

## **Coast Opportunity Funds Conservation Endowment Fund Grant-Making Policy**

### **Our Vision:**

Our vision is to be a world class model of how empowered aboriginal peoples and communities can achieve meaningful economic development and community health while conserving the integrity of the ecosystems in which they live.

### **Our Mission:**

Our mission is to work collaboratively with First Nations to support sustainable economic development and conservation management in the Central Coast, North Coast and Haida Gwaii areas of coastal British Columbia. We will pursue this mission through the responsible administration, investment, leverage and allocation of the funds entrusted to us by private funders and the governments of British Columbia and Canada.”

### **Why We’re Here:**

The Central Coast, North Coast and Haida Gwaii areas of British Columbia, also known as the “Great Bear Rainforest”, are the traditional territory of numerous First Nations people and societies. These First Nations have co-existed with, inhabited, stewarded, managed and benefited from the Great Bear Rainforest for millennia. Presently, however, these First Nations face significant economic challenges in building sustainable, self-sufficient and healthy communities.

Encompassing 21 million acres, the Great Bear Rainforest stretches more than 250 miles from the northern end of Vancouver Island, across Queen Charlotte Strait, and up the central coast of British Columbia to the Alaskan border. This coastal temperate rainforest and the islands of the Haida Gwaii are a magnificent and globally significant old growth forest ecosystem that contains the highest biomass of any ecosystem on the planet. Representing one-quarter of the world’s remaining coastal temperate rainforest, this ecosystem supports a wide range of species, including large wild Pacific salmon runs, Grizzly bears, wolves, unique white Kermode or “Spirit” bears, and rare species including the Northern Goshawk and the endangered Marbled Murrelet.

Inextricably linked, the economic challenges facing the First Nation communities within the Great Bear Rainforest are as important to address as the area’s conservation challenges. Protected areas are vital to the future of the Great Bear Rainforest, yet they alone are not enough to ensure the long-term survival of the rainforest and support healthy sustainable human and natural communities that live within it.

The Coast Opportunity Funds were designed as a global model of what conservation must become - an inherent part of healthy economies, environments and cultures. In other words, we recognize that a sustainable economy is vital to a sustainable environment. Our Funding Programs will directly support both conservation and economic development initiatives, ensuring the two are implemented in a coordinated manner, through a highly collaborative partnership with First Nations communities.

## **Funding Programs:**

The “Coast Opportunity Funds” are comprised of a \$60M Economic Development Fund and a \$60M Conservation Endowment Fund.

Within each of these Funds, \$2M has been allocated for grants to support early stage, regionally-focused planning and development activities.

## **Collaboration with First Nations:**

Grants from the Coast Opportunity Funds will support and empower First Nations communities through a highly collaborative process, reflecting the Fund’s belief that sustainable change is achieved through partnership and empowerment, not prescriptive solutions.

## **\$58M Conservation Endowment Fund**

The *Conservation Endowment Fund* (the “Fund”) is a fifty-eight million dollar (\$58M) fund that will be invested in perpetuity. Grants will be made each year in perpetuity from the investment income earned on this fund. These grants will be made to Eligible First Nations, or their agents, to fund conservation projects and initiatives undertaken by First Nations that are within the Project Area and further the Fund’s Conservation Goals.

## **Conservation Goals:**

The goal of the *Conservation Endowment Fund* (the “Fund”) is to facilitate conservation of the integrity of ecosystems within the Project Area by funding projects and initiatives with the earnings of this Fund, in perpetuity, that will achieve the types of goals listed below.

