soccer leagues for peace for over 550 war-affected children and youth; and,
- Providing soccer equipment to more than 70 community centres, schools and local organizations.

Building on these early successes and a tried and tested implementation model, OA is seeking to secure long-term funding to ensure the continuity of a unique program that is changing the lives of youth and building more resilient communities.



OA Projects: soccer-based community building in war-affected regions

**DAPHNE NEDERHORST,
ASHOKA FELLOW**

Sawa World
www.sawaworld.org

Sawa World uses a bold approach to ending extreme poverty. It focuses on solutions that are created and led by innovators (Sawa Leaders) who are themselves among the one billion people living in extreme poverty. Sawa works with Sawa Leaders to

create permanent income opportunities and grow their solutions to a larger scale that thrives independent of charity and foreign aid.

To spread the Leaders' solutions at a local level, Sawa works with established media partners in the world's poorest countries. These partners train unemployed, vulnerable youth as community reporters. The youth become employed advocates for the Sawa Leaders' projects, and share the solutions in surrounding impoverished communities. This

provides people living in extreme poverty with valuable knowledge and empowers them to replicate the solutions and solve their own poverty issues.

**NICHOLAS ALBERTIN
& RIGEL SHAW**

[d]fi

[d]fi inc. (pronounced 'defy') is a British Columbia-based social business venture centered on bringing proactive sustainable debt solutions to the student loan crisis. The goal of the organization is to use innovative financial tools and combine them with practical business efficiencies to reduce debt loads for students, limit the risk to lenders and increase the rates of repayment for student loans.

The three main pillars of the [d]fi approach are:

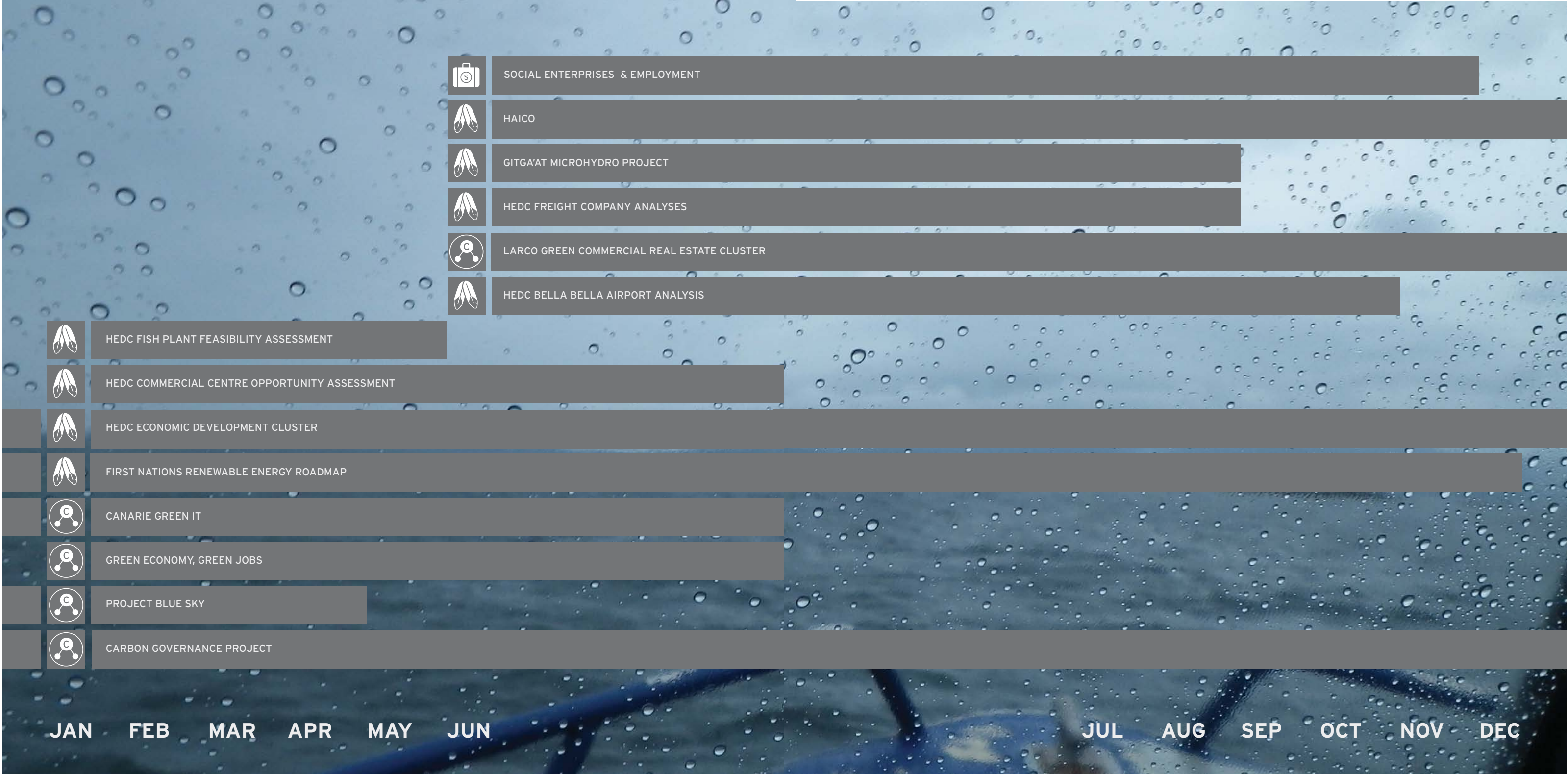
- 1. Debt education through practical financial literacy education that builds positive long term habits and fiscal responsibility.
- 2. Limit, manage and reduce the financial risks and administrative costs of the student loan program for the Government of BC.
- 3. Incentivize and partner with BC companies to recruit and retain recent graduates.

This social business venture is a true start-up. Its founders worked with ISIS staff and fellows through 2010 to develop and promote their idea to multiple levels of potential stakeholders including students, post secondary institutions, businesses, financial institutions and multiple levels of government. As this report goes to press, the future for [d]fi itself remains uncertain, but its innovative approach has been met enthusiastically by those responsible for solving the ballooning student debt crisis.



