



The Future of Freshwater Funding in Canada

Mobilizing Collective Resources for Healthy Watersheds

SUMMARY REPORT - May 2014



About the Report

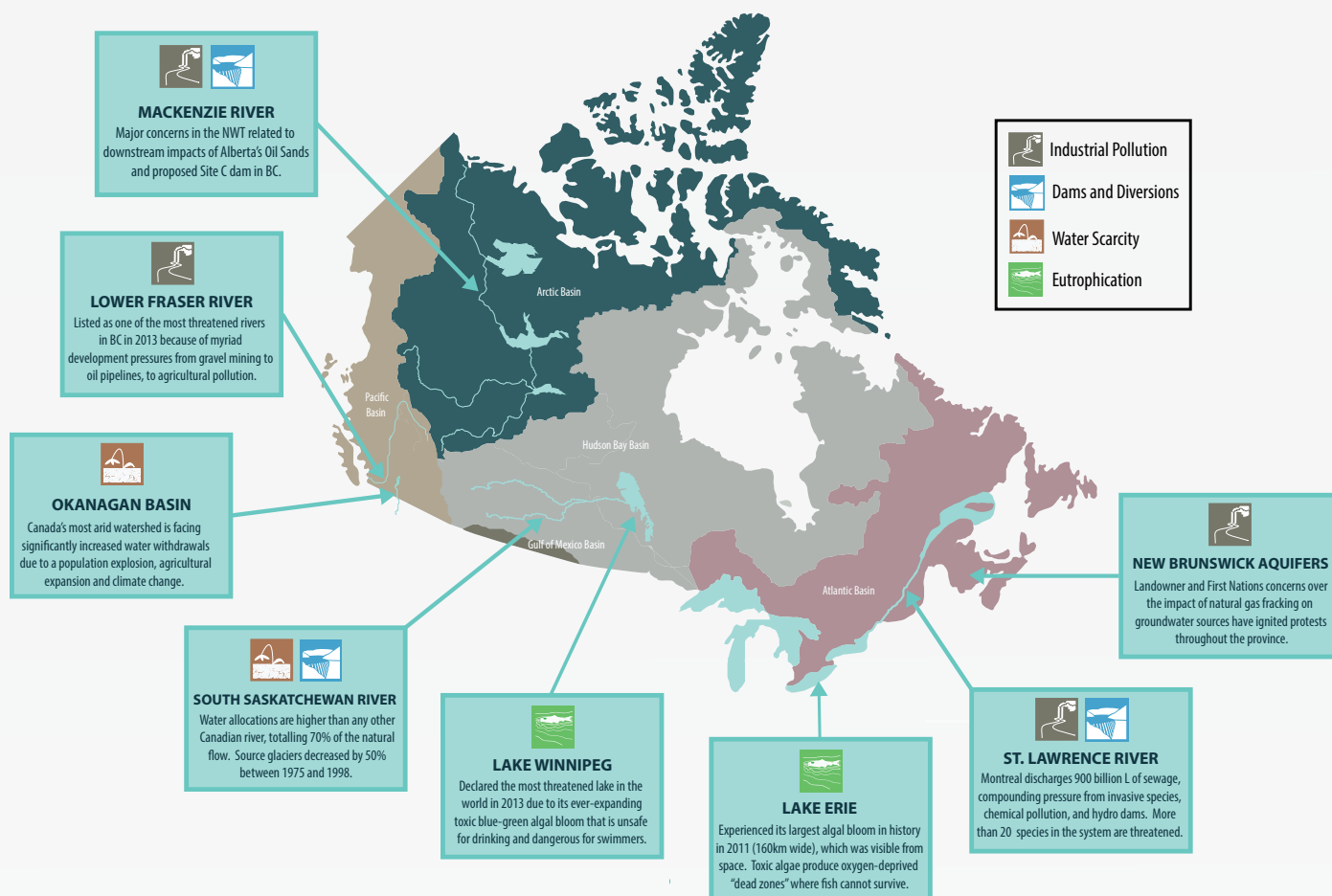
This is a summary of a full-length report, *The Future of Freshwater Funding in Canada*, available at www.cegn.org. The report responds to a need identified by freshwater funders to develop a clearer sense of the interests and priorities of water funders across the country, and opportunities for improved collaboration. It is based on an electronic survey of 40 water funders from across Canada, and telephone interviews with 20 of these funders.

