A system’s instabilities... it must make a radical change — that for it to continue operating as it has been can become so serious that take a fork in the road, travel into new territory is not a practical option.

/ Jane Jacobs
We have arrived at a place of economic — and ecological — instability or, as Jane Jacobs once put it, “a fork in the road.” Where do we go from here? Should the economy trump the environment to bring about a speedy recovery? Or do we need to reboot our economic system so that environmental health and community wealth come first, not last?
we are in uncharted territory /

While some call for an end to growth, we believe in favouring slow growth over fast, regional over global, value over volume — a sort of “slowcalization” that matches economic productivity to the natural productive capacity of our distinctive bioregion: our rainforest fjords, our diverse marine life, our abundant renewable energy from wind, wave and water.

The challenge now before us is not just recovery, but rediscovery. We need to go back to fundamental principles about how to live and thrive with nature. Indeed, these principles must be inspired by nature, because that is where the deepest type of innovation resides. We are a dependent part of natural systems, and over the evolutionary history of life on Earth, nature has solved all the fundamental design challenges of resilient, adaptive organisms, living communities, natural economies and robust institutions.

We can only achieve what Jane Jacobs once described as “reliable prosperity” by practising a natural model of development — not because it is a better model, but because it is the only one that will last.

The fork in the road is not a choice between economy and environment. We already know that economic and environmental well-being are inextricably linked. Consumers are increasingly demanding green, clean, healthy products. Europeans are insisting that all fish be traceable from boat to plate. President Obama is threatening “carbon tariffs” on dirty energy imports. North American automakers have been caught napping in the transition to cleaner vehicles. Investors want to know that they are buying real, not imaginary assets.

In British Columbia, we need to become global leaders in retooling our economic engine to be more socially and environmentally responsible. We need to create wealth while conserving our biosphere—our rainforests, oceans and atmosphere. We call it the conservation economy. Our approach is to innovate, to invest and, hopefully, to inspire others to do the same.

In our 2008 Annual Report, we not only want to share what we’ve learned over the past year, but offer a few ideas about a roadmap for recovery.

IAN GILL
President

JACQUELINE KOERNER
Chair
INNOVATE

RAINFOREST / ROADMAP TO RECOVERY

> Lead the world in ecosystem-based management
> Certify all forestry under the strict standards of the Forest Stewardship Council
> Monetize the value of ecosystem services such as forest carbon sinks and freshwater
> Promote a culture of wood design and innovation
INVEST

OCEAN / ROADMAP TO RECOVERY

> Empower communities and First Nations in the stewardship and sustainable use of local marine resources

> Strengthen the relationship between fish harvesters and seafood lovers

> Create innovative models such as “licence banks” that promote diversification and local fisheries ownership
INSPIRE
CLIMATE / ROADMAP TO RECOVERY

> Assist BC’s 300,000 small businesses to measure and reduce their carbon footprints

> Promote energy-wise communities through planning and outreach

> Regenerate Aboriginal economies by financing their ownership of local renewable energy projects
Planning

**DIVERSIFICATION** / Investing in fisheries is a risky business at the best of times. Fish stock levels fluctuate wildly from year to year and so do prices paid to fishermen. That’s why Ecotrust Canada created a software tool to help fishermen, communities and First Nations design smarter fisheries investment strategies. The tool can analyze a vast amount of social, financial and ecological data that allows us to assess the risks and rewards of particular fish species — essential information for creating diversified, resilient fisheries.

**SKEENA** / The Sustainable Marine Fisheries and Communities Alliance hired Ecotrust Canada to help create a unified vision and strategic plan for sustainable fisheries on the North Coast. This new alliance consists of First Nations, local government and commercial fishermen. The vision, goals, and strategic plan are led by the Alliance’s overarching commitment to conservation and growth of the resource.

Fisheries

**SEAFOOD TRACEABILITY** / Consumers are growing increasingly concerned about where their food comes from, both for their own safety and the sustainability of the planet. This year Ecotrust Canada launched a project to trace seafood from the Pacific to your palate. In partnership with local fishermen and processors, we began exploring a cost-effective system that will meet new standards to be introduced by the European Union in 2010.

**LICENCE BANKS** / The Pacific Coast Fishermen’s Conservation Company, a licence bank developed with seven dogfish fishermen, successfully completed its second year of operations. We have used the lessons learned from this venture to develop business plans for licence banks that own fishing licences and quota for First Nations. We also published an [online toolkit](#) that explains how fishermen and communities can start up their own licence banks.