ISIS PROJECTS





2010

PROJECT TIMELINE



LOW CARBON
ECONOMY



SOCIAL
ECONOMY



FIRST NATIONS
ECONOMIC DEVELOPMENT



CARBON GOVERNANCE PROJECT



BC has taken strong action in setting price signals for carbon through its carbon tax, carbon neutral government and its inclusion in an incoming cap-and-trade system through the Western Climate Initiative (WCI). Economic models tell us that companies will start to decarbonize in response to such policies; however, the strategic business decisions that lead to BC's low carbon economy are often harder to see. Led by Post Doc Fellow, Dr. Adam Bumpus, we have been exploring the corporate responses to BC's climate policy through a series of high-level corporate interviews.

Preliminary results show that although a carbon tax feeds into business decision making, its impact is overwhelmed by other higher price factors (e.g. energy prices, international commodity prices), it is too low to change business as usual investments, or it is seen as an unfair competitive disadvantage given BC's high export economy and relationship to jurisdictions without a carbon

price. On the other hand, the research shows that BC climate policy has led corporations to insert a carbon price into decision making, and helped certain industries, such as forestry and forest products, rebrand in global markets for low carbon products. Constraints still exist in capital provision and the need for a stronger culture of innovation. This research will continue through 2011 through a series of international workshops building on the climate policy contexts in BC, the UK and California.

Dr. Bumpus also continued to publish throughout 2010 in this area with three papers; the first analysis of the commoditization of carbon and its relationship to local development in developing countries, the role of voluntary carbon offset organizations in setting regulation, and how carbon finance helps investment in low carbon waste processes.

CLIMATE AND DEVELOPMENT

In 2010, we continued to work at the important interface between climate and development. In an increasingly interconnected and warming world, it is essential to better understand our development pathways in the context of a low carbon future. Working with international partners Dr. Bumpus researched and accomplished articles on the politics of international carbon finance and a joint paper, between ISIS, the University of Colorado at Denver and the University of Oxford, creating the first critical global review on possibilities for win-win scenarios in improved cookstoves through carbon finance.



PROJECT BLUE SKY



Project Blue Sky was an online public engagement campaign leading up to the Vancouver 2010 Olympic and Paralympic Winter Games that encouraged active living and sustainable transportation choices. ISIS was one of the project originators that saw a tremendous opportunity to leverage the attention of the Vancouver Winter Games and combine it with an engaging, online delivery platform. Initial support for the project came from ISIS, the Province of BC, the Canadian Olympic Committee's Athletes' Council, the Centre for Digital Media, Offsetters and the Vancouver 2010 Organizing Committee (VANOC). Together with our partners, we developed and built Project Blue Sky over the first half of 2009 with graduate students from Vancouver's Centre for Digital Media. Project Blue Sky officially launched in July 2009 and ran through to the end of the Winter Games in March 2010.

Successful online engagement is a complex issue for organizations hoping to spread a

message or shift public perceptions on a topic. Project Blue Sky afforded us an opportunity to do leading edge, applied research in this ever-changing field. The project continued to evolve over the course of its nine months but in its basic form it was a social networking website where individuals and groups could connect with their favorite athletes and compete in challenges by using the custom-built widget to log their walking, biking and transit usage. We incorporated game elements into the design and used best practices in social media to extend our reach. Twenty-two elite, Olympic and Paralympic athletes lent their time and names to the project which provided a celebrity appeal.

In addition to serving as a key partner in the development of the project, our ultimate role was to measure, analyze and report on the success of Project Blue Sky. We produced a final report which documents the project thoroughly and highlights the methods that were used to attract members to the website

and what barriers to engagement it faced. The following statistics offer a sense of scale that the project achieved:

- 26,689 kilometres of walking, biking and transit was logged through the site
- 722 people signed up as members
- 1190 people were followers on Twitter
- 50% of users visited the site 2-5 times while just under 25% visited it 5-15 times

Ultimately the project did not achieve the 'viral' nature that was hoped for by the partners but the research results will have a legacy value. Our documentation of Project Blue Sky now serves as a resource for the continually evolving landscape of online community engagement projects and, to an extent, serves as a cautionary tale on how to put together a partnership, conceive and manage a project of this type.



HEDC ECONOMIC DEVELOPMENT CLUSTER



The Heiltsuk Economic Development Corporation (HEDC) honours the Heiltsuk values of respect, sharing, honour and caring for one another and the natural world. Established by the Heiltsuk Tribal Council (within the community of Bella Bella) in 2006, HEDC exists to help create an effective separation between business and politics in support of achieving the community's economic development goals described in the 15 year Economic Development Plan:

- To re-establish and evolve a broad-based economy using all the resources of the Heiltsuk territory;

- To conserve and enhance those resources for future generations;
- To develop self-sustaining economic development and growth;
- To generate local and regional economic revenues and investments that reduces or eliminates dependence on outside sources of capital and credit.

In support of these goals and mission, ISIS partnered with HEDC to conduct core business analysis of existing enterprises while also seeking to inform decision-makers of strategic opportunities at the industry or sector level.

What follows are brief descriptions of the research projects we undertook to assist HEDC in developing solutions to support its economic development goals.



01 FREIGHT COMPANY ANALYSES

In the spring and summer of 2010, we developed an analysis and recommendations for an existing, non-profitable HEDC business operation - the Waglisla Freight Company. Focused on supplying the Nation's more than one thousand community members with basic necessities, the company's operations were examined to determine efficiencies and employment opportunities for Heiltsuk community members. An ISIS Graduate Intern

investigated the company's supply chain in detail and held stakeholder interviews with key employees and community members. The remote location of Bella Bella, located on Campbell Island and accessible only by sea and air, made the logistics for optimizing the freight operations particularly challenging.

As the result of our recommendations developed with HEDC, the community has chosen to relocate the freight company's head office operations back to Bella Bella. This change

provides both increased employment opportunities (direct and indirect employment) and allows for better coordination of community shipping priorities. In addition, HEDC and other business units are now considering alternative procurement options to streamline supply, logistics and transportation of goods in and out of the community. These changes will create significant savings for the community and help the Heiltsuk meet their economic development goals.

02 COMMERCIAL CENTRE OPPORTUNITY ASSESSMENT

As needs within the community of Bella Bella have grown and changed over time, business units have been situated in their current locations without any deliberate strategic planning. As such, most HEDC businesses are spread throughout the community, which has several drawbacks including the duplication of expenses and the difficulty of attracting visitors to the various locations. HEDC hypothesized that a single, central business centre could solve these problems and even

encourage more local purchasing which would limit the amount of 'economic leakage' caused by members making purchases outside the community. ISIS was tasked with developing a commercial centre concept that could achieve these objectives. An ISIS Graduate Fellow concentrated on the plan's revenue growth and business consolidation opportunities. Since a new facility would be required to realize the concept, we partnered with the School of Architecture and Landscape Architecture (SALA) at UBC to generate potential commercial centre designs.

