

**The Atlantic Salmon Conservation
Foundation**

**Submission for the Pre-Budget
Consultations in Advance of the 2019
Budget**

2019 is the



**INTERNATIONAL
YEAR OF
THE SALMON**

Recommendations

Recommendation 1:

A larger trust fund would increase the capacity to ASCF to fund more of the high quality applications that the Foundation receives annually from Atlantic salmon grass roots organizations throughout Atlantic Canada and Québec.

Recommendation 2:

Instead of creating new mechanisms for delivery of wild Atlantic salmon conservation project funding the Government should work with established funding programs such as the ASCF, to avoid overlap and duplication.

Recommendation 3:

River conservation projects that contribute to improvement of eco-tourism opportunities should be eligible for funding support through the Atlantic Growth Strategy.

The Atlantic Salmon Conservation Foundation

Introduction:

The Atlantic Salmon Conservation Foundation (the Foundation) is a unique model of partnership and inclusiveness in the delivery of government services. The low overhead model represented in the Foundation is proven to be a safe and sustainable method of providing funding to community led conservation projects from earned income, in perpetuity.

The model is proven as efficient, effective, fully sustainable and very successful in motivating the volunteer sector to carry-out environmental improvement in rivers and watersheds across Atlantic Canada and Québec.

The Theme: “Ensuring Canada’s Competitiveness”:

The Atlantic Salmon Conservation Foundation’s conservation project funding model exemplifies the theme adopted by the Standing Committee on Finance in several ways.

The Foundation’s trust fund is a strategic investment by the Government. It has enabled creation of an arms-length organization providing conservation project funding aimed at strengthening salmon populations and improving salmon habitat in five provinces.

This investment has demonstrated clear and measurable advantages in support of “green” rural economic development, increased jobs and a strengthening of regional eco-tourism throughout Atlantic Canada and Québec. These advantages are being achieved by:

- Supporting conservation and environmental protection projects in rivers and watersheds led by community and indigenous groups;
- Funding of innovative applied scientific research to enable more effective conservation outcomes;
- Supporting and stimulating a strong volunteer sector which is critically necessary to conducting community-led conservation initiatives;
- Engaging and supporting Indigenous organizations who are taking leadership in conserving rivers and watersheds;
- Fostering partnerships between community groups, indigenous groups, research institutions and governments to work together to improve conservation outcomes.

Background:

In 2007, the Foundation was awarded the \$30 million Atlantic Salmon Endowment Fund (ASEF) by the Government of Canada to create a permanent source of funding to help conserve, restore and protect wild Atlantic salmon and their habitat, from income earned by the trust fund.

This investment by the Government is secured by a detailed, Treasury Board approved, Funding Agreement that provided the basic framework for the ASCF structure and its program delivery, as well as having provision for the return of the trust fund to the Government if the Foundation were to cease operation. It is a safe investment that is essentially a loan of funds to the Foundation for specific purposes outlined in the Funding Agreement.

In the eleven years since its inception, the Foundation has ably demonstrated that it is contributing strategically to the attainment of healthy and sustainable wild Atlantic salmon stocks in Atlantic Canada and Québec through its rigorous business model aimed at attaining positive conservation results for wild Atlantic salmon, while protecting and increasing the financial market value of the trust fund.

Pursuant to the Funding Agreement, the Foundation must meet the following objectives:

1. Be managed at arms-length from DFO by an incorporated, charitable organization;
2. Invest the endowment fund and hold it in trust;
3. Deliver the program from income earned on the principal amount; and
4. Facilitate partnership with the provinces, Indigenous groups, universities and community volunteer organizations.

*see Appendix 1

A value-for-money audit conducted by the Department of Fisheries and Oceans in 2011 confirmed the objectives of the Funding Agreement are being attained, and that the service delivery model is successful (Appendix 2). This audit confirmed the ASCF's relevance to the federal government's objective of strong economic growth and contribution to addressing regional economic and social issues.

The International Year of the Salmon: Canada is a major partner in commemorating The International Year of the Salmon. The IYS focal year is 2019, with projects and activities continuing into 2022.

The IYS is an international framework for collaborative outreach and research. It will raise awareness of what humans can do to better ensure salmon and their varied habitats are conserved and restored against the backdrop of increasing environmental variability, so the overall theme is 'salmon and people in a changing world'. The ASCF is an active participant in the IYS initiative.

Results:

The following achievements highlight the success of the Foundation in fulfilling, and exceeding, its Funding Agreement objectives noted above:

A. Investment management: The Board of Directors of the Foundation provides fiscally prudent investment management of the trust fund. The trust fund is carefully invested in a diverse, yet conservative, investment portfolio that has consistently demonstrated returns above the national average for large investment funds. Importantly, the Foundation was able to recover the funds value following the 2008-09 financial crisis when the \$30 million trust fund declined to \$23 million and has since maintained the inflation adjusted capital value of the fund as required by the Funding Agreement.

The prudent fiscal investment management approach has enabled nearly \$7 million to be contributed to 474 individual conservation and research projects since 2008 across five provinces. The overall value of those projects is \$36 million (at 2018) based on each recipient contributing at least 30 percent in cash or in-kind to their project. Leveraging is approximately 4:1.

