



# *Funding Approval Policy*

Coast Funds | Coast Conservation Endowment Fund Foundation

## *INTRODUCTION*

The purpose of this policy is to provide guidelines for Coast Conservation Endowment Fund Foundation's (the "Foundation", encompassing the Founding Endowment Fund, the Stewardship Endowment Fund, One Generation Fund, and the Marine Stewardship Fund") funding approval process. The policy encapsulates the parameters contained in governing documents, policies, as well as recommendations for best practices.

The Foundation's Finance Policy addresses the process for determining the annual investment income amount to be allocated to the Founding Endowment Fund and Stewardship Endowment Fund for distribution to First Nations. There is a separate policy for the Coastal Indigenous Prosperity Society (the Community Prosperity Fund).

Definitions related to the Founding Endowment Fund, the Stewardship Endowment Fund, One Generation Fund, and the Marine Stewardship Fund are in Appendix A.

## *FOUNDING ENDOWMENT FUND*

### *GOALS*

The goal of the Founding Endowment Fund is to facilitate conservation of ecosystem integrity within the Project Area by funding projects and initiatives that will achieve the types of goals listed below:

1. Study, document, and interpret ecosystem function and processes within the First Nations' traditional territories;
2. Enhance participating 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;
3. 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;
4. 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 participating First Nations are stabilized and enhanced where possible, and productive riparian areas are maintained and restored;
5. Provide participating First Nations with the capacity to participate effectively in the management of protected areas and ecosystems within the Project Area;
6. Provide participating First Nations with the capacity to develop a suite of programs or projects to restore damaged habitat in their traditional territories; and
7. Provide participating First Nations with capacity to maintain a permanent base of jobs – seasonal or full time – to support conservation planning, research, monitoring and interpretation.

### *ANNUAL INVESTMENT INCOME ALLOCATION*

The annual investment income amount allocated among the Participating First Nations is based on the Conservation Investments and Initiatives Agreement (CIIA) Schedule G dated November 26, 2008 (refer to column entitled Private Funders Foundation Contribution").

If a Participating First Nation does not fully utilize their annual allocated amount in the Revenue Fund, the unused amount continues to be available to that PFN in subsequent years.



## *STEWARDSHIP ENDOWMENT FUND & ONE GENERATION FUND*

### **GOALS**

The goal of the Stewardship Endowment Fund and the One Generation Fund is to facilitate stewardship of ecosystem integrity within First Nations traditional territory by funding projects and initiatives that will achieve the types of goals listed below:

1. Study, document, and interpret ecosystem function and processes within the First Nations' traditional territories;
2. Enhance First Nations' ability to apply their knowledge about ecological systems and function to the management of ecosystems, protected areas, lands and resources;
3. Launch collaborative actions that will sustain and enhance the biodiversity, productive capacity and resilience of ecosystems to ensure the sustainability of cultural and traditional resources, such as fish, wildlife and cedar in perpetuity;
4. 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 First Nations are stabilized and enhanced where possible, and productive riparian areas are maintained and restored;
5. Provide First Nations with the capacity to participate effectively in the management of protected areas and ecosystems;
6. Provide First Nations with the capacity to develop a suite of programs or projects to restore damaged habitat in their traditional territories; and
7. Provide First Nations with capacity to maintain a permanent base of jobs – seasonal or full time – to support stewardship planning, research, monitoring and interpretation.

### **ANNUAL INVESTMENT INCOME ALLOCATION**

The annual investment income amount allocated among the First Nations is based on their percentage of capital invested in the Stewardship Endowment Fund and the One Generation Fund.

If a First Nation does not fully utilize their annual allocated amount in the Revenue Fund, the unused amount continues to be available to that First Nation in subsequent years.

## *MARINE STEWARDSHIP FUND*

### **GOALS**

The goal of the Marine Stewardship Fund is to support coastal and marine management initiatives within the Great Bear Sea/Northern Shelf Bioregion by funding projects and initiatives that will achieve the types of goals listed below:

1. Advance reconciliation through the establishment and collaborative governance and management of Marine Protected Areas (MPAs) and advancement and implementation of the MPA Network;
2. Enhance First Nations' ability to protect and effectively manage globally significant ecosystems, values, and species within the Great Bear Sea/Northern Shelf Bioregion, and to advance conservation and ecosystem protection and support cultural objectives within the Great Bear Sea/Northern Shelf Bioregion;
3. Advance a conservation-based economy by strengthening First Nations' capacity to participate in coastal stewardship responsibilities and sustainable conservation-based development opportunities that support community prosperity within the Great Bear Sea/Northern Shelf Bioregion;
4. Strengthen First Nations' capacity to advance human well-being through conservation, stewardship, and sustainable conservation-based development, including through the application of collaborative ecosystem-based management; and,



5. Contribute to cultural vitality and inter-generational human well-being within the Nations' communities throughout the Great Bear Sea/Northern Shelf Bioregion.