As the project progressed, it became apparent that the substantial costs of an infrastructure project of this type would prove prohibitive, considering the ongoing recession and the limited capital available to HEDC and the Tribal Council. For these reasons, our analysis expanded to include more long-term planning which included efforts to improve the performance of existing businesses. This work centered on providing recommendations to reduce cost inputs, create overall efficiencies and foster increased patronage of HEDC businesses.





**03 BELLA BELLA
AIRPORT ANALYSIS**

The Bella Bella Airport is a major gateway for visitors travelling to Bella Bella and the central coast region. Given the community's remote location, the airport is a critical asset that permits access to essential services such as medical care and also makes it a vital link to world-class sport fishing and pristine natural surroundings enjoyed by recreational visitors. Despite these strategic benefits, the facility had been operating unprofitably and the financial crisis of 2008 drastically reduced visitors to the area. Additionally, the terminal building itself was identified as requiring

upgrades to both improve operations and passenger comfort.

ISIS looked at these challenges and identified three areas of research focus: (1) historical flight data to support forecasts and infrastructure upgrades; (2) analyses of revenue streams and amenities compared to similar sized airports across BC; and (3) safety management systems to ensure safe operations according to Transport Canada regulations. In response to these analyses, an ISIS Graduate Fellow and a supervising professor from the School of Architecture and Landscape Architecture generated high-level recommendations and concept drawings to improve airport terminal

infrastructure and operations. HEDC has begun implementing the recommendations and is now providing increased amenities including a small coffee shop organized by a local entrepreneur and wireless internet connections. More changes are scheduled for 2011 including improvements to the luggage handling area and an expansion of the terminal's waiting room to accommodate sales of paintings and carvings by local artists. Finally, the review of safety issues has prompted HEDC to make landscaping changes that will limit the opportunity for contact between airplanes and wildlife near its runways.

**04 FISH PLANT
FEASIBILITY STUDY**

The Heiltsuk community has long been a fishing community, relying on local seafood to support the nutritional and traditional demands of residents as well as the economic opportunities of the seafood trade. In 1989, the Nation constructed a fish processing plant to support the community's fishing activities and economy. Since its opening, the Bella Bella Fish Plant has employed over 50 individuals at various times throughout the year with a range of products being processed from

salmon to halibut to fish roe. Unfortunately with the collapse of the commercial fishing industry in the late 1990's, this once prized community asset became underutilized and has fallen into disrepair. ISIS was tasked with analyzing alternative opportunities for the fish plant, which could revive profitable uses for the facility. An ISIS Graduate Fellow analyzed supply/demand and transportation factors and assessed various species of seafood and plant life that could be suitable for processing at the plant especially in light of a new seafood industry now heavily influenced by aquaculture production. The analyses of seafood trends,

growth rates and costs revealed new markets and strategies for HEDC to consider.

Consultations with community members were a critical aspect of identifying the new uses for this structure and they clarified the need for an integrated strategy in returning the plant to profitable operations. Inspired by this investigation, HEDC has moved forward in developing a business plan to attract capital and other resources to bring the plant into full operation.



FIRST NATIONS RENEWABLE ENERGY ROADMAP



In 2010, ISIS partnered with Coast Opportunity Funds (COF) to develop economic development strategies and tools which create sustainable businesses and expand community-based employment opportunities for COF's First Nations clients (see HEDC and HaiCo sections of this report). Through this work and in speaking with community members and technical experts, it became apparent that BC First Nations desired informational resources describing and clarifying opportunities at the industry or sector level. The "First Nations Renewable Energy Roadmap" is the first in a series of resource guides generated specifically to meet these needs.

The First Nations Renewable Energy Roadmap acknowledges the pressing need for sustainable energy options for First Nations and

provides communities with clear information about the steps necessary to develop and implement an energy plan. The roadmap is broken into four sections. The first illustrates the need to engage with community members while developing an energy profile. This process includes everything from establishing teams to enabling decision making through to effective audits of energy generation assets and resources. Building from these efforts and assessments, the second section of the roadmap informs communities of how the energy planning process is developed, which is inclusive of: community awareness and feedback, the development of goals and values for energy generation and final energy generation scenarios for communities to select for development. The third section introduces key implementation strategies and

necessary agreements and contracts that bring the plan to life. The final section emphasizes the importance of strong infrastructure management plans and the appropriate measures to maintain, manage and monitor energy generation assets once the project is successfully constructed and in operation.

Overall, our intent for this roadmap is to provide First Nation communities with a common energy development framework for renewable energy projects. Naturally each individual Nation will make the final decision of which approaches they wish to take but it is hoped that we have been successful in delivering a tailored approach that supports the unique values and traditions of First Nations communities in British Columbia and beyond.



LARCO GREEN COMMERCIAL REAL ESTATE CLUSTER

In Canada the commercial real estate sector represents 13% of total Canadian carbon emissions. Additionally, the industry, although attempting to embrace sustainability, has actually increased its emissions by 25% since 1990 (REALPac, 2010). In early 2010 ISIS, in partnership with Larco Investments, initiated the Green Commercial Real Estate Sector project to address the lag in uptake of sustainability within this industry and identify potential strategies for the future. The project aimed to address the gaps in existing research of the commercial real estate sector in Canada and in BC, with a particular focus on examining the factors that make adaptability and retrofits more difficult in this region. The initial stage of the project focused on understanding the landscape of commercial real estate and the adoption rates of sustainability measures at

the corporate level for real estate companies and the industry as a whole. This industry review was supplemented with best practice surveys of a variety of sub-categories of commercial real estate including: Office, Mixed Use, Retail and Hospitality.

01 BENCHMARKING STUDIES

The initial phase of the project was to map out the industry as a whole and determine best practices based on specific asset groups. Our team of ISIS Graduate Interns, over the summer of 2010, developed reports in the following areas:

- Green Commercial Real Estate: Corporate Social Responsibility

- Sustainability and Corporate Social Responsibility in Office Assets
- Sustainability and Corporate Social Responsibility in Mixed Use Development
- Sustainability and Corporate Social Responsibility in Retail
- Sustainability and Corporate Social Responsibility in Hospitality

02 THE ROLE OF GOVERNMENT IN GREEN COMMERCIAL REAL ESTATE

In the second phase of our research, the project looked at the role of municipal, provincial, and federal policies as incentives and/or barriers to innovation, implementation, and regulation of green building measures.