- Enhance Eligible First Nations’ ability to apply their knowledge about ecological systems and function to the management of ecosystems, protected areas, lands and resources in the Project Area
- Provide Eligible First Nations with the capacity to participate effectively in the management of protected areas and ecosystems within the Project Area
- Provide Eligible First Nations with the capacity to develop a suite of programs or projects to restore damaged habitat in their Traditional Territories
- Provide Eligible First Nations with capacity to maintain a permanent base of jobs – seasonal or full time – to support conservation planning, research, monitoring and interpretation
- Study, document, and interpret ecosystem function and processes within their Traditional Territories
- Launch collaborative actions that will sustain and enhance the biodiversity, productive capacity and resilience of ecosystems in the Project Area to ensure the sustainability of cultural and traditional resources, such as fish, wildlife and Cedar in perpetuity
- Maintain, restore or enhance habitats and ecosystem productivity in protected areas to ensure populations of migratory birds are maintained or enhanced, species at risk or of special concern to Eligible First Nations are stabilized, and enhanced where possible, and productive riparian areas are maintained and restored

## Eligible First Nations:

Only **Eligible First Nations** may apply for grants from the Fund.

“Eligible First Nations” (as the term applies to this policy only) are those First Nations in the province of British Columbia that have entered into a Land Use Planning Agreement covering all of its Traditional Territory that is a part of the Project Area.

“Project Area” is defined as the area identified as such on the map set out in “Appendix A”.

“Traditional territory” means an area where First Nations have claimed or proven aboriginal or treaty rights that are recognized and affirmed under section 35(1) of the Constitution Act, 1982.

Please see “Appendix B” for a list of potentially Eligible First Nations.

## What Can Be Funded?

Subject to the conditions and considerations set out below, conservation management activities of Eligible First Nations that are within the Project Area and that further the Fund’s Conservation Goals (as stated previously in this Policy) (the “Conservation Projects”), are eligible for funding.

### Conditions of Funding:

1. Conservation Projects must be proposed, and endorsed, by an Eligible First Nation;
2. The Conservation Project must be performed by, or on behalf of, an Eligible First Nation.
3. The Conservation Project must be located within the Project Area;
4. The Conservation Project must further the Fund’s Conservation Goals.
5. Any Conservation Project in a protected area must be consistent with any management plans that have been developed and approved for that protected area.
6. Conservation projects in respect of EBM must be consistent with any legal objectives adopted through Ministerial order or regulatory power.
7. The maximum grant for any capital project may not exceed \$250,000.

### Additional Funding Considerations:

1. Applicants are strongly encouraged to develop Conservation Projects that utilize grant commitments from the Fund as leverage to attract additional funds from other sources.
2. Applicants are strongly encouraged to maximize the value of each grant dollar by developing Conservation Projects with regional value, replicability and efficiencies that will catalyze and strengthen regional cooperation, leverage regional resources and maximize regional access and inclusiveness.
3. Multi-year grant commitments will be considered for Conservation Projects, with disbursements made upon meeting pre-determined milestone targets;
4. Grants may be approved for project specific purposes, or as unrestricted contributions to the operating budget of approved organizations undertaking specifically identified Conservation Projects eligible for funding.

### **Examples of Fundable Conservation Projects:**

- Science, research, and monitoring for conservation matters
- Conservation, Protected Area, and cultural zone resource planning and management consistent with EBM (Eco-system Based Management)
- Eligible First Nation participation in joint conservation management initiatives
- Programs to protect or interpret biophysical or cultural resources in Protected Areas or areas of specific biological or cultural significance
- Monitoring compliance with conservation management plans
- Habitat restoration activities
- EBM conservation capacity building for Eligible First Nations
- Other conservation and resource management activities consistent with the Foundation's constitution and the *Income Tax Act*.

