

**A SYSTEM'S INSTABILITIES...  
IT MUST MAKE A**

**CAN BECOME SO SERIOUS  
RADICAL CHANGE —**

**THAT FOR IT TO CONTINUE  
TAKE A FORK IN THE**

**OPERATING AS IT HAS BEEN  
ROAD, TRAVEL INTO**

**IS NOT A PRACTICAL OPTION  
NEW TERRITORY**

/ JANE JACOBS



ecotrust  
canada

building the conservation economy / annual report 2008



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## a roadmap to recovery /

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

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- > 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

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- > 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

# 2008 highlights /

## OCEAN /

### Planning

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**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

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**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 Biotoxin 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

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### 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.



to AMN's website in 2008 — that's a 100% increase

## Forestry

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**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

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**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 Lisaak 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

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As the manager of Lisaak 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.

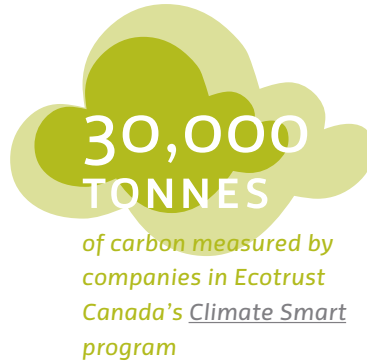


*of forestland managed under Ecotrust  
Canada's [FSC Forest Management Group](#)*

## CLIMATE /

**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 [eco-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.



## CLAYOQUOT /

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 [lisaak Forest Resources](#), held a Climate Smart workgroup, initiated a seafood traceability project and co-managed the Forest Communities Program.

**FOREST COMMUNITIES PROGRAM** / The Nuuchah-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.

## CAPITAL /

[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 280 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.



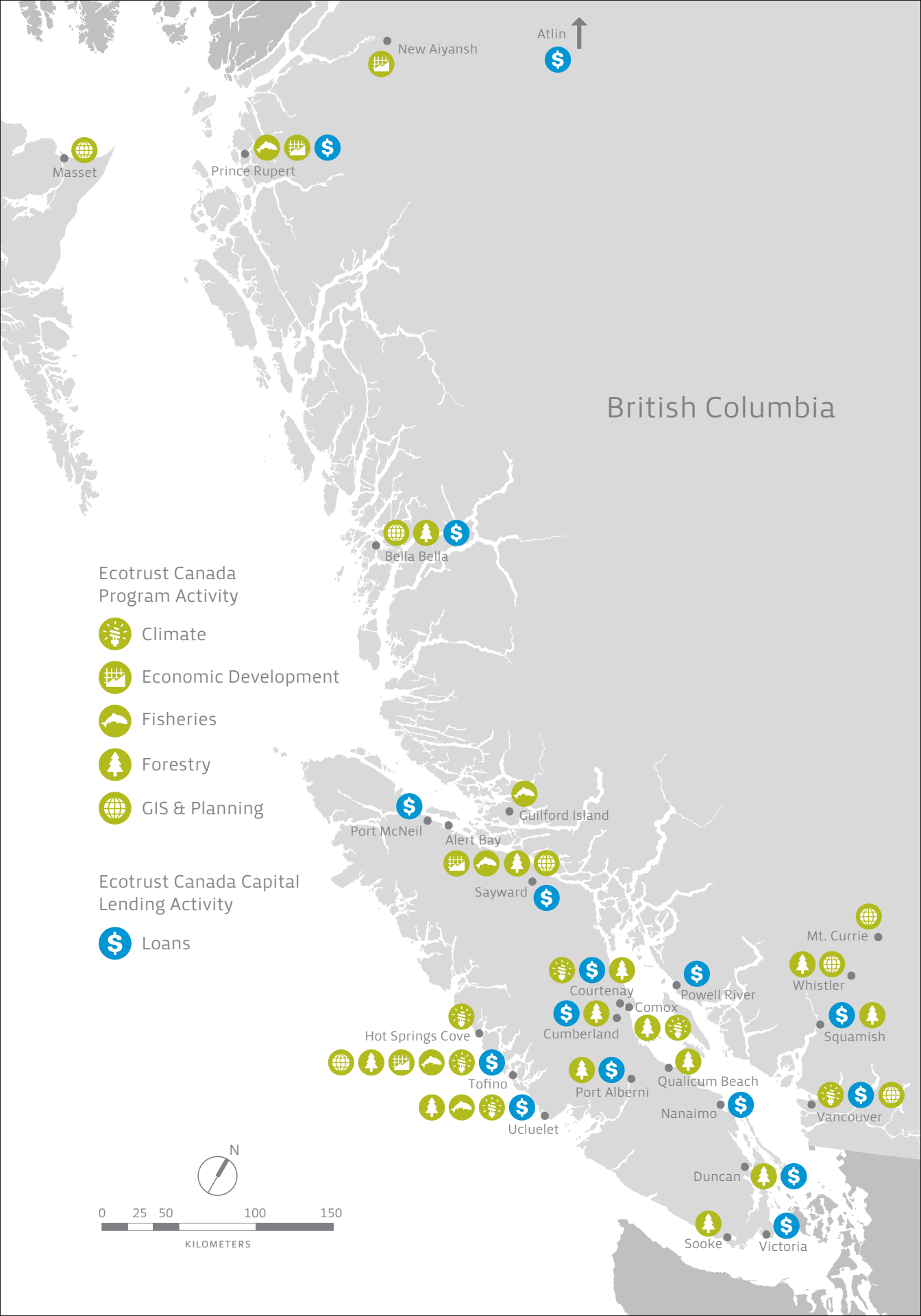
**\$3.8  
MILLION**  
*in active loans leverages*