"I feel that my time at ISIS has really provided me with a different perspective on how to tackle some of the most complicated systemic issues that face us as a community, region, and province."

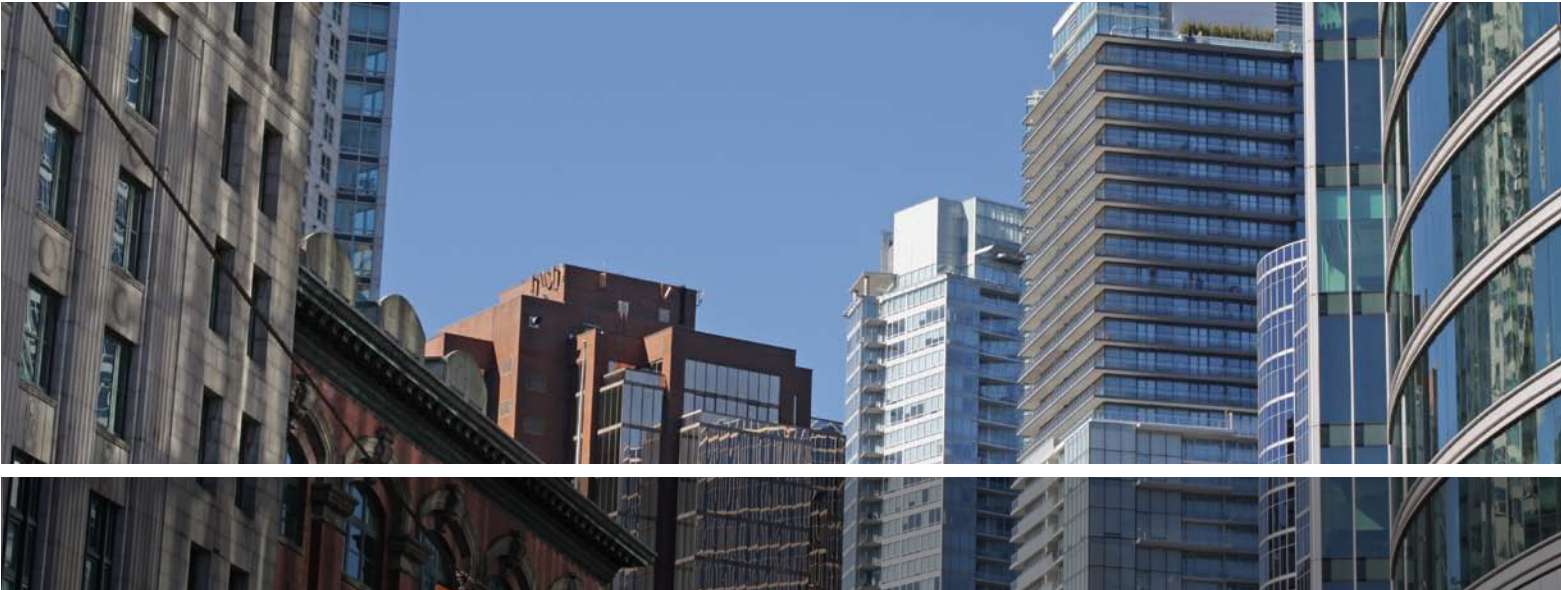
ANDREAS BOEHM
PROJECT "ROLE OF GOVERNMENT IN GREEN COMMERCIAL REAL ESTATE"

Self-regulation and certification schemes have failed to push the commercial real estate industry to match other industries in fully embracing environmental and social change as part of their triple bottom line. Clearly government needs to play a stronger role in driving these changes. Our study focused on opportunities in the Canadian government landscape but drew heavily on literature and resources from outside of Canada that have pioneered the Green Building environment, especially the United States. The report provides an overview on regulatory levels and the role of government with recommendations that regulation and policy go hand in hand in developing a robust (and retrofit adoptive) commercial real estate sector.

03 RETROFITTING VANCOUVER'S EXISTING COMMERCIAL BUILDING STOCK FOR ENERGY EFFICIENCY

Retrofitting existing buildings (particularly commercial stock) to be more energy efficient is a complex undertaking. The level of complexity and the perception of inherent risk have thus far prevented energy efficiency retrofit projects from gaining critical mass in the private sector, especially in Canada. The third phase of our research explored this issue with a Vancouver and BC lens. Particularly, what policy strategies, or combination of policies, will be most effective in mandating energy efficiency retrofits in existing buildings while at the same time creating jobs and increasing value for building owners both in the public and private sectors. 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

for the commercial sector. That proves a challenge for BC, which enjoys the lowest average energy costs and some of the lowest energy intensity levels in Canada. So how do we create an environment that breaks down barriers to adopting more energy efficient buildings? The first report in this phase of research is a high level assessment of the barriers that exist in the Vancouver and BC market and the available policies and market tools that should be considered. Public and private sector policies or strategies proposed and examined in this study include: PACE Bonds, Certification, Carbon Tax, On-Bill Financing, Capital Leases and Utility Rates. In the spring of 2011, a second study in this retrofit phase of the project will conduct an assessment to determine levels of retrofits in metropolitan hubs across Canada and compare those numbers against the regulatory, industry and pricing environments in each locations in hopes of better understanding the correlations between the two.





GREEN ECONOMY, GREEN JOBS



Climate change, rising energy costs, loss of biodiversity and other environmental concerns have caused individuals, businesses, and governments to re-examine the way products and services are produced, consumed and disposed. These concerns have had a real effect on all aspects of the economy, from investment by businesses and governments, law and regulations, changes in consumer preferences, and the emergence of new markets and economies. Within Vancouver businesses, new green jobs are emerging and old jobs are being transformed to meet the world's growing environmental demands. Vancouver has identified the importance of green businesses and green jobs to the area's economy, environment and lifestyle and has set itself the goal of becoming the world's 'Greenest City' by 2020. In the summer of 2010, ISIS partnered with the Vancouver Economic Development Commission, to evaluate the state of the green economy in Vancouver.

Primary questions for the research were:

- What are the characteristics of the green economy in Vancouver?
- What green jobs exist in the region?

- What are the realistic growth projections for green jobs in Vancouver?
- What should the city's role be in creating an environment that will foster growth in the green economy sector?