### **Fundable Planning Activities:**

Funding from the Conservation Fund may also be used for planning activities by First Nations in addition to grants that may be approved from the Regional Conservation Planning Fund if such planning funds have been exhausted for a particular First Nation, and that First Nation wishes to utilize a portion of its allocation under the Conservation Fund for further planning and development activities, such as the following:

1. Capacity building (training, organizing, educating, relationship building)
2. Development of business plans and funding applications

### **What Cannot be Funded?**

1. Activities to promote British Columbia, Canada or the Private Funders, provided that this restriction will not prevent the Fund from acknowledging the contributions of British Columbia, Canada and the Private Funders;
2. Any activity inconsistent with any EBM land and resource management objectives, particularly those which have been adopted through Ministerial order or regulatory power;
3. Any financial costs or obligations incurred by First Nations with respect to any consultations with any government or corporation concerning that government or corporation's duty to consult or accommodate, except in support of protection area management or other Conservation management initiatives;
4. Costs associated with meeting statutory obligations of the provincial or federal governments or other entities, except in support of EBM Conservation capacity building for Eligible First Nations. This restriction is intended to prevent the off-loading of statutory obligations, or the costs of meeting statutory obligations, of the provincial or federal governments to First Nations. This restriction is not intended to preclude the funding of negotiations or discussions between Eligible First Nations and the provincial or federal governments regarding the development or implementation of a Conservation Project;
5. Open net-cage finfish aquaculture;
6. Political activities as defined by the Income Tax Act or for any other purpose or activity inconsistent with the Fund's registered charitable status under the Income Tax Act;

7. Any activity inconsistent with section 501©(3) and 509(a) of the Internal Revenue Code;
8. Any activity or expenditure for initiatives not consistent with provincial laws, permits, regulations, established policies, orders and/or approvals;
9. Any activity inconsistent with the Fund’s constitution;

### **Allocation of Funds:**

The allocation formula for the distribution of funds has been established by the private funders and the BC Government, with input from regional First Nation groups. The maximum funding allocation that any First Nation is eligible to receive is shown in Appendix “C” as a percentage of the total funds available for grants in any one year. The total funds available for grants in any one year will result from the investment performance of the endowment fund each year, and cannot be accurately predicted in advance although targeted returns have been established and the Fund’s endowment will be managed in accordance with the Fund’s Investment Policy.

If an eligible First Nation does not fully utilize its allocation for any given year, the allocation will be carried over and will be available in the subsequent year (s), subject to any limitations the Fund must adhere to under applicable law.

It is noted that under Canadian Charity Law, the Fund is required to make a minimum charitable distribution (grants) each year not less than 3.5% of the Funds total assets, determined by a formula based upon a 3-year rolling average. As such, the Fund will endeavour to accommodate any request by eligible First Nations for a rollover of available funds, as long as the Fund can meet its charitable distribution requirement through grants that year to other eligible applicants.

### **Application Process for Conservation Project Grants:**

#### **Step 1: Letter of Intent:**

Applicants are required to submit a Letter of Intent to begin the process. This early contact will enable staff to provide early feedback to support the applicant in developing their full application, including confirmation that the proposal meets the Fund’s preliminary eligibility requirements. It will also facilitate staff’s planning process, which in turn will expedite review of the full application, once submitted.

The Letter of Intent should be brief (1 or 2 pages), providing the following information:

1. Name of Project
2. Name of First Nation applying for the grant
3. Name of agent organization, if applicable, applying for the grant on behalf of a First Nation (name the First Nation)
4. Primary contact person
5. The conservation issue (need) and opportunity being addressed by the Conservation Project
6. The overall goal of the Conservation Project, explaining how it aligns with the Conservation Goals of the Fund.
7. Scope of work of the Project

8. The specific deliverables of the work for which funding is being requested
9. Grant amount to be requested, with preliminary target funding date (s), noting any relevant time sensitivities
10. Project time period with start and end dates

## **Step 2: Full Application**

Full Applications will be submitted to staff, including a soft copy via email. A Full Application will be comprised of an Executive Summary and a Project Information section providing additional detail and supporting background materials.

### **Executive Summary:**

The Executive Summary will be used for board correspondence. It should be brief, not more than 1 or 2 pages. The Executive Summary should provide the same information, updated, that was provided in the Letter of Intent described in the previous section, along with a copy of the band council resolution endorsement.