B. Conservation Results: The whole purpose of the Foundation is to contribute conservation project funding to eligible and worthy conservation organizations. Prudent management of the granting process has resulted in significant, measured conservation being achieved by grant recipients:

- **Habitat Gains:** The 474 funded projects have yielded over 43 million square meters of new salmon habitat and 1.7 million square meters of improved habitat.
- **Scientific Research:** \$1.5 million in funding has been contributed to 52 applied scientific research projects.
- **Partnership and Participation:** Significant participation in salmon conservation has been stimulated with 240 partner organizations.
- **Jobs Sustained & Created:** Nearly 2,000 full-time equivalent jobs have been created and sustained.
- **Aboriginal Organization Participation:** Over \$900,000 has been contributed to 55 indigenous organization projects.

Issues facing the Foundation:

1. Grant pool limitations: The Foundation is currently able to provide \$1,000,000 in annual conservation project funding from its trust fund, investment management fees and operating overheads. Prior to 2007, it was

conjectured that \$1 million would resolve wild Atlantic salmon conservation issues. By 2018, with a \$1 million grant pool, it has become clear that the Foundation is able to fund approximately half of the many good quality conservation project proposals it receives.

A further contribution of at least \$30 million from the Government to increase the trust fund would be necessary to help resolve this issue.

2. Better quality project submissions and increased competition for

funding: The quality of project funding proposals received by the Foundation has increased significantly since the first year of grants in 2008 due to a rigorous application review process and careful project performance management. The result is higher quality funding proposals and increased competition for limited funds.

3. Limited capacity to fund marine projects: The marine environment is a significant component of the Atlantic salmon life cycle. The current Funding Agreement, however, places emphasis on measuring freshwater performance thus limiting the Foundation's ability to fund marine salmon conservation projects.

Summary:

As we approach the "*International Year of the Salmon*" in 2019 it is important to note that conservation of wild Atlantic salmon populations is vitally important to sustaining the culture, lifestyle and employment of thousands of Indigenous and non-Indigenous people in Atlantic Canada and Québec. These conservation initiatives not only improve the environment, they support rural economic development and jobs.

The Atlantic Salmon Conservation Foundation is a very successful model through which the Government can permanently, safely and sustainably fund specific community undertakings, in this case, conservation of wild Atlantic salmon and is contributing to the improvement of regional economic and social issues.

The ASCF has worked hard over eleven years to establish itself as an efficient and effective organization to motivate and support the volunteer sector to carry-out environmental improvement. Its mandate and business plans conform to current and developing wild Atlantic salmon conservation policy of the Department of Fisheries and Oceans.

The recommendations presented with this brief reflect these findings.

Appendix 1

Funding Agreement and Foundation Background:

The Atlantic Salmon Conservation Foundation structure in the delivery of conservation project and research funding is primarily governed by a Treasury Board of Canada approved Funding Agreement.

The initial \$30 million grant to the Foundation was conditional and subject to stringent conditions that vested the Foundation with dual mandate of:

1. Prudently investing the trust funds to generate income while preserving trust fund capital and,
2. Ensuring that the organization is well-managed to serve as a permanent source of funding to eligible salmon conservation initiatives in Atlantic Canada and Québec.

The volunteer Board of Directors of the Foundation consists of ten eminent individuals with responsibility for setting the strategic direction of the Foundation and guiding its management.

The Board relies upon the advice of expert volunteers serving on five provincial advisory committees and a scientific advisory committee in determining which projects to be funded. These experts represent a cross section of conservation groups and Indigenous organizations, as well as federal and provincial government volunteer experts from the five provinces.

The Foundation employs a goals-based and performance-based approach to planning and management that reflects its vision, mission, goals and mandate. Every project that receives funding is required to identify specific goals with performance measures. All projects are audited for performance.

The Foundation reports to the Minister of Fisheries and Oceans through an annual Business Plan and an Annual Report. The Business Plan describes the Foundation's strategic direction for the coming year, while the Annual Report provides financial information and a record of progress achieved during the previous year.

Appendix 2

DFO Value for Money Audit of ASCF

The Foundation is subject to periodic value for money audits by the Department every five years*. The first 5th year program audit carried-out by DFO in 2011 indicated a strong overall need for ASEF. The report also noted:

- The activities undertaken by the Foundation are contributing to the maintenance and restoration of healthy and diverse salmon populations and their habitat for the benefit and enjoyment of all Canadians.
- The activities carried-out are consistent with the roles of the federal Government.
- The objectives of ASEF are still relevant to the federal government's outcome of strong economic growth and are aligned with the departmental Strategic Outcome of *Economically Prosperous Maritimes Sectors and Fisheries*.
- ASEF is contributing to the improvement of regional economic and social issues. Further, a comparative analysis of ASEF with similar programs has confirmed that the program *does not overlap or duplicate objectives of similar programs***, which confirms the unique need for ASEF.
- Further, the objectives of ASEF are contributing to broader government priorities such as supporting traditional industries, protection of water and land, and improving the lives of Canada's Aboriginal people.

* In 2016, DFO informed the Foundation that it would not require a value for money audit in 2017 as it was satisfied with the quality of the annual reports and business plans required by the Funding Agreement.

** Since 2011 DFO did introduce two conservation and research project funding initiatives that overlap and duplicate funding to many of the same organizations funded by the Foundation, at higher administrative cost.

1. Recreational Fisheries Conservation Partnership Program (RFCPP), which provided fish and fish habitat conservation project funding was terminated in 2018.
2. The Atlantic Salmon Research Joint Venture (ASRJV), currently underway, is intended to leverage Atlantic salmon research project funding with approximately \$400,000 in annual Government provided grants. Its funding essentially replicates the funding and leveraging of salmon research and conservation projects supported by the Foundation.