The fundamental component of this project was a survey of green jobs in the region using a conservative definition of green jobs and counting only those directly employed by the many sectors within the green economy. The project revealed that Vancouver can boast a diverse and robust green economy and is well positioned to capitalize on new green economy opportunities. Vancouver has numerous advantages including world class incubators at UBC, SFU and BCIT and a skilled workforce. Its regulatory environment favours the green economy with BC's carbon tax and Vancouver's environmentally strict building code. It is already a centre for innovative green businesses like Westport, Starworks, and Nexterra, and is perceived as a centre for fuel-cell technology and green building. It also has the lowest GHG emissions per capita of any large community in North America and has shown how economic growth can occur alongside declining emissions. Our survey found

that the majority of the city's green jobs existed in: Public Transportation, Alternative Energy and Power Management, Waste Management and Recycling, Environmental Consulting and Green Buildings.

So while Vancouver's strengths shine through in our research, the report also recommends that the city needs to stay proactive to retain its competitive advantage on the green job market and to attain its ambitious goal of creating 20,000 new green jobs by 2020. Our publicly available report is meant to inform further discussion and potentially prompt policy changes with regard to the green economy and green jobs in Vancouver. Some of its key recommendations include: leveraging core technology strengths (sectors) to increase exports, bolster the green building industry through financing programs such as tax credits, increase the visibility of environmental consultants in the city's green spectrum, maintain the manufacturing sectors through protection of industrial land, foster a trained labour force, support expansion and effectiveness of transit, and green jobs in the non-green sectors. Ideally, the number of green jobs in Vancouver could closely approach the amount of total employment in the city.



SOCIAL ENTERPRISES AND EMPLOYMENT

Traditional work environments and work programs are ineffective in employing marginalized individuals with barriers to employment (individuals with disabilities, mental illness, addiction, long term social assistance user, etc). Over the past decade, social enterprise models in communities across Canada and particularly BC have developed and grown in response to the need for employment opportunities for these marginalized populations. Social enterprises operate as a traditional and competitive business with a social focus but also provide their employees with many of the services traditionally offered by employment service or training organizations. Social enterprises in BC, such as Potluck Café and Starworks, have provided unique opportunities for marginalized individuals, but Canadian provincial and federal policies often create disincentives for these employees to ease into

full time or even more substantial part time work.

Over the summer of 2010, ISIS partnered with both Enterprising Non Profits (ENP) and the BC and Alberta Research Alliance on the Social Economy to undertake a research study which set out to measure the impacts of BC social enterprises and clearly identify the barriers to expanding their reach. An ISIS Graduate Intern, with funding from the Social Sciences and Humanities Research Council (SSHRC), conducted surveys and in person interviews throughout the summer with social enterprises in the metro Vancouver area as well as rural communities in BC. The resulting research and recommendations were captured in a comprehensive report on the sector titled: "Social Enterprises: Creating Jobs and Community Wellness One Small Business at a Time."

The project put particular emphases on determining how changes in policy, including changes to the regulations regarding government assistance programs, can provide better opportunities for marginalized individuals to transition to full employment. One of the key findings in the report is the challenges faced by social enterprises to meet the need for increased funding to support the greater managerial costs incurred for specialized training, extra staff and supervision. Additionally, the report outlined a set of six recommendations geared towards industry and policy, including the development of a social enterprise association, social procurement model, and the necessity of funding for ongoing research in this sector. It is hoped that our published report will support further research for social enterprises as well as influence policy and regulatory changes.



"Analyzing a business model that is highly mission-based offered an ability to harness my business experience towards an industry that provides incredible societal benefits. It is a project that has shaped the way I view commerce and will certainly influence the way I conduct business in the future."

SAMANTHA SHAMASH (INTERN 2010)
PROJECT: "SOCIAL ENTERPRISE AND EMPLOYMENT"



HAIDA ENTERPRISE CORPORATION (HAICO)



A wholly owned business corporation of the Haida Nation, the Haida Enterprise Corporation (HaiCo) was officially established in 2009 by the Council of the Haida Nation (CHN) to manage the Nation's existing business entities while also targeting new business opportunities. Central to this mandate, HaiCo is tasked with the development of commercial activities to provide strategic economic, social, environmental and cultural benefits to all Haida people. Primary objectives for HaiCo are to:

- Ensure that commercial activities are undertaken in a sustainable manner balancing its impact on society, the environment and an appropriate financial return;
- Maximize on-island employment opportunities for Haida; and,
- Provide opportunities for Haida businesses and stimulating entrepreneurial activities.

Since its inception, HaiCo has identified numerous economic development opportunities in the forestry, aquaculture, energy and tourism sectors. In 2010 ISIS partnered with HaiCo to conduct two applied research and sector analysis projects to complement and benefit HaiCo objectives. Descriptions of each project are included below.

01 HAICO BOUTIQUE HOTEL STUDY

The Haida people have occupied Haida Gwaii since time immemorial and retain a strong cultural heritage unique to their lands. Cultural values are most commonly seen through Haida art and sculptures, but are best experienced when visiting Haida Gwaii, which offers a unique experience of the natural and cultural resources found only within the Haida archipelago. Over time, hospitality and tourism assets have been constructed to meet the specific needs of travelers, but in some cases this has included property and services that were contrary to the traditions and culture of the Haida Nation and its people.

One such property, a boutique hotel located within the traditional Haida territory, was determined to be a priority for HaiCo and the Council of the Haida Nation. A successful acquisition of the hotel and its hunting licenses would end the practice of guided trophy bear hunting on Haida Gwaii. To aid in its negotiation and planning process, HaiCo tasked ISIS to develop business recommendations for the hotel and its adjacent lands. An ISIS Graduate Intern conducted business case scenario analyses for the hotel that calculated occupancy rates and considered new amenities and facilities that could support a successful operation of the hotel under Haida management.