**CONSULTING** / The Native Fishing Association, and the North Coast Shellfish and Biotxin Program both hired Ecotrust Canada to work on strategic planning. The Nisga’a Nation also hired us to conduct economic analysis of various fisheries business ventures.
RAINFOREST /

GIS & Planning

PUBLICATIONS / Our cartographers published maps in three books this year: Tribal GIS: Supporting Native American Policies with GIS (ESRI Press); Experimental Geography: Radical Approaches to Landscape, Cartography, and Urbanism (Melville House); and the 2008 Cartography Design Annual (Springer Cartographics). We also began research for a report on First Nation land-use planning best practices in BC.

ABORIGINAL MAPPING NETWORK / The AMN won an ESRI Special Achievement in GIS Award this year. The AMN also partnered with the Lil’wat and Haida Nations to develop a web-based mapping application that allows non-technical members of First Nations to evaluate development proposals in their territory. The tool enables users to quickly assess proposals against sensitive community-based information and government data. User access and security is protected with banking-level encryption.

OKANAGAN / Ecotrust Canada continued our work with the Okanagan Nation Alliance on use and occupancy mapping. We created a how-to data manual for their staff and delivered a weeklong training course on cultural data creation methodology.

CLAYOQUOT SOUND / GeoConnections Canada announced they will fund the development and testing of an online resource to improve land and water resource management and decision-making. This “online atlas” of the conservation economy in Clayoquot Sound is a partnership with the Nuu-chah-nulth Central Region Board.

Forestry

CLAYOQUOT / Ecotrust Canada completed a feasibility study of value-added forestry in Clayoquot Sound. We also wrapped up our work with Iisaak Forest Resources, an FSC-certified operator owned by five local First Nations. Ecotrust Canada successfully implemented a turnaround strategy for Iisaak.

SEA TO SKY / We completed an ecosystem-based management plan for the Cheakamus (formerly Whistler) Community Forest, a partnership with the Resort Municipality of Whistler, Lil’wat Nation and Squamish Nation. The proposed community forest covers 33,000 hectares.

NORTH ISLAND / Ecotrust Canada’s planners and foresters worked with the ‘Namgis Nation in Alert Bay to establish forest and cultural policies and operational guidelines for land-use referrals, including their own developments.
Ecosystem Services

**Clayoquot** / Ecotrust Canada commissioned a report from New Forests, an international forestry investment management firm, to investigate the possibilities of monetizing Clayoquot Sound’s rainforest through carbon offsets. The research focuses on Tree Farm Licence 57, which is owned by Iisaak Forest Resources. Ecotrust Canada is now working with a private timber analyst and UBC researchers to model various timber harvesting and carbon retention scenarios in Clayoquot Sound.

FSC Certification

As the manager of Iisaak Forest Resources and two FSC Certification Groups, Ecotrust Canada continued to manage virtually all the FSC-certified forestlands in coastal BC in 2008. This year our FSC Chain-of-Custody Group grew from five to ten value-added processors and our FSC Forest Management Group grew from one to three woodlots covering 1,619 hectares. We also joined the Pacific Northwest Steering Committee to promote FSC in Washington, Oregon and British Columbia.
In 2008, Ecotrust Canada set up a harbour-front office in a former fish plant in Tofino to coordinate our consulting services, projects and programs in Clayoquot Sound. During the year, we completed our consulting contract with Iisaak Forest Resources, held a Climate Smart workgroup, initiated a seafood traceability project and co-managed the Forest Communities Program.

**Climate Smart** / This new service, piloted in 2007, helps small- and medium-sized enterprises (SMEs) measure, reduce and offset their carbon footprints. This year Climate Smart held six workgroups in Vancouver and one in Tofino. So far almost 100 SMEs, with a collective carbon footprint of 30,000 tonnes, have participated in Climate Smart. On average, each enterprise has committed to reduce its footprint by nine percent over one year. In early 2009, Ecotrust Canada launched Climate Smart as a wholly owned subsidiary company.

**Energy Planning** / With the help of the Pembina Institute, Ecotrust Canada completed an energy audit of the Hesquiaht Nation’s homes and buildings in Hot Springs Cove, north of Tofino. The Hesquiaht spend almost twice as much on energy as they receive from Indian and Northern Affairs Canada for their energy needs. So the Hesquiaht are planning to retrofit their homes, and conduct community outreach and education to encourage wise energy use.

**30,000 TONNES**

of carbon measured by companies in Ecotrust Canada’s Climate Smart program

In 2008, Ecotrust Canada set up a harbour-front office in a former fish plant in Tofino to coordinate our consulting services, projects and programs in Clayoquot Sound. During the year, we completed our consulting contract with Iisaak Forest Resources, held a Climate Smart workgroup, initiated a seafood traceability project and co-managed the Forest Communities Program.