### **Project Information:**

The supporting application text should be limited to 10 pages for each project, and should include the following:

1. Project Description: more comprehensive discussion than provided in the Executive Summary, including:
  - a) Explanation of the conservation issue (need) and opportunity being addressed;
  - b) Explanation of the overall goal (s) of the Project (how will you know it is successful?)
  - c) Explanation of how goals align with the Conservation Goals of the Fund
  - d) If your Project is in respect of EBM goals and objectives, please explain how your Project is consistent with EBM.
  - e) Description of specific goals, deliverables and strategies to be employed, including a discussion of key assumption underlying the strategies to be employed.
2. A detailed work plan describing key tasks, critical timelines, the team responsible for the Project and background information explaining the team's relevant experience, resources available or needed to support the team, and the general basis upon which the applicant is confident of successfully undertaking the project.
3. A discussion of the strategy to disseminate findings, where relevant
4. A monitoring & evaluation plan including specific, measurable outcomes
5. A statement on the Project's potential for leverage and/or global impact
6. A line-item budget, fully justified, with time frame (include start and end dates).
7. A description of other sources of support (financial and otherwise), either secured or pending, both private and public

8. Describe the consequences to the project if the Fund is unable to provide support.

#### **Endorsement by First Nation Band Council:**

1. All Applications must be submitted by, or as an agent on behalf of, an Eligible First Nation
2. All Applications for funding by an Eligible First Nation must first be endorsed either by (i) an entity wholly or partially owned by the band council, where the band council has delegated authority to that entity by band council resolution, or (ii) directly through a band council resolution of the band council of the Eligible First Nation.
3. The Eligible First Nation's endorsement must also confirm it has conducted an evaluation of the project with results that favourably confirm the viability of the conservation benefits that will result from the activities to be conducted with the grant funding. A copy of the resolution must be included with the Application.
4. Grants will not be made to individuals.

#### **"Qualified Donee" Status and First Nations:**

1. Conservation grant recipients must be "qualified donees" under applicable Canadian Charity law, whereby non-profit registered charitable organizations are typically "qualified donees". In the case of a First Nation as grantee, it may be determined to be a "qualified donee".
2. The determination of whether a First Nation is considered to be a "public body performing a function of government in Canada", and therefore a "qualified donee" to which a Canadian registered charity may grant, is based on the extent to which the First Nation can demonstrate its involvement in "government-like" activities.
3. Please note that generally, only the First Nation itself, as opposed to any corporations or other entities which the First Nation has created to operate or administer its activities, will qualify. The criteria outlined in "Appendix D" will be considered by the Fund in order to make the necessary determination.

#### **Review and Approval Process:**

***The following are general guidelines, and it is recognized that especially during the first 6-12 months of operations, staff and the Project Review Committee (PRC) and the board will have regular, often informal communications and check-ins to ensure the smooth implementation of this policy and procedures as they are initially being implemented and refined.***

1. Upon receipt of a Letter of Intent or Full Application, staff should (i) acknowledge receipt to the applicant within one week; and (ii) advise the PRC Chair of such receipt, providing a copy to the PRC Chair.
2. Staff will review the Letter or Application to determine preliminary eligibility, considering:
  - a) First Nation eligibility status
  - b) Qualified donee status of the grantee
  - c) Alignment of Project with stated goals of the Fund, and
  - d) In the case of a Full Application, (i) whether the Application is complete, including all information to conform to the Fund's policy guidelines, and (ii) a preliminary assessment of project viability.