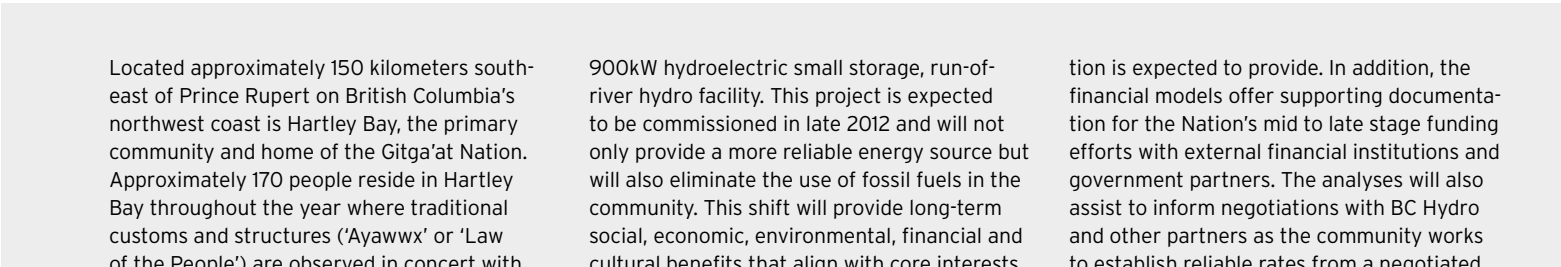
02 HAICO FORESTRY ASSESSMENT

HaiCo established Taan Forest Ltd. to directly manage, control and enhance benefits from its vast forestry resources which include approximately 270,000 hectares of valuable forest resources. Following successful negotiations to acquire forestry tenure for Taan Forest, it was determined that information technology (IT) systems were a priority to effectively support the future operations for the company. In the summer of 2010, ISIS engaged with HaiCo and Taan Forest to identify IT solutions that would best support the entity's operations as it pertained to communication with stakeholders including government, contractors, employees and communities located within Haida Gwaii.

An ISIS Graduate Intern conducted detailed analyses of competitor offerings for suitable software solutions that foster responsible forest management and profitability that included accounting, GIS and other supporting systems. Our research report and strategic recommendations provided Taan Forest Ltd. with the evidence based support it needed to choose new systems that will have long-term benefits for its operations and the people of the Haida Nation.



GITGA'AT MICROHYDRO PROJECT



Located approximately 150 kilometers south-east of Prince Rupert on British Columbia's northwest coast is Hartley Bay, the primary community and home of the Gitga'at Nation. Approximately 170 people reside in Hartley Bay throughout the year where traditional customs and structures ('Ayawwx' or 'Law of the People') are observed in concert with modern laws and policies. The territory itself is 7,500 square kilometers and includes rare and special ecosystems.

In their quest to be the "Greenest First Nation in Canada", the Gitga'at people have embraced alternative ideas and concepts to move themselves forward. In keeping with this, the community chose to positively leverage its natural geography and over 4.5 meters of annual rainfall to initiate the development of a

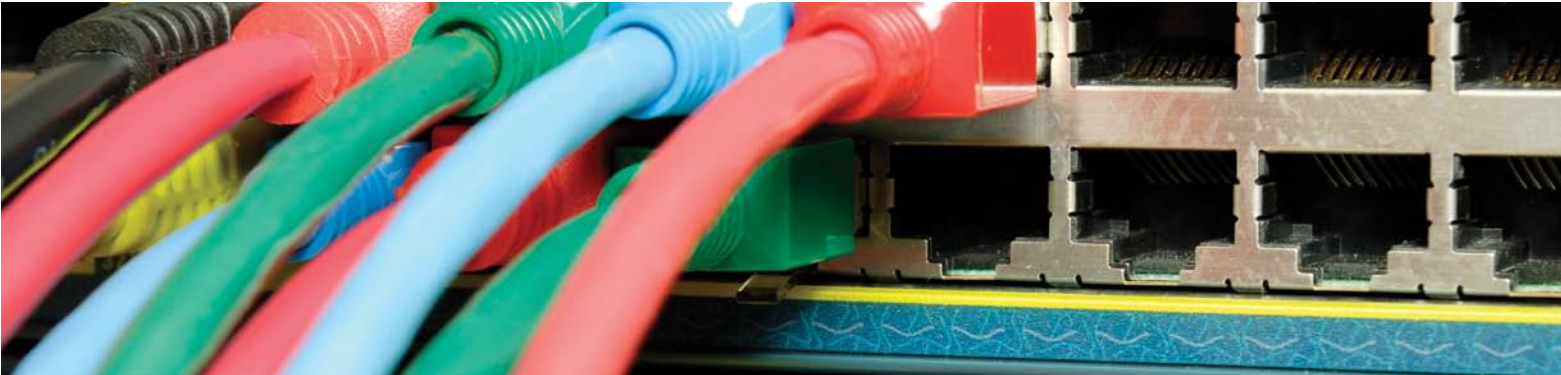
900kW hydroelectric small storage, run-of-river hydro facility. This project is expected to be commissioned in late 2012 and will not only provide a more reliable energy source but will also eliminate the use of fossil fuels in the community. This shift will provide long-term social, economic, environmental, financial and cultural benefits that align with core interests of the Gitga'at people.

In support of this initiative, ISIS began working with the community in the summer of 2010 to develop a business case model for the design and implementation of the hydro facility. Focusing on the development of financial scenarios and analyses, an ISIS Graduate Intern developed a model to educate community members on the core benefits and opportunities the renewable energy installa-

tion is expected to provide. In addition, the financial models offer supporting documentation for the Nation's mid to late stage funding efforts with external financial institutions and government partners. The analyses will also assist to inform negotiations with BC Hydro and other partners as the community works to establish reliable rates from a negotiated electricity purchase agreement with the Crown Corporation. This project has already drawn attention from political leaders across Canada and we expect this work will provide inspiration to other First Nations considering a move to renewable energy.



CANARIE GREEN IT



The Information and Communications Technology sector accounts for approximately 2% of greenhouse gas (GHG) emissions worldwide, with that figure projected to double over the next 10 years. The growth of this sector will continue to demand ever-increasing energy inputs to run its storage and computing power systems. Closely related to this are the global concerns for diminishing natural resources and climate change. The challenge becomes one of meeting the increasing demand for technology, information storage, and computing power, while reducing the sector's overall impact on the environment.

In response to this challenge, we have been researching the environmental impact of data centres over the last year with funding provided by CANARIE Inc., a national organization responsible for the management of advanced networking across Canada. Our research evaluated multiple scenarios to

determine financially feasible ways to mitigate the environmental impacts associated with a data centre's energy consumption through becoming carbon neutral. These scenarios included options such as moving a data centre to an area where renewable energy provides the electricity, co-locating the centre by a source of renewable energy and/or purchasing of carbon offsets.