**Forest Communities Program** / The Nuu-chah-nulth Central Region Management Board (CRMB) and Ecotrust Canada launched the Clayoquot Forest Communities Program (FCP) this year. Natural Resources Canada-Canadian Forest Service is providing the program with $1.5 million over five years. It is part of a national strategy to help forest-dependent communities meet the challenges of economic transition. In its first year, the program worked on a community-based plan for the Kennedy Lake watershed, completed a value-added forestry strategy, carried out stream restoration training and work, and conducted governance training with hereditary chiefs.
Ecotrust Canada Capital is a wholly owned subsidiary corporation of Ecotrust Canada providing financial services to communities and enterprises.

In 2008, the capital corporation made $1.1 million in new loans to nine enterprises. By year's end, its active portfolio was $3.8 million in lending to 30 enterprises which provide some 80 full-time equivalent jobs in coastal BC. The loans helped to leverage an additional $34.4 million in capital from financial institutions and investors. About 31 percent of the lending portfolio went to Aboriginal enterprises.

Over the past decade, the capital corporation and Ecotrust Canada have provided $11 million in loans to 73 companies that have supported almost 700 full-time equivalent jobs.
financials /


Program Expenditures 2008

- Energy 4%
- Forestry 13%
- Lending & Investing 19%
- GIS & Planning 10%
- Fisheries 8%
- Administration & Fundraising 18%
- General Programs 9%
- Clayoquot Program 10%
- Economic Development 9%

ecotrust canada / 2008 annual report / 12
Consolidated Statement of Financial Position

As at December 31, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UNRESTRICTED</td>
<td>TEMPORARILY RESTRICTED</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
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<td></td>
</tr>
<tr>
<td>Cash</td>
<td>779,862</td>
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<tr>
<td>Short-term investments</td>
<td>157,828</td>
<td>264,174</td>
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<tr>
<td>Receivables &amp; prepaid expenses</td>
<td>738,498</td>
<td>166,562</td>
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<tr>
<td>Current portion of loans receivable</td>
<td>—</td>
<td>620,112</td>
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<tr>
<td></td>
<td>1,676,188</td>
<td>1,050,848</td>
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<tr>
<td>Long-term investments</td>
<td>474,369</td>
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<td>Loans receivable</td>
<td>—</td>
<td>3,708,656</td>
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<td>Temporary investments</td>
<td>—</td>
<td>525,254</td>
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<tr>
<td>Fixed assets - net</td>
<td>369,621</td>
<td>—</td>
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<tr>
<td><strong>Total</strong></td>
<td>$2,520,178</td>
<td>$5,284,758</td>
</tr>
<tr>
<td><strong>LIABILITIES AND SURPLUS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>650,424</td>
<td>—</td>
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<tr>
<td>Deferred revenue</td>
<td>567,330</td>
<td>—</td>
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<tr>
<td>Current portion of loans payable</td>
<td>787,327</td>
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<td></td>
<td>2,005,081</td>
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<td>Loans payable</td>
<td>1,052,020</td>
<td>—</td>
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<tr>
<td></td>
<td>3,057,101</td>
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<tr>
<td><strong>Surplus (deficit)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural Capital fund</td>
<td>(138,661)</td>
<td>5,118,196</td>
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<tr>
<td>General fund</td>
<td>(398,262)</td>
<td>166,562</td>
</tr>
<tr>
<td></td>
<td>(536,923)</td>
<td>5,284,758</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,520,178</td>
<td>$5,284,758</td>
</tr>
</tbody>
</table>

For a copy of the complete audited financial statements for 2008, please contact Ecotrust Canada at info@ecotrust.ca
Consolidated Statement of Activities and Surplus