### ***ANNUAL INVESTMENT INCOME ALLOCATION***

The annual investment income amount allocated among the participating First Nations is based on the Great Bear Sea Project Finance For Permanence Tier 1 Agreement Schedule 1 dated June 21, 2024.

If an GBS Participating First Nation does not fully utilize their annual allocated amount in the Revenue Fund, the unused amount continues to be available to that GBS Participating First Nation in subsequent years.

### ***ACCESS TO FUNDS***

All funding, including the Founding Endowment Fund, Stewardship Endowment Fund, One Generation Fund, or Marine Stewardship Fund, will be accessed through the Revenue Fund. Details are found in Appendix A.

### ***FUNDING APPROVAL PROCESS***

Funding will support and empower First Nation communities through a highly collaborative process, reflecting the belief that sustainable change is achieved through partnership and empowerment, not prescriptive solutions.

Funding may be approved for project-specific purposes, or as unrestricted contributions to the operating budget of a First Nation undertaking specifically identified projects eligible for funding.

### ***MINIMUM REQUIREMENTS***

1. All applications for funding must first be endorsed in writing by the First Nation's band council or other acceptable governing body.
2. The First Nation's endorsement must also confirm it has conducted an evaluation of the project with results that favourably confirm the viability of conservation benefits that will result from the activities to be conducted with the funding.
3. Projects must be performed by or on behalf of a First Nation.
4. Projects must conform with legal and compliance obligations of the Foundation. Project recipients must be listed as "qualified donees" by the Canada Revenue Agency.
5. Founding Endowment Fund projects must be located within the Project Area.
6. Projects must further the Foundation's conservation/stewardship goals.
7. Any conservation/stewardship project in a protected area must be consistent with any management plans that have been developed and approved for that protected area.
8. Conservation/stewardship projects in respect of EBM must be consistent with any legal objectives adopted through Ministerial order or regulatory power.
9. The maximum funding approval for any capital project may not exceed \$400,000.
10. Projects may not be for ineligible activities. Appendix B provides a list of ineligible activities.

### ***OTHER FUNDING CONSIDERATIONS***

1. Applicants are encouraged to develop projects that utilize project commitments from the Foundation as leverage to attract additional funds from other sources.



2. Applicants are encouraged to maximize the value of each funding approval dollar by developing 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 funding commitments will be considered with disbursements made upon meeting pre-determined milestone targets.
4. Funding may be for planning and capacity development activities.
5. Applicants are encouraged to provide complete applications well in advance of the proposed commencement date for projects, to minimize the risk of incurring expenditure for a project that may not be approved. In exceptional circumstances the Foundation's board will approve retroactive funding for reasonable work plan expenditures incurred by applicants up to 3 months prior to the date the application is approved by the PRC or board. In no event will funding be provided for expenditures incurred prior to the date a full and final application is submitted.
6. Annual investment income allocations are consolidated in the Revenue Fund. Applicants seeking funding may access their Founding Endowment allocation, Stewardship Endowment allocation, One Generation Fund allocation, and Marine Stewardship allocation through the Revenue Fund.

## **DEVELOPING PROJECT APPLICATIONS**

### ***Project Concept***

Staff are to work closely with First Nations in the early stages of developing project applications. Staff will confirm that a proposal meets the governing document and this policy's minimum requirements as expediently as possible.

While First Nations are encouraged to provide a brief project summary, this step is not a requirement.

### ***Funding Application***

Staff will develop and maintain application guidelines which are readily accessible to the First Nations. All project applications must include:

- i. Name of applicant First Nation or other organization or individual applying for the funding approval (in which case, name of the First Nation that will endorse the application);
- ii. Funding request;
- iii. A brief description of the nature of the stewardship issue (need) being addressed and an explanation of how it aligns with the stewardship goals of the Foundation; and
- iv. Explanation of the scope of work of the project, activities to be funded, along with specific deliverables of the work for which funding is being requested, and the project time period with start and end dates.

## **REVIEW AND APPROVAL**

Staff will work with the applicant throughout the review and approval process and expediently address any concerns regarding project eligibility and viability.

Approval of all eligible applications will be based on the following considerations:

- i. Alignment with the Foundation's goals;
- ii. The project's viability and 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; and
- iii. Whether the project presents notable opportunities or unacceptable risks for the Foundation from a high level strategic, leveraging and relationship perspective.