Our research answered two key questions. The first was: How should a network of data centres be structured to support low-carbon computing? Our conclusion was that locating a data centre off-site but in an urban area allows the data centre to become carbon neutral through the purchase of green energy premiums included in the electricity costs. This scenario avoids the costly installation of dedicated renewable energy projects or data and electrical transmission lines. The other advantage of locating a data centre in or near

a city is the potential option of re-using the waste heat to displace natural gas in nearby facilities, which would produce a net positive impact on GHG emissions.

The other question answered by this research was: Should an organization or user move its data centre to a low-carbon region, and can that move be financed through carbon offsets? Answers to this question are highly dependent on the variables of the particular situation but the high level conclusion is that usually the purchase of carbon offsets rather than relocation is the financially responsible means to carbon neutrality in all but the most GHG intensive of current locations.

VISION 2011



THE YEAR AHEAD



We are incredibly proud of all that we have accomplished in 2010. Looking ahead to 2011, our focus is on growing the depth and breadth of our research while continuing to improve our operational systems and the long-term sustainability of the centre. To complement our growing profile and portfolio of research output, we are working towards developing a comprehensive knowledge dissemination and media strategy. We are also actively working with the development staff at both UBC and the Sauder School of Business in order to expand our core funding to better support our research objectives.

EXPANSION OF CURRENT PROGRAMS

With the continued success of several of our programs, we are in the enviable position

of considering opportunities for expansion. Strengthening and evolving our key initiatives in 2011 will further the reach and impact of ISIS and is very much in line with our core values of innovation and continual improvement.

We are planning a significant expansion of the Social Entrepreneur Program, which we have offered for the past two years and has seen the successful incubation of two ventures; Gavin Hollett with OA Projects and Daphne Nederhorst, a Canadian Ashoka Fellow who started SAWA World. In 2011 the program will be redeveloped with additional support structures and a strengthened planning process for our social entrepreneurs. The program will be re-launched in the fall with a Social Entrepreneur competition with support from Ashoka Canada.

2011 will see the return of the Community Experience Initiative after a one year hiatus. The internship program places MBA students in non-profits and social enterprises to provide vital support to these organizations. There will be three placement opportunities in Vancouver during the summer with both organizations and MBA students chosen through a competitive selection process. We are hoping to expand this program over the coming years to build upon the decade's worth of value this program has offered to both MBA students and the community.

The Graduate Fellowship Program is one of our core program offerings at ISIS supporting the career development of MBA, Masters and post-graduate students. In 2011 we aim to; to attain Post Doctoral Fellows for each one of our research themes in order to deepen the

breadth of research capacity at ISIS, and to expand our MBA Graduate Fellowship search by opening the process to applicants from business schools across Canada in order to meet growing demand and to maintain a competitive selection process. Over the past several years we have worked with over 30 exceptional graduate students through our graduate fellowship programs and these alumni are now working in businesses across Canada and abroad. Many of them have credited ISIS and this program in particular with broadening their perspectives and offering them opportunities for real world experiences addressing complex and globally relevant problems that have better prepared them for their careers.

PROJECTS AND PARTNERSHIPS

Much of our applied research takes place with the support of strong partner organizations within the public, private and non profit sectors. As these relationships grow and our experience deepens, opportunities for new

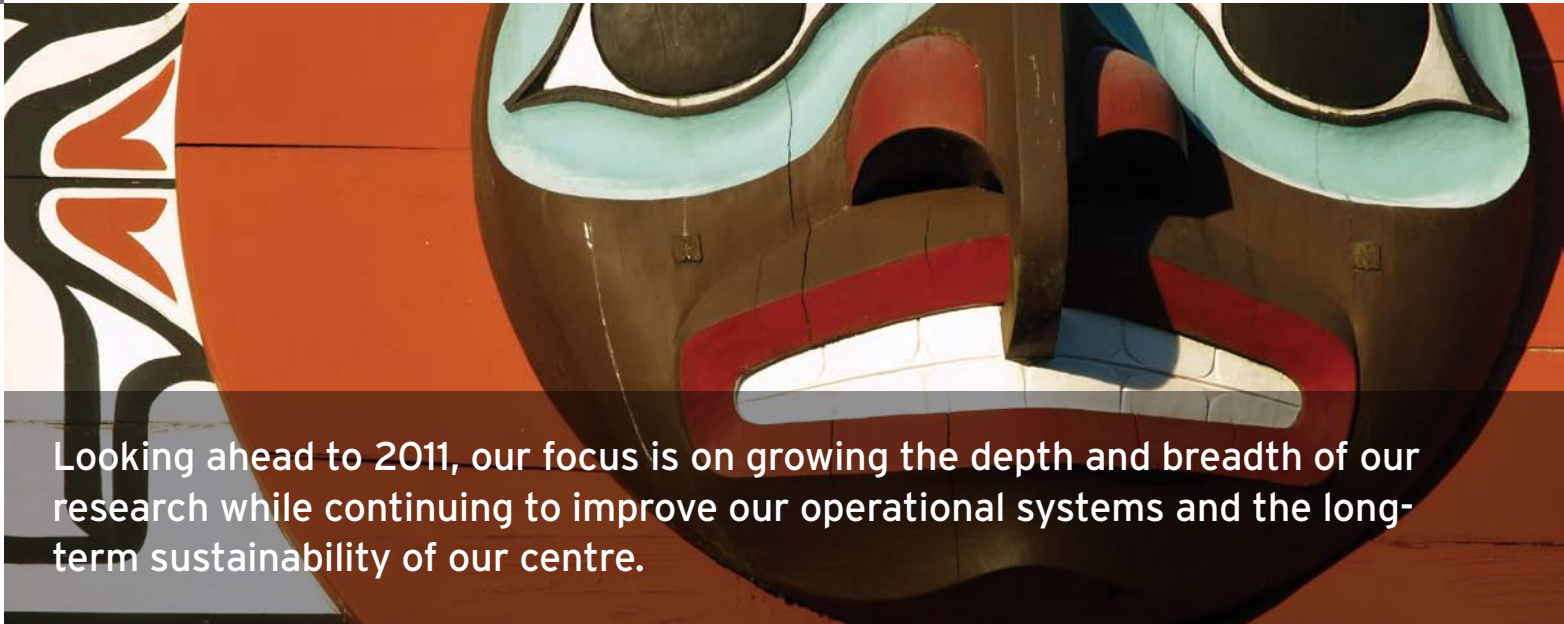
projects have and will develop. 2011 is shaping up to afford some exciting possibilities that will build off our previous experience.