As at December 31, 2008

<table>
<thead>
<tr>
<th>REVENUES, GAINS, AND OTHER SUPPORT</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNRESTRICTED</strong></td>
<td><strong>TEMPORARILY</strong></td>
<td><strong>TOTAL</strong></td>
</tr>
<tr>
<td><strong>REVENUES, GAINS, AND OTHER SUPPORT</strong></td>
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<td></td>
</tr>
<tr>
<td>Organization grants</td>
<td>$218</td>
<td>$108,024</td>
</tr>
<tr>
<td>Individual contributions</td>
<td>140,503</td>
<td>3,750</td>
</tr>
<tr>
<td>Foundation contributions</td>
<td>782,731</td>
<td>1,027,059</td>
</tr>
<tr>
<td>Government contributions</td>
<td>—</td>
<td>50,000</td>
</tr>
<tr>
<td>Other contributions</td>
<td>—</td>
<td>543,517</td>
</tr>
<tr>
<td>Training, cost recovery &amp; other</td>
<td>499,182</td>
<td>—</td>
</tr>
<tr>
<td>Dividend income</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loan fees and interest</td>
<td>501,115</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,923,749</td>
<td>1,732,350</td>
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<tr>
<td>Satisfaction of program restrictions</td>
<td>2,535,267</td>
<td>(2,535,267)</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>4,459,016</td>
<td>(802,917)</td>
</tr>
</tbody>
</table>

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Sector</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>189,429</td>
<td>—</td>
</tr>
<tr>
<td>Forestry</td>
<td>580,673</td>
<td>—</td>
</tr>
<tr>
<td>Planning &amp; Information Services</td>
<td>419,130</td>
<td>—</td>
</tr>
<tr>
<td>Wild Fish</td>
<td>356,060</td>
<td>—</td>
</tr>
<tr>
<td>General Programs</td>
<td>395,020</td>
<td>—</td>
</tr>
<tr>
<td>Economic Development</td>
<td>389,984</td>
<td>—</td>
</tr>
<tr>
<td>Clayoquot Sound</td>
<td>410,272</td>
<td>—</td>
</tr>
<tr>
<td>Administration</td>
<td>404,802</td>
<td>—</td>
</tr>
<tr>
<td>Fundraising</td>
<td>359,571</td>
<td>—</td>
</tr>
<tr>
<td>Natural Capital Fund</td>
<td>899,680</td>
<td>(72,824)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,404,621</td>
<td>(72,824)</td>
</tr>
</tbody>
</table>

**Excess of (expenditures over revenues)**

<table>
<thead>
<tr>
<th>revenues over expenditures</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>54,395</td>
<td>(730,093)</td>
<td>(675,698)</td>
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</tbody>
</table>

**Surplus (deficit), beginning of year**

<table>
<thead>
<tr>
<th>as previously stated</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>(455,197)</td>
<td>6,014,851</td>
<td>5,559,654</td>
</tr>
<tr>
<td>Prior period adjustments</td>
<td>(135,729)</td>
<td>—</td>
</tr>
</tbody>
</table>

**Surplus (deficit), beginning of year**

<table>
<thead>
<tr>
<th>as restated</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>(590,926)</td>
<td>6,014,851</td>
<td>5,423,925</td>
</tr>
</tbody>
</table>

**(Deficit) surplus, end of year**

<table>
<thead>
<tr>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (536,531)</td>
<td>$5,284,758</td>
</tr>
</tbody>
</table>

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2008 donors /

**CORPORATE**
Association of Fundraising Professionals
Mountain Equipment Co-op
Patagonia
Scooter Software Inc.
United Way of the Lower Mainland
Vancity

**GOVERNMENT**
Canadian Forest Service
GeoConnections Canada
Government of Alberta
Government of Canada
International Development Research Centre
Ministry of Aboriginal Relations and Reconciliation

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Robert and Birgit Bateman
Spencer Beebe
Michelle Bonner
David A. Bremner
George Butterfield
Michael Cabrita
Barry and Debra Campbell
Yvon Chouinard
Sandra and Sterling Clarren
Lily Der
Lindsay Eberts
Melanie Friesen
Ian Gill
Bill Girard
Ronald Grzywinski
Michael Hoebel

Crawford Stanley Holling
Jennifer Jordan
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Mark R. Munn
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Allan Waisman
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Catherine Donnelly Foundation
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The Ford Foundation
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Henry P. Kendall Foundation
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Law Foundation of British Columbia
Lighthouse Foundation
Marisla Foundation
McLean Foundation
Moore Family Foundation
Oak Foundation
Tasso Leventis Foundation
N.A. Taylor Foundation
Tides Canada Foundation
Vancouver Foundation
Wilburforce Foundation

**PROGRAM RELATED INVESTMENTS**
Calvert Foundation
Ethical Investment Group
Endswell Foundation
The Illahie Foundation
Meritas Mutual Funds
Monarch Community Fund
Working Opportunity Fund
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Daniel Arbour, Project Coordinator
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Michelle Bonner, Project Planner
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Jessica Hawkins, CED Project Planner
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Orrin Quinn, Forestry Project Manager
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Abby Yellen, Executive Assistant to the President

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ecotrust canada capital /

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