3. Upon determination of preliminary eligibility, and within 10 days of receipt of the Letter/ Application, staff should advise the applicant that either:
  - a) Preliminary eligibility requirements have been met and, in the case of a Full Application, it is proceeding to the PRC of the board for further review; or
  - b) Preliminary eligibility requirements have not been met or additional information is required to determine preliminary eligibility. In the case of a turn down, staff should first inform the Chair of the PRC of this determination.
4. When preliminary eligibility requirements have been met for a Full Application, staff should provide a copy to the PRC members, and schedule the application for review at the next PRC meeting. At that meeting, staff should present a draft memorandum highlighting key issues and considerations, along with a preliminary recommendation for approval or not.
5. PRC review shall:
  - a) Confirm staff's preliminary eligibility determination;
  - b) Evaluate mission alignment and conformance with the Fund's strategic goals and priorities;
  - c) Evaluate the project's viability and determine the reasonable likelihood of success, with success measurements clearly defined. This evaluation should include the identification and evaluation of all relevant risks associated with the successful undertaking of the project;
  - d) Evaluate conformance with all policies, legal and other requirements and restrictions of the Fund; and
  - e) Determine a recommendation to the full board for approval or not.
6. PRC shall then circulate its written recommendation to the full Board for consideration at the next board meeting;
7. Board approval is required for all grants unless and until otherwise delegated to the Project Review Committee, on a limited basis and in accordance with its by-laws.
8. Board review and approval should duly consider the evaluation and recommendation of the PRC, with a view to not "re-doing" the work of the committee. Board review should focus on the following considerations:
  - a) Whether the project is sufficiently aligned with the Fund's Vision and Mission statements;
  - b) Whether the project presents notable opportunities or unacceptable risks for the Fund from a high level strategic, leveraging and relationship perspective;
  - c) Whether the project conforms with legal and compliance obligations of the Fund;
  - d) Whether the PRC's recommendation appropriately identified, weighed and considered relevant risks associated with the project's viability and conformance with funding guidelines.
9. The Board decision will promptly be conveyed by staff to the applicant.
10. Staff will follow the Fund's operating procedures (tbd) to document the grant and effect disbursement in a timely manner.
11. If the Board does not approve an application, due consideration will then be given by the board to the feasibility of funding or otherwise facilitating the provision of technical support to the applicant for the purpose of enabling the re-submission of a successful grant application.

### **Delegation of Grant Approvals:**

The Fund by-laws provide for the board to delegate grant approval authority to the PRC for grants up to \$500,000. It is anticipated that such delegation will be approved by the end of 2008, in order to benefit from the shared learning of working through the review of initial grant applications during 2008 with the full board.

### **Monitoring, Program Evaluation and Reporting**

The grantee will be required to submit regular reports to the Fund that demonstrate appropriate monitoring and evaluation including the degree of success in achieving stated objectives as presented in the final grant application.

These reporting requirements will also be reflected in the terms of the grant agreement to be entered into between the Fund and the grantee.

In addition, the Fund will be responsible to monitor and evaluate the results of each funded project and the results of the Fund's Conservation program overall, and will at all times ensure compliance with all program evaluation and reporting requirements pursuant to the terms of the Fund's private and government funding agreements.



## **“Appendix B”**

The following First Nations are potentially “Eligible First Nations”:

1. Gitga’at
2. Haisla
3. Kitasoo
4. Heiltsuk
5. Wuikinuxv
6. Metlakatla
7. Council of the Haida Nation
8. Homalco
9. Da’naxda’xw
10. Gwa’Sala-Nakwaxda’xw
11. Kwiakah
12. Mamalikikula-Que’Qwa’Sot’Em
13. Namgis
14. Tlowitsis
15. Comox
16. We Wai Kai (Cape Mudge)
17. We Wai Kum (Campbell River)
18. Gitxaala
19. Kitselas
20. Lax Kw’alaams
21. Nuxalk
22. Ulkatcho
23. Gwawaenuk
24. Tsawataineuk
25. Kwicksutaineuk-Ah-Kwa-mish (Gilford Island)
26. Nisga’a (Nisga’a Nation)
27. Gitanyow

For reference only:

- “Coastal First Nations / Turning Point” = #1 to #8
- “Nanwak̓olis” = #9 to #15
- “Tsim Shian” = #1, 18, 19, 20