Based on the strong foundations we have developed with organizations like Coast Opportunity Funds and individual First Nations, we plan to expand upon our existing economic development project work. In 2011, several new partners will be commissioning our Graduate Fellows to examine new opportunities in building economic development opportunities for their respective communities including the Nanwakolas Council and the Gitga'at, Nisga'a and Gwa'sala-'Nakwaxda'xw First Nations. In addition a partnership with Ecotrust, the Tla-o-qui-aht and Ahousaht First Nations will examine the opportunities for incorporating green and culturally appropriate design into the new residential housing being built on their reserve lands over the next decade. The partnership aims to demonstrate its ideas by working with several band homeowners to build their new houses according to the project's recommendations in hopes that the tangible results will

encourage further uptake.

Taking advantage of crosscutting opportunities across our research themes, we plan to combine our First Nation experience with the expertise of our low carbon economy researchers by studying how First Nations can improve their capacity to meaningfully and sustainably benefit from the growth of ecosystem service markets. To date, the largest example of an "Ecosystem Services" project underway in British Columbia is the creation of carbon credits based on the extended conservation of the Great Bear Rainforest. There are also a number of other initiatives underway at the provincial, regional and international levels that are creating new economic opportunities based on ecosystem services (carbon mitigation, biodiversity preservation, water purification and others). However, these opportunities come with a complex set of challenges ranging from how to measure and value ecosystem services to understanding how First Nations can effectively participate in these markets.





Looking ahead to 2011, our focus is on growing the depth and breadth of our research while continuing to improve our operational systems and the long-term sustainability of our centre.

Additionally ISIS will continue in the social economy space with research on the most effective models of social enterprise creation and operation. This work will be supplemented and strengthened by our presence on the British Columbia Social Innovation Task Force, which is exploring models of social enterprise and strategy to encourage and develop this sector in British Columbia. In addition, we will be developing a Social Procurement Toolkit in partnership with Enterprising Non Profits. The toolkit will be meant as a guide for companies and government in integrating social values into their procurement policies and practices.

As a continuation of our work in greening commercial real estate with LARCO Investments Inc, we will be looking at opportunities to move the sector towards becoming more carbon neutral and adopting green policies on a wider scale. We have partnered with Lighthouse Sustainability Centre to look at the specific financial and policy incentive structures that exist in the larger landscape, and identify the gaps that need to or should be filled in the Canadian and British Columbian context.

CURRICULUM DEVELOPMENT

In 2011 ISIS will continue to take a more active role in curriculum development at the Sauder School of Business. 2011 will see a series of curriculum-focused initiatives being driven out of ISIS, ranging from Executive Education programming to new MBA electives to undergraduate coursework.

In partnership with Executive Education and building off recent course offerings by our Executive Director, James Tansey, ISIS has developed a unique program for business leaders designed to leverage the corporate sustainability strategies of organizations to enhance their reputation and shareholder value. The program will be launched in October 2011.

ISIS has received support from UBC's Teaching and Learning Enhancement Fund for our proposed 2011 pilot program 'Business of Change,' which will engage students in pressing social, policy and business issues through immersive, applied experiences with social enterprises and social entrepreneurs. Through the 'Busi-

ness of Change' and other initiatives, we are building on our collaborative relationship with Ashoka Canada to incorporate into the Sauder School of Business curriculum social entrepreneurship practice and theory including the concept of 'Agents of Change.'

ISIS is happy to continue its ongoing development of our Rural Community Learning Initiative (RCLI) in partnership with UBC Community Learning Initiative and the I.K. Barber Learning Centre. 2011 is set to be the year RCLI expands its integration into core course work at the graduate and undergraduate levels. The program also plans to extend its offerings to a wider range of rural communities in British Columbia.

Additionally, ISIS will be developing both elective courses and integrating content into existing courses in both the undergraduate and MBA programs. Areas of focus will include carbon management as it relates to business strategy and risk management and the social economy and its opportunities for leveraging traditional business tools and theory.

KNOWLEDGE DISSEMINATION

With everything taking place at ISIS, one of our key goals for 2011 is to develop a more robust and far-reaching communication strategy that will allow us to share the insights of our research team. Building from our current online communication tools including our website, our twitter feeds and our blog, we will be creating new formats to share information and our work with the greater community, including an electronic newsletter, interactive events, and a more robust online database of reports and publications. In addition to our broader communication and knowledge dissemination planning, we are working with our specific projects, programs and events to ensure that they fully capture their outreach potential and meaningfully engage their target audiences.

We have renewed our partnership with the Pacific Institute for Climate Solutions (PICS), in our Climate Intelligence Program, which produces the weekly PICS Climate News Scan and manages the PICS Briefing Notes program. This multi-year continuity will allow us to expand our readership of these publications and potentially develop new programs based on similar models.

As an offshoot of our 2010 research, ISIS, in collaboration with the University of Oxford and the University of California - Berkeley, is developing a series of international, one-day workshops that will be convened as the Carbon Governance Project (CGP) series. The series gathers CEOs and leading strategic thinkers from British Columbia, California and the United Kingdom to learn, share and

develop the business opportunities emerging due to the global transition to a low-carbon economy. The first workshop titled 'Innovation, Capital & Carbon' will take place in Vancouver on June 1, 2011 with additional California and UK workshops scheduled for later in the year.

Our partners remain one of our best methods of spreading the research that we complete on their behalf. In 2011, we will continue to replicate our success in co-publishing research findings to a broader audience with partner organizations such as Coast Opportunity Funds, Enterprising Non-Profits and the Vancouver Economic Development Commission. Additionally, ISIS Post Doctoral Fellows have had great success in being published in leading, peer-reviewed journals and our team will continue to support these efforts.



THANK YOU

The establishment and ongoing work of ISIS have been made possible by two B.C. - 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

- BC - Alberta Research Alliance on the Social Economy
- CANARIE
- Centre for Digital Media
- Coast Opportunity Funds
- Ecotrust Canada
- Enterprising Non Profits
- Groupe Aeroplan
- Haida Enterprise Corporation
- Hartley Bay Band Council (Gitga'at First Nation)
- Heiltsuk Economic Development Corporation
- Larco Investments Ltd.
- MITACS
- Nation Research Council
- Nisga'a Lisims Government
- Offsetters
- Pacific Institute for Climate Solutions
- Province of British Columbia
- Vancouver 2010 Organizing Committee (VANOC)
- Vancouver Economic Development Corporation

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