



CUISR:

Community – University Institute for Social Research

SEN-CUISR
Environmental Charitable Organization
Feasibility Study, Phase Two

by Jennifer Fillingham



Building Healthy Sustainable Communities

Community-University Institute for Social Research

CUISR is a partnership between a set of community-based organizations (including Saskatoon District Health, the City of Saskatoon, Quint Development Corporation, the Saskatoon Regional Intersectoral Committee on Human Services) and a large number of faculty and graduate students from the University of Saskatchewan. CUