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To: ["Direct to Mayor and Council - DL"](#)

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Subject: [Advisory Board speaking notes from April 25th VEC Advisory Board](#)

Attachments: [2022 04 25 - VEC Advisory Board - Alice Henry Speaking notes.pdf](#)

[2022 04 25 - VEC Advisory Board - Olivia notes.pdf](#)

[2022 04 25 - VEC Advisory Board - Coro notes.pdf](#)

Dear VEC Board Honorary Members,

Thank you for your time last week at the VEC Advisory Board meeting. As requested, please find attached the speaking notes.

Should you have further questions, please contact Eleena Marley at emarley@vancouvereconomic.com

Best,
Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x̱m̱əθḵʷəy̱əm (Musqueam), Sḵwx̱w̱ú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

Hi everyone, so grateful to share this space with you all. In our discussion, I think we need to recognize that GDP is an economic measure that evolved to become a goal within itself. As we discuss measures beyond GDP, they each need to be grounded in specific goals for Vancouver's economy.

The COVID pandemic and climate emergency has made clear that our economy is vulnerable in two areas: the resilience of our supply chains and workforce.

Evaluating aspects like supply chain complexity, redundancy, geographic dispersion, and circularity can help determine its resilience, and as a result, give locals the time and space they need to adapt to crises. These measures can identify weak points in supply chains, but also opportunities for innovation and reshoring. Further understanding our supply chains can help us evaluate our adaptability. For instance, understanding the supply chain complexity of our local food economy might have helped us predict or facilitate how businesses adapted to the pandemic and resulting closures (such as restaurants creating grocery boxes to support their suppliers, an increased demand for commissary kitchen space, the rise in ghost kitchens, etc.).

The collective reflection on what isn't working within our society during the pandemic led to the Great Resignation, an unexpected occurrence during a time of increased unemployment. So what do we measure to evaluate workforce resilience? We need to start with indicators that evaluate how peoples' employment is allowing them to meet their needs to live full and happy lives. These could include evaluating how people's compensation compares to a living wage, whether they feel respected and supported at work, how their time is used, income inequality, employee retention rates, and more. Many of these are addressed within the social foundations of Doughnut Economics and the domains of the Gross National Happiness index. Evaluating many of these aspects, in addition to how workers are supported in training or reskilling, will also help to measure a just transition.

Our goals for the Vancouver economy ought to include aspects that have previously been shunted, like externalities and reconciliation. The Genuine Progress Indicator accounts for these through measures like income distribution, value of household and community work, costs of commuting, and costs of pollution. In their annual Circularity Gap report, Circle Economy measures the stocks and flows required, and the emissions produced, to meet seven societal needs and wants. The OECD also has an inventory of circular economy-related indicators. Economic reconciliation must start with Indigenous leadership and looking at the TRC's Calls to Action, particularly #92.

Moving beyond GDP will require a set of indicators, not a single index. We have multiple goals and the weight we place on them does not stay static, but rather adjusts to the systems our economy exists within - the society and our planet. However, part of why the GDP has prevailed for so long is because it's governed by a globally harmonised accounting framework. We can leverage our networks (such as C40) to find consensus around what indicators to use and how they are measured.

As for how VEC measures its impact, I want to emphasize that we cannot rely solely on quantification, but must integrate qualitative evaluation. This would not only give VEC insights from locals on how they're supported to help us achieve our economic goals, but also strengthen VEC's connections with the communities we serve.

VEC Advisory Board
April 25, 2022
Olivia Norton, Sanctuary AI
speaking notes

The Process

I was stuck on the similarities between what we want to do here, and the OKR framework for setting, tracking and attaining goals. Many of you will be very familiar with this system but for completion - OKR stands for Objectives and Key Results and is a tool pioneered by Andy Grove at Intel in the 1980s that has been leveraged to great effect in companies from Google to non profits like the Gates foundation. In this framework, Objectives identify the direction of the activity - for us, the key axes of a vital Vancouver economy - , and Key Results represent what we believe the weight points to achieving the objective as stated. The superpowers of this framework are focus, alignment, accountability, tracking and transparency (+stretch goals).

The shared features that I'd like to draw your attention to are as follows

1. Key Results - the thing that we strive for and measure against that we believe will get us to our objectives, evolve. They can be re-evaluated if they are not serving the purpose we expected. We need to provide ourselves that same flexibility in our thinking because this is an example of perfect being the enemy of good. We will derive a lot of learning from each pass of these measures whether it is the suitability of the measures themselves, the cost of aggregating the information, and the resulting behaviors they may drive - all of these things will continue to sculpt the measures year over year, once the process gets started.
2. There is a hierarchical nature to the measures we need. At the top, we have the overall health of the Vancouver economy as our driving objective, below, and in support of that top level objective, we have the desire to understand the long term effects of the VECs Impacts, in addition to all the other stakeholders who play a part in the Vancouver economy of the future. Below and in support of both, we have the short term outcomes of the VECs Activities. The OKR framework allows for those three levels of activity to converge through regular, but formal process of review.

Key Takeaways here:

- Testing and a Regular Cadence of evaluation and reorientation will be key to optimizing of these measures
- We will have difficulty finding a one size fits all set of measurements that capture the different levels of the hierarchy and this is ok.
- Can we implement an OKR type system across an ecosystem where VEC and the city are contributors and inviting others ?

The Content

I spend the majority of my time thinking about the technology and innovation landscape and so that is where I will draw from here. I have for a long time wanted to understand the local technology landscape in greater detail, to help us understand the momentum of certain industries (quantum, sustainable agriculture, health tech) and using that information to get the region better support both internally and externally. Examples of internal support include the ability of post secondary and other education institutions to

adapt in real time to the needs of a new and growing local industry, producing new programming and certification to ensure we are producing a workforce here that will help us to continue to move the dial on our regional priorities. External support comes in terms of immigration of talent, of investment. The work the VEC has done targeting specific industries of interest like Film and Green Jobs is something that we should extend to some other key industries. Web 3.0 is top of mind these days, but I am partial to Ag Tech, and sustainable agriculture as a potential focus.

Key Takeaways here:

- Continue to spotlight key industries - eg Web 3, Ag Tech

The How

Three notes on the how -

- First, for those things we cannot currently measure, how can we leverage local partners to supplement our data? For example, in tech and innovation there is so much more to the potential and impact of a startup beyond the fact that they are in business and employ a certain number of folks. Accelerators and Incubators which are key players in the startup ecosystem have their own reason to want to track and gauge the value of the organizations that come through their pipeline - can they be leveraged to provide some additional context to the local startup ecosystem that we don't have currently? CAIN - Canadian Accelerator and Incubator Network is trying to do just that, across the country, how could they play a part?
- Second, is there a way we can tailor the idea of citizen science to our needs to help us gather, even in a preliminary way, some of the additional information we'd like to measure? I am a huge proponent of leveraging networks in new and creative ways and the idea of the DARPA Network Challenge as applied to

Key Takeaways here:

- Can we Leverage Data Partners in a greater capacity?
- Can we Crowdsource Data collection in an effective way?

What can VEC measure today to better understand the overall health of the Vancouver economy, beyond GDP; the impact of VEC's own initiatives; and how the metrics themselves can drive change?

First, the Purpose of Vancouver's Economy

- We all agree we must accelerate the transition to the new economy as the old economy undermines the environmental and social systems on which all life depends.
- We must measure the pace and scale of this transition.
- We might call the new economy the Purpose Economy, in which the economy's purpose is to unlock the assets, resources, relationships, platforms, influence, reach and scale of Vancouver's economy to create a better world or city, where everyone thrives in harmony with nature.
- This redefines the meaning of a prosperous and healthy economy from prosperity for all -- to long-term well-being for all within nature's limits
- With agreement on the purpose of Vancouver's economy, we could develop a vision to execute on the purpose, with goals, targets and metrics. That is where I would start.
- Perhaps Gross domestic product becomes Gross Domestic Purpose. If GDP is the old economy Beyond GDP should measure the new economy, i.e. the Purpose Economy.
- We can then review the brief's Economic Indicators with a purpose lens:
- For example
 - GDP by industry – what societal benefits do key industries generate?
 - Business counts – number of businesses with a social or environmental purpose as the reason they exist
 - Employment – what % of jobs are in social purpose companies?
 - Building permits – how many developments have plans to generate social or environmental value beyond business as usual?
 - Exports – what percent of exports generate social and environmental value, etc.
- All economic measures should have an explicit social and green component or equivalent

Second, Association ESG

- To accelerate sustainability in business and industry at scale associations must be mobilized
- This is because no business can become sustainable on its own, it must collaborate with peers and competitors to address systemic challenges
- The Canadian Standards Association is publishing an E/S/G standard for associations soon
 - We could measure associations improving their members' ESG performance
 - such as their take-up of the CSA standard
- As business collaboration on ESG is essential to realize a sustainable or purpose economy
 - We could measure the number and impact of their ESG collaborations. A toolkit is coming available to help with this effort

- We should also measure the number of associations helping members address the climate emergency. Australia has a program to help all associations develop climate emergency plans for members which we can replicate

Finally, Replication

- We should measure the degree to which Vancouver's prototype is replicated and scaled

Specific ideas:

- Number of replications of the Vancouver model
- Number of social purpose businesses
- % of courses in Vancouver post-secondary schools that teach climate and ecological literacy
- Number of business schools explicitly teaching social purpose business
- Measure of ecosystem services
- Number of companies with net zero commitments and plans
- Green IP
- The number, depth, and breadth of transition pathways

VEC

- Number of industry ESG collaborations VEC supported and a measure of the impact
- Number of social purpose businesses VEC catalyzed and a measure of the impact
- Number of partnerships and collaborations the City has with social purpose businesses on shared social and environmental goals, catalyzed by VEC
- Number of regulatory sandboxes catalyzed by VEC to accelerate regulatory innovation on the purpose economy and resulting innovation outcomes
- Number of City suppliers educated on social purpose business supported by VEC
- Number of Vancouver businesses educated on social purpose business supported by VEC

The Purpose Economy is *an economy powered by the pursuit of long-term well-being for all in which business and regulatory and financial systems foster an equitable, flourishing, resilient future.*

>> prosperous, zero carbon, circular, inclusive, purpose-driven, restorative, regenerative, just, resilient economy