The full report is divided into four chapters. The first chapter outlines the critical role that philanthropy can play in addressing Canada's emerging water crisis. The second chapter presents today's waterscape of freshwater funders. The third chapter shares insights from funders on the benefits, barriers, and key ingredients related to collaboration, and the final chapter offers three key recommendations for supporting a stronger social ecosystem of water funders.

Canada's Growing Water Challenges

Poll after poll has shown that Canadians consider fresh water to be our most important natural resource and that there is a growing unease about the future of this critical resource. These concerns reflect trends that indicate many of our rivers, lakes and aquifers are not as healthy as they once were.

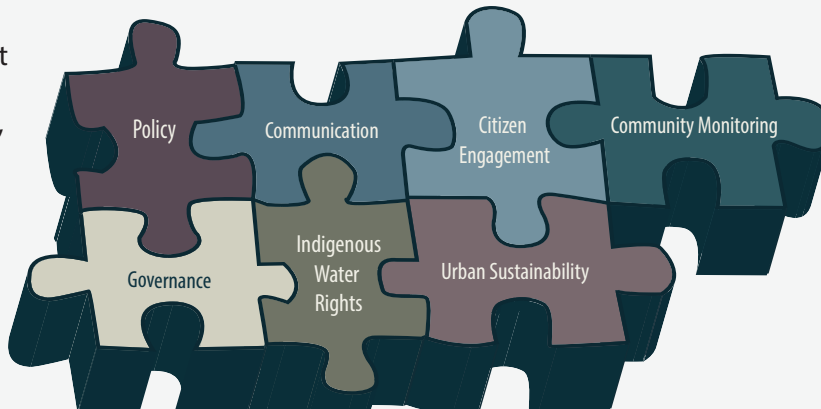
Canada's Water 'Hot Spots'



A Critical Role for Philanthropy

While the challenges facing Canada's water resources are significant and growing, they are not insurmountable. With its comfort around risk-taking and alignment with civil society interests, the philanthropic sector has a critical role in sparking innovation, fostering debate, disrupting entrenched systems, and demonstrating new approaches that can be brought to scale.

Water is a complex issue and solutions to our water challenges will require integrated systems-based solutions. Philanthropy can help connect the dots between inter-related problems and opportunities, and support strategies that connect and reinforce one another.

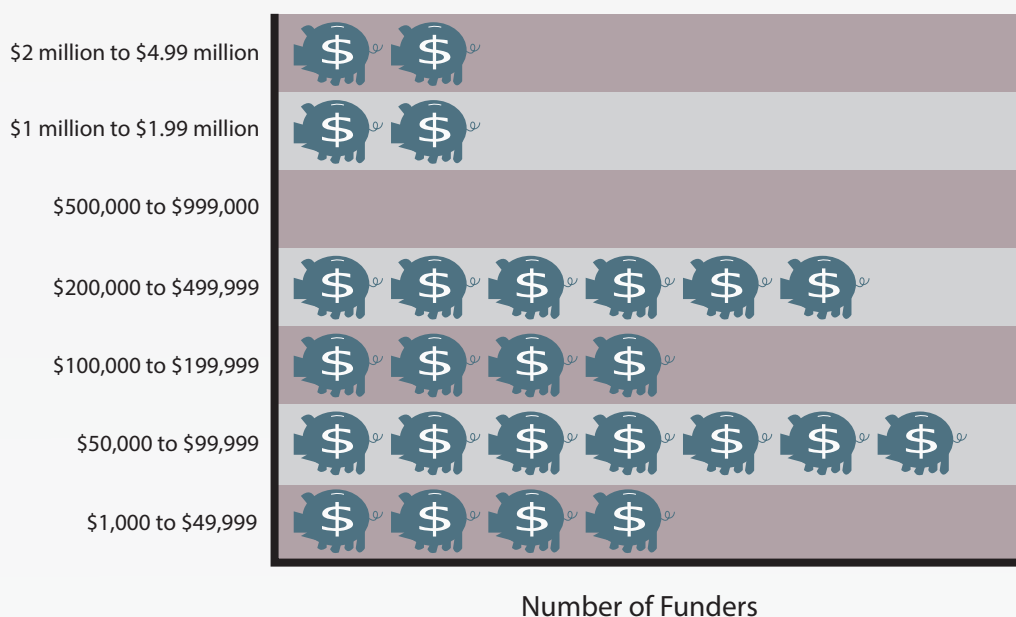


Today's Waterscape: Diverse & Disconnected

The current waterscape of freshwater funders is extremely diverse. It is a rich ecosystem that has the potential for supporting the types of integrated approaches needed to tackle complex water problems. However, the findings of this waterscape scan show that water funders are generally acting in isolation from one another, with limited communication or coordination.