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.



**\$34.4  
MILLION**  
*in additional capital to businesses*

**31%** *of the lending portfolio went to Aboriginal enterprises*

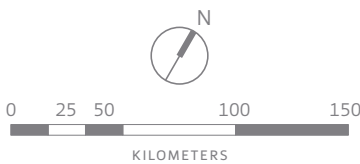


Ecotrust Canada Program Activity

-  Climate
-  Economic Development
-  Fisheries
-  Forestry
-  GIS & Planning

Ecotrust Canada Capital Lending Activity

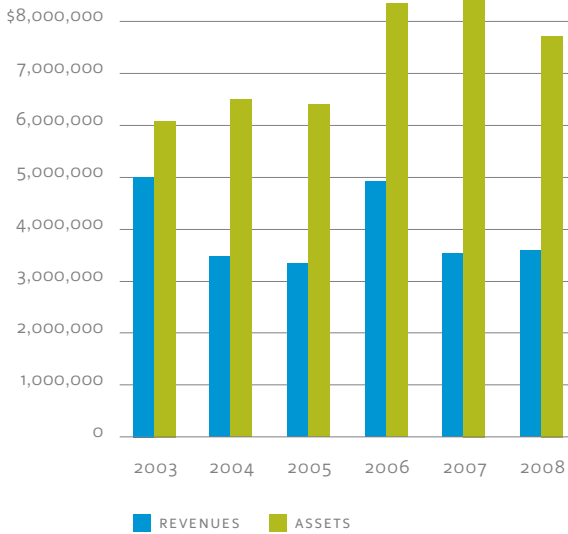
-  Loans



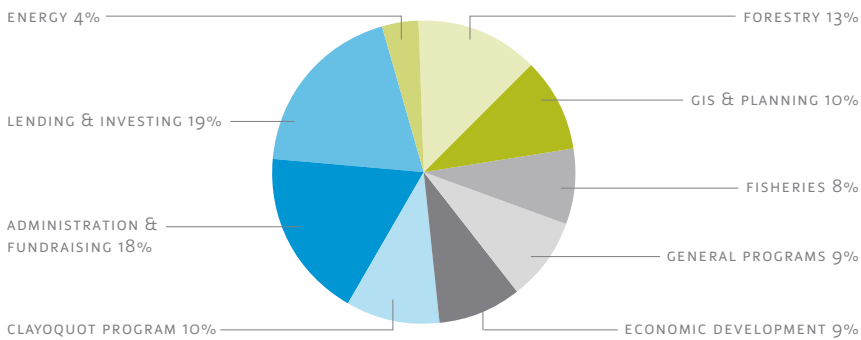
British Columbia

# financials /

## Revenues & Assets 2003 - 2008



## Program Expenditures 2008



# Consolidated Statement of Financial Position

As at December 31, 2008

	2008			2007
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	
<b>ASSETS</b>				
<b>Current</b>				
Cash	\$ 779,862	\$ —	\$ 779,862	\$ 595,389
Short-term investments	157,828	264,174	422,002	1,980,457
Receivables & prepaid expenses	738,498	166,562	905,060	562,231
Current portion of loans receivable	—	620,112	620,112	524,208
	1,676,188	1,050,848	2,727,036	3,662,285
Long-term investments	474,369	—	474,369	474,369
Loans receivable	—	3,708,656	3,708,656	3,363,693
Temporary investments	—	525,254	525,254	796,658
Fixed assets - net	369,621	—	369,621	392,517
	\$ 2,520,178	\$ 5,284,758	\$ 7,804,936	\$ 8,689,522
<b>LIABILITIES AND SURPLUS</b>				
<b>Current</b>				
Accounts payable	\$ 650,424	\$ —	\$ 650,424	\$ 533,380
Deferred revenue	567,330	—	567,330	816,907
Current portion of loans payable	787,327	—	787,327	286,590
	2,005,081	—	2,005,081	1,636,877
Loans payable	1,052,020	—	1,052,020	1,629,112
	3,057,101	—	3,057,101	3,265,989
<b>Surplus (deficit)</b>				
Natural Capital fund	(138,661)	5,118,196	4,979,535	5,262,997
General fund	(398,262)	166,562	(231,700)	160,536
	(536,923)	5,284,758	4,747,835	5,423,533
	\$ 2,520,178	\$ 5,284,758	\$ 7,804,936	\$ 8,689,522

For a copy of the complete audited financial statements for 2008, please contact Ecotrust Canada at [info@ecotrust.ca](mailto:info@ecotrust.ca)

# Consolidated Statement of Activities and Surplus

As at December 31, 2008

	2008			2007
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Organization grants	\$ 218	\$ 108,024	\$ 108,242	\$ 39,372
Individual contributions	140,503	3,750	144,253	150,584
Foundation contributions	782,731	1,027,059	1,809,790	2,238,164
Government contributions	—	50,000	50,000	—
Other contributions	—	543,517	543,517	56,181
Training, cost recovery & other	499,182	—	499,182	697,870
Dividend income	-	—	—	12,540
Loan fees and interest	501,115	—	501,115	400,983
	1,923,749	1,732,350	3,656,099	3,595,694
<b>Satisfaction of program restrictions</b>	2,535,267	(2,535,267)	—	—
	4,459,016	(802,917)	3,656,099	3,595,694
<b>EXPENDITURES</b>				
<b>Sector</b>				
Energy	189,429	—	189,429	—
Forestry	580,673	—	580,673	548,486
Planning & Information Services	419,130	—	419,130	488,616
Wild Fish	356,060	—	356,060	369,504
General Programs	395,020	—	395,020	266,054
Economic Development	389,984	—	389,984	475,494
Clayoquot Sound	410,272	—	410,272	18,725
Administration	404,802	—	404,802	288,145
Fundraising	359,571	—	359,571	330,566
Natural Capital Fund	899,680	(72,824)	826,856	731,610
	4,404,621	(72,824)	4,331,797	3,517,200
<b>Excess of (expenditures over revenues)</b>				
<b>revenues over expenditures</b>	54,395	(730,093)	(675,698)	78,494
<b>Surplus (deficit), beginning of year</b>				
<b>as previously stated</b>	(455,197)	6,014,851	5,559,654	5,431,160
<b>Prior period adjustments</b>	(135,729)	—	(135,729)	(85,729)
<b>Surplus (deficit), beginning of year</b>				
<b>as restated</b>	(590,926)	6,014,851	5,423,925	5,345,431
<b>(Deficit) surplus, end of year</b>	\$ (536,531)	\$ 5,284,758	\$ 4,748,227	\$ 5,423,925

For a copy of the complete audited financial statements for 2008, please contact Ecotrust Canada at [info@ecotrust.ca](mailto:info@ecotrust.ca)







# ecotrust canada capital /

## STAFF

Emily Beam, Loan Analyst

Pieter van Gils, Managing Director

Bill Girard, Investment Manager

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Scott Hughes, Vancity, Vancouver, BC

Petar Jelinić, Williams Lake Credit Union, Williams Lake, BC

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**VANCOUVER HEADQUARTERS**

Ecotrust Canada & Ecotrust Canada Capital  
200 - 1238 Homer Street, Vancouver BC Canada v6b 2y5  
T 604.682.4141 / F 604.682.1944 / info@ecotrust.ca

**CLAYOQUOT OFFICE**

Ecotrust Canada  
PO Box 491, 205 Grice Road, Tofino BC Canada v0r 2z0  
T 250.725.2536 / F 604.682.1944

**COMOX VALLEY OFFICE**

Ecotrust Canada Capital  
200 - 580 Duncan Avenue, Courtenay, BC Canada v9n 2m7  
T 250.898.8770 / F 250.898.8330

Revenue Canada Charitable Registration  
Number 89474 9969 RR0001



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