### “Appendix C”

The maximum funding allocation that any First Nation is eligible to receive is as follows:

	First Nation	Maximum Allocation as a <b>percentage</b> of the total Grants available from the Fund in any given year (a)
		(pending new Redstone run)
1.	Gitanyow	X%
2.	Gitga’at	X%
3.	Gwawaenuk	X%
4.	Haida	X%
5.	Haisla	X%
6.	Heiltsuk	X%
7.	Homalco	
8.	Kitasoo	
9.	Kitkatla	
10.	Kitselas	
11.	Nanwakolis: Da’naxda’xw, Comox, Gwa’Sala-Nakwaxda’xw, Kwiakah, Mamalidikula-Que’Qwa’Sot’Em, Namgis, Tlowitsis	
12.	Kwicksutaineuk-Ah-Kwa-mish (Gilford Island)	
13.	Nisga’a (Nisga’a Treaty)	
14.	Nuxalk	
15.	Tsawataineuk	
16.	Coastal Tsimshian: Metlakatla, Lax Kw’alaams	
17.	Ulkatcho	
18.	We Wai Kai (Cape Mudge)	
19.	We Wai Kum (Campbell River)	
20.	Wuikinuxv	
	Total	

Note a: Refer to “Allocation of Funds” section on page 5 herein for more detail.

## “Appendix D”

### FIRST NATIONS ASSESSMENT OF QUALIFIED DONEE STATUS

The determination of whether a First Nation is considered to be a “public body performing a function of government in Canada”, and therefore a “qualified donee” to which a Canadian registered charity may grant, is based on the extent to which the First Nation can demonstrate its involvement in “government-like” activities. Please note that generally only the First Nation itself, as opposed to any corporations or other entities which the First Nation has created to operate or administer its activities, will qualify. The following criteria must be considered by the Foundation in order to make the necessary determination:

1. Is the First Nation a “band” as that term is defined under the *Indian Act*?
2. Has the First Nation passed any bylaws under Section 81 and 83 of the *Indian Act*? If yes, obtain information regarding the specific section of the *Indian Act* and the type of services to which the bylaw relates (e.g. housing, water, garbage disposal).
3. Was the First Nation ever formally recognized by DIAND as having reached an “advanced stage of development” for purposes of Section 83 of the *Indian Act* (as it read prior to 1988? If so, when? If possible obtain a copy of the relevant documents. Please note that if this has occurred with respect to a First Nation, it will be determinative of the issue.
4. Has the First Nation entered into a Health Services Transfer Agreement with Canada? Obtain a copy if possible.
5. Does the First Nation provide elementary and/or secondary education in schools operated by the First Nation? Obtain a copy of all such agreements if possible.
6. Is the First Nation negotiating the settlement of any land claims with Canada? When did such negotiations commence? Is the First Nation involved in the administration and implementation of any such settlement?
7. Has the First Nation entered into an arrangement with Canada to assume responsibility for the delivery of programs and services such as land management, social and economic development programs, capital infrastructure or similar programs? Obtain copies if possible.
8. Does the First Nation have a comprehensive funding arrangement with DIAND? Obtain copies if possible.
9. Does the First Nation provide and/or administer any public works, social services, or infrastructure such as described below?
  - treaty land claims
  - economic development
  - employment and training
  - housing

- health services
- family support and community services
- child development services
- social and education counseling and assistance
- youth services
- literacy enhancement
- communications services
- water treatment and delivery systems
- fire protection and medical services
- forestry services
- road and public work maintenance
- animal control
- any other programs

10. Does the First Nation maintain any facilities such as described below?

- offices
- primary and secondary schools
- adult education centres
- child development centres
- computer labs
- gymnasiums
- playgrounds
- libraries
- health stations
- water pump houses
- sewage lift stations and lagoons
- garbage transfer stations
- any other facilities