How Much Funding Goes to Fresh Water in Canada?

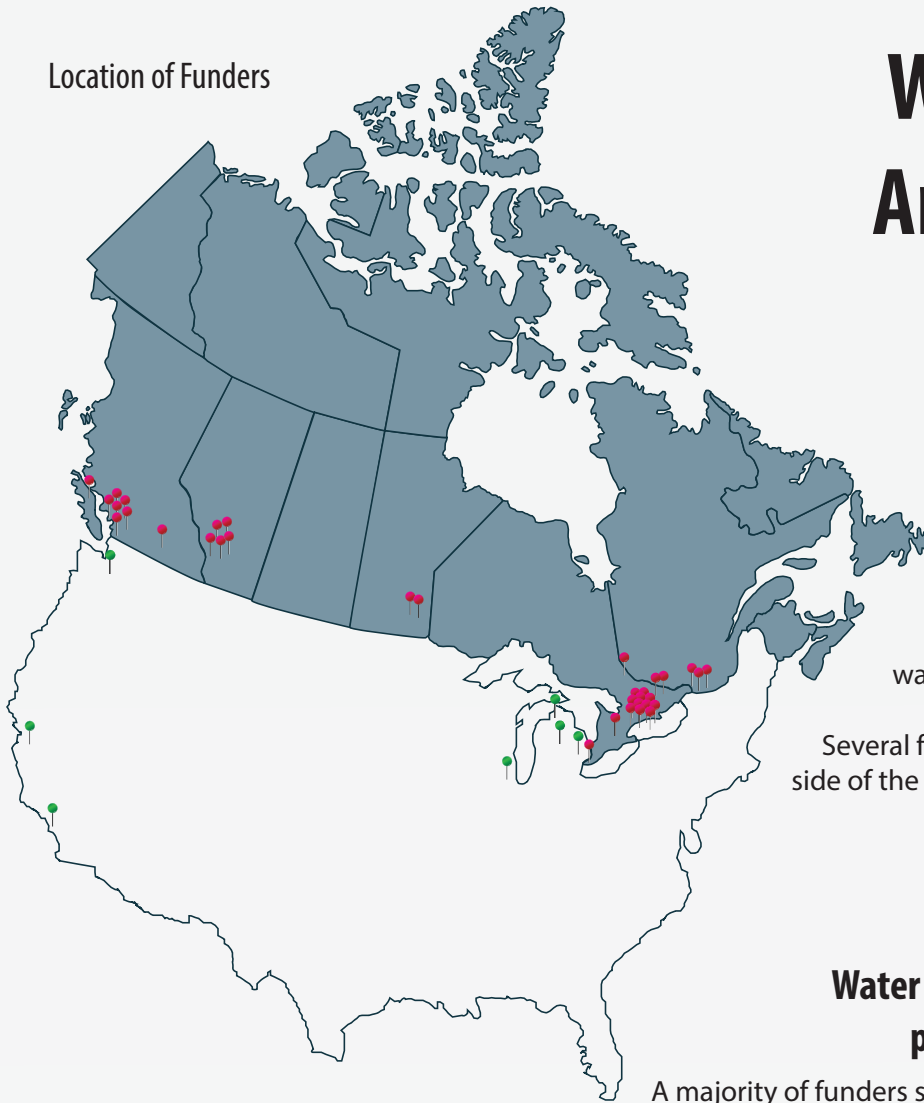
Water Funders By Annual Grants



The aggregate amount of funding from 26 funders that voluntarily provided their annual grant totals for water was a range of \$11,127,000 to \$15,502,000. (Some funders provided an estimated range as opposed to a specific figure.)

While there are a handful of larger funders that allocate over \$1 million per year to freshwater projects, the majority of funders are on the small to medium end of the funding scale (\$200,000 or less in annual water grants).