Staff will provide a recommendation to the senior leadership team (comprised of Director-level staff) to collectively approve or decline applications for amounts up to and including \$150,000 and presenting acceptable risks. For applications exceeding \$150,000, staff will provide the Project Review Committee with a recommendation to approve or decline the application. Recommendations will detail:

- i. Key issues and considerations;
- ii. Conditions and estimated timeline for disbursement of funds; and
- iii. Interim and final reporting requirements.

If an application is not approved, due consideration will then be given to the feasibility of funding or facilitating the provision of technical support to the applicant, for the purpose of enabling the re-submission of a successful grant application.

## *MONITORING, REPORTING AND PROJECT EVALUATION*

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

A funding agreement must be signed by the Foundation and the applicant prior to disbursement of any funds. The funding agreement will address:

- i. Disbursements conditions and estimated timeline; and
- ii. Reporting requirements.

Staff will be responsible for monitoring and evaluating the outcomes of all funded projects.

### ***Other***

A standardized procedural manual is followed by staff to ensure that consistent procedures are used for fair and equitable funding decisions.



# Appendix A

## DEFINITIONS

The following definitions are related to the **Founding Endowment Fund** only:

“GBR Participating First Nation” means a First Nation that has entered into a land use planning agreement covering all of its traditional territory that is a part of the Project Area or a First Nation that has entered into a treaty and has accepted EBM over all of its traditional territory that is part of the Project Area as defined in the CIIA.

All participating First Nations are listed on the CIIA Schedule G dated November 26, 2008 with amounts in the column entitled “Private Funders Foundation Contribution”.

“Project Area” means the Central Coast and North Coast LRMP areas, the traditional territory of Haida Gwaii, and the portions of the traditional territory of the Haisla and the Gitga’at that are included in the South Kalum LRMP, all as outlined on the map attached to CIIA as Schedule C.

“Sustainable” means an activity that can be sustained over many years, without any significant adverse impacts on the environment and without diminishing the ability of other people, other species or future generations to survive and prosper.

The following definitions are related to **Founding Endowment Fund, Stewardship Endowment Fund, One Generation Fund, and Marine Stewardship Fund**:

“Revenue Fund” comprises of the Founding Endowment Fund, Stewardship Endowment Fund, One Generation Fund, and Marine Stewardship Fund’s (the Funds’) accumulated investment income allocated to First Nations based on each First Nation’s proportionate capital invested in the Funds as well as the board established Funds reserves.

The following definitions are related to the **Marine Stewardship Fund** only:

“Great Bear Sea/Northern Shelf Bioregion” means the coastal and marine area identified in the map attached as schedule 5 to the MPA Network Agreement.

“GBS Participating First Nation” means one of the North Pacific Coast Indigenous Nations who are signatory to the GBS PFP Closing Agreement and the MPA Network Agreement as of their effective dates.



## Appendix B

### EXAMPLES OF ELIGIBLE AND NOT-ELIGIBLE ACTIVITIES

#### **Projects that may be eligible for funding:**

1. Science, research, and monitoring for conservation and stewardship matters;
2. Conservation, protected area, and cultural zone resource planning and management consistent with EBM (Ecosystem Based Management);
3. Participation in joint conservation management and stewardship initiatives;
4. Programs to protect or interpret biophysical or cultural resources in coastal ecosystems, including protected areas or areas of specific biological or cultural significance;
5. Monitoring compliance with conservation, protected area, Marine Protected Area, and Indigenous Protected and Conserved Area management plans;
6. Habitat and coastal restoration activities;
7. EBM conservation and stewardship capacity building including youth stewardship programming that emphasizes connection to traditional territory and teaching of stewardship values; and
8. Other conservation, stewardship, and resource management activities consistent with the Foundation's constitution and the Income Tax Act.
9. Infrastructure\* and office-related expenditures that are critical to the operation of a stewardship, conservation, or Guardian program.

#### **Funding will not be approved for any of the following activities:**

1. Activities to promote British Columbia, Canada or the Private Funders, provided that this restriction will not prevent the Foundation from acknowledging the contributions of British Columbia, Canada and the Private Funders;
2. Any activity inconsistent with any EBM land or marine 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 or stewardship 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 Foundation's registered charitable status under the Income Tax Act;
7. Any activity inconsistent with section 501(c)(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; and
9. Any activity inconsistent with the Foundation's constitution.

\* Please note the following are required documents for infrastructure project funding applications:



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All infrastructure applications must also include both of the following documents:

1. A detailed capital expenditure budget for the infrastructure investment, including valid quotations for materials and construction; and
2. A detailed multi-year operating and maintenance (O&M) budget to support the infrastructure.