Location of Funders



Water Funders Are All Over the Map!

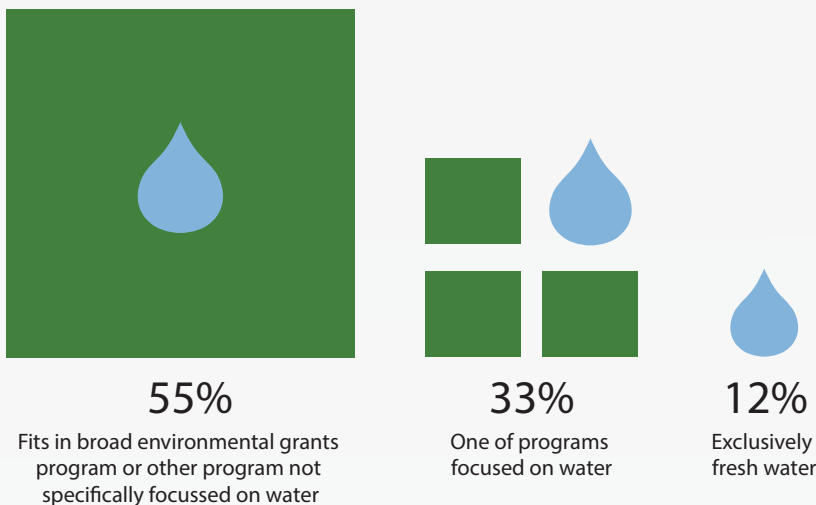
Water funders are predominantly located in Toronto, Vancouver, Calgary, Montreal, and Winnipeg

None of the funders that completed the water survey were located in Atlantic Canada, Saskatchewan or Northern Canada. Several funders on the US west coast and American side of the Great Lakes support water work in Canada.

Water is a high priority but not the sole or primary focus of most water funders

A majority of funders said that support for freshwater projects fits within a broad environmental grants program or another program not specifically focused on water. 65% of survey respondents said that water was a high priority (rated as 4 or 5) in their grant-making portfolio.

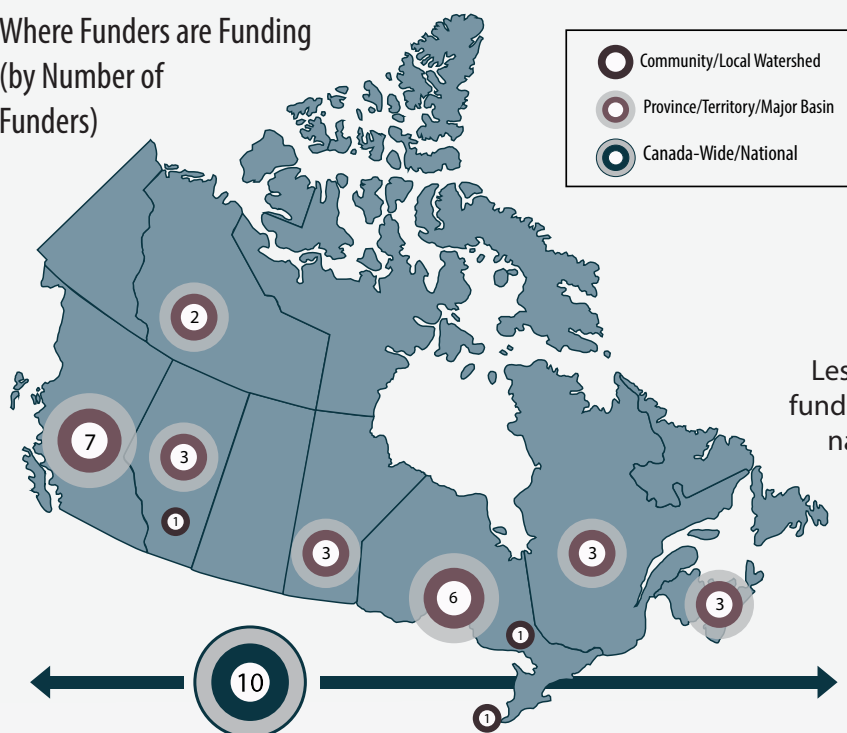
Where Fresh Water Fits into Grant Programs



Ranking of Fresh Water as a Funding Priority



Where Funders are Funding (by Number of Funders)

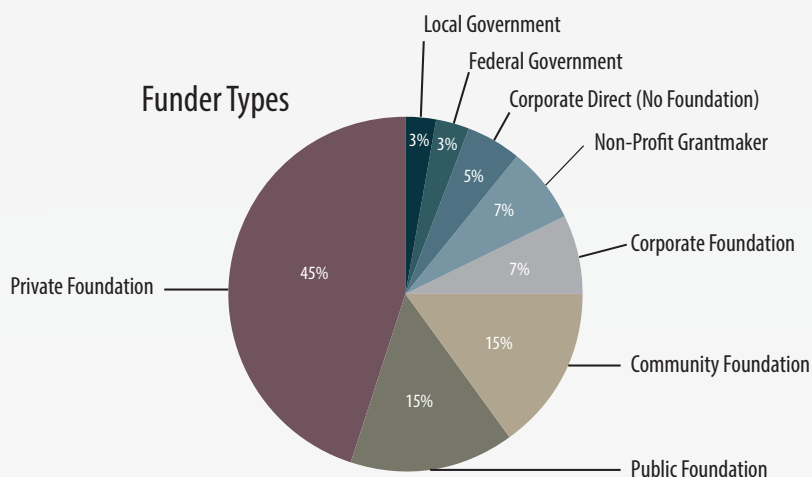


The majority of funders support water initiatives at a regional or local scale

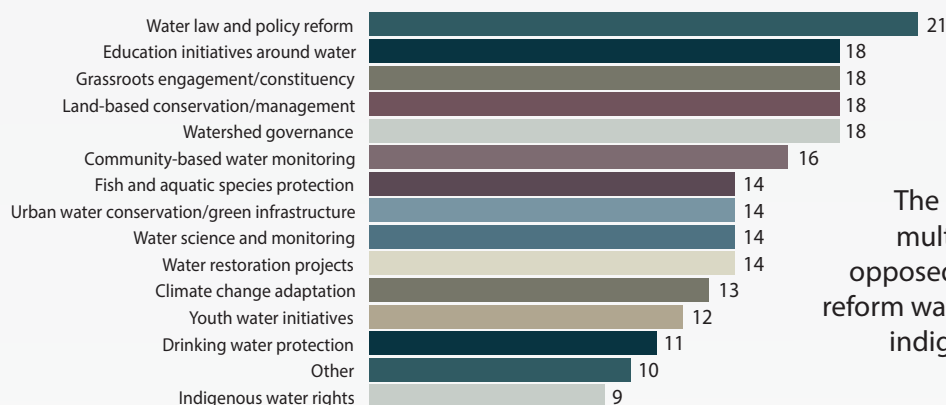
Less than 1/3 of respondents provide Canada-wide funding (fund projects across the country or support national level work). The two regions that receive funding from the largest number of funders are British Columbia and Ontario (with a focus on the Great Lakes).

There is an eclectic mix of organizations funding fresh water

Private foundations make up 45% of the funders surveyed. The remaining 55% are a mix of public foundations, community foundations, corporate foundations, as well as a number of funders that do not fit any of these traditional funder categories.



Specific Areas of Freshwater Funding



Most funders focus on multiple water issues

The majority of funder respondents identified multiple water issue areas for their funding as opposed to a specific focus. Water law and policy reform was the most popular area for funding while indigenous water rights was the least popular.

Building a Collaborative Culture

FUNDER INSIGHTS ON COLLABORATION		
TOP 5 BENEFITS	TOP 5 BARRIERS	TOP 5 INGREDIENTS
<div><div>1</div>Increased resources</div> <div><div>2</div>Due diligence</div> <div><div>3</div>Mutual learning</div> <div><div>4</div>Gaps identification</div> <div><div>5</div>Easier for grantees & advisors</div>	<div><div>1</div>Lack of time</div> <div><div>2</div>Unaware of other funders</div> <div><div>3</div>Path dependence</div> <div><div>4</div>Loss of control and accountability</div> <div><div>5</div>Lack of decision-making power</div>	<div><div>1</div>Shared vision or purpose</div> <div><div>2</div>Funder champions/leaders</div> <div><div>3</div>Social alchemy</div> <div><div>4</div>Infrastructure and coordination</div> <div><div>5</div>Breaking out of funder bubbles</div>
<div><div><p>"A big benefit of collaboration occurs when there's something that needs to be done in the region and we don't have enough money to do it ourselves."</p><p>Molly Flanagan, Joyce Foundation</p></div></div>	<div><div><p>"I think strategic collaboration is part of our jobs. But it often doesn't get recognized or acknowledged, partly because it's taking a longer term approach, you might not see the quick impact."</p><p>David Hendrickson, Real Estate Foundation of BC</p></div></div>	<div><div><p>"It's important to really clearly articulate the intention of collaboration from the outset. I think that really helps people understand why they're there and what they might get out of it."</p><p>Kim Hardy, Tides Canada Foundation</p></div></div>

THE LADDER OF COLLABORATION

Often used generically, the term 'collaboration' actually represents a continuum of collaboration that moves from information sharing all the way up to collective impact



FOUNDATIONS FOR A SOCIAL ECOSYSTEM

There are a number of emerging efforts to create the social infrastructure for stronger connections, networking and collaboration:

CEGN National Water Funders Group – established in 2009, it has hosted a number of ad hoc workshops and informational webinars over the past five years

B.C. Water Funders Group – established in May 2013; has more than a dozen members and recently approved an annual plan to guide its activities and provide coordination infrastructure

Great Lakes Funder Collaboration – binational network founded in 2011; co-chaired by a U.S. and Canadian funder; has established working groups and is seeking to increase Canadian involvement

Our Living Waters - new initiative aimed at mobilizing the collective impact of Canada's diverse water community, including funders, toward a goal of "all waters in Canada in good health or better by 2025"

Tomorrow's Waterscape: VISION 2025

The full report presents a hypothetical vision of the impact that freshwater funders could achieve over the next decade and what a dynamic social ecosystem of water funders might look like:

- Funders have contributed to some remarkable and measurable successes that have improved the health of Canada's waters
- Working together has become a top priority for water funders
- There is a strong culture of collaboration that starts at the Board level
- Water funders have aligned their strategic approaches and are playing to their strengths in a dynamic ecosystem
- Funders are supporting efforts that are connecting across local, regional and national scales
- The social infrastructure created and supported by water funders has increased the likelihood of emergent solutions
- Over ten years, Canada has seen a ten-fold increase in freshwater funding

Investing in a New Funder Ecology

So how do freshwater funders get from where they are today to the vision of tomorrow? The full report lays out a number of detailed recommendations based on the following three key areas of investment:

1

From Network to Ecosystem: A Social Infrastructure Plan

Building on emerging collaborative efforts, water funders would benefit from:

- i. creating a central hub for information exchange and shared learning (eg. CEGN's National Water Funders' Group)
- ii. expanding the number of regional water funder groups to support coordination and alignment
- iii. deepening the level of collaboration through working groups and collective impact initiatives.

2

Reduce the Data Deficit: An Intelligence Sharing Strategy

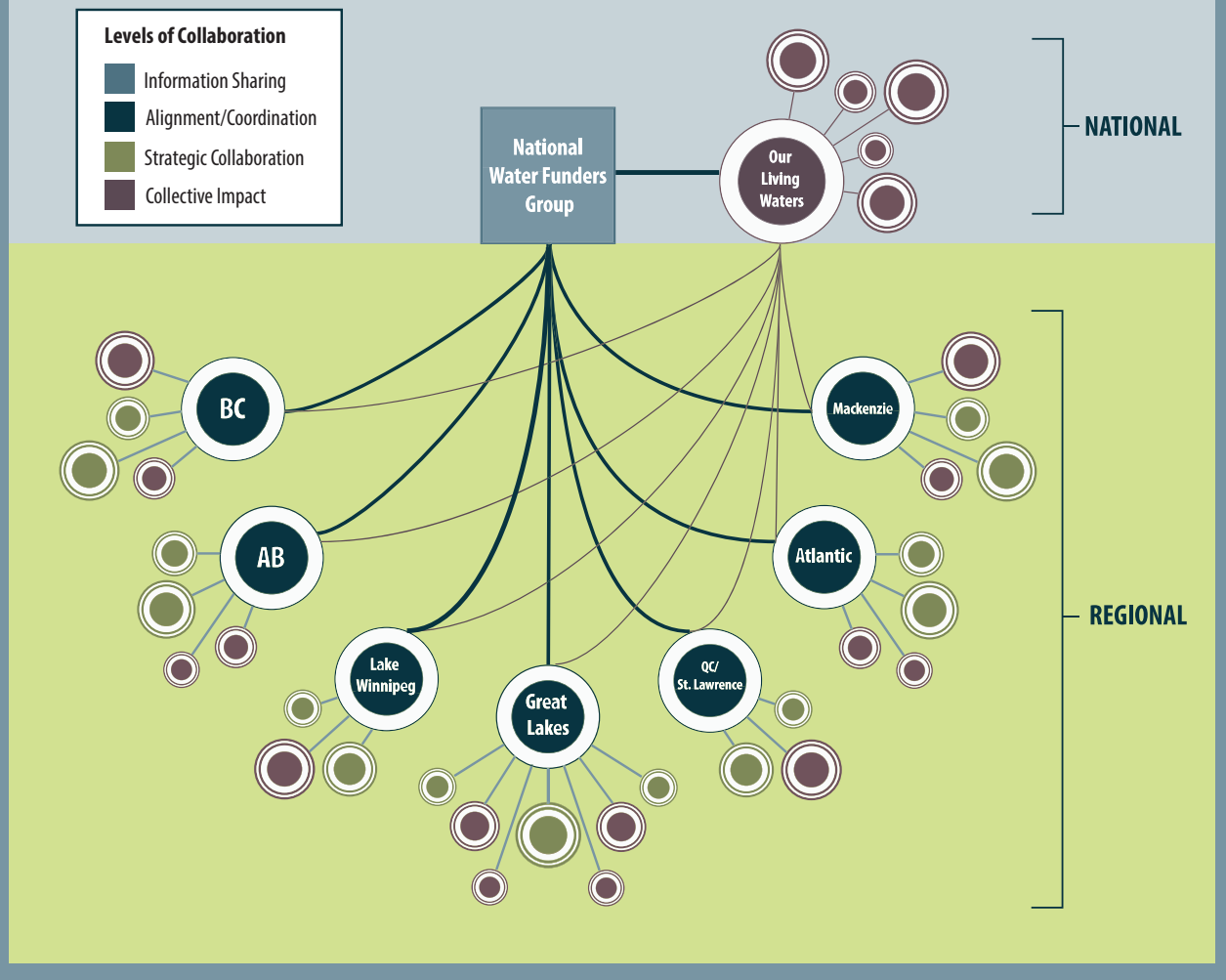
Water funders need regularly updated information to facilitate connections and to track if collective efforts are making a difference. This information could be accessed through an online water funders' directory, a biennial report on the 'State of the Water Funding Community,' and shared evaluation metrics to measure the impact of collaborative efforts.

3

Inspire a Cultural Evolution: A Leadership Education Campaign

A culture shift is needed to instill the value of collaboration. This should start at the top, with an education campaign directed at senior management and Boards of Directors of funding organizations. This will require both an internal and external effort, with staff advocating for time and resources to collaborate, and organizations such as CEGN encouraging leaders to participate in collaborative discussions.

Social Infrastructure Model for Canadian Freshwater Funders



About the Author – Tim Morris is a consultant specializing in strategic advice to foundations and non-profit organizations working on freshwater protection. Tim is a former manager of the freshwater program at the Walter and Duncan Gordon Foundation and was co-chair of CEGN's National Water Funders Group from 2009 to 2012.

Full Report Design: Brad Cundiff, GL Communications

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The Canadian Environmental Grantmakers' Network (CEGN) is a membership group of more than 60 funders for sustainability – private, community, public and corporate foundations, and government and corporate funding programs – from Canada and the United States. Our mission is to strengthen the impact of philanthropy in support of an environmentally sound and sustainable future for Canadians.



CEGN is grateful to the Dragonfly Fund at Tides Canada for its financial sponsorship of this report and to the following additional funders for their support of the Water Funders' Group in 2014: the Alberta Real Estate Foundation; the Walter and Duncan Gordon Foundation; and Mountain Equipment Co-op. We are also grateful to the 20 funders who provided their insights and perspectives through interviews, and the 40 funders that completed the electronic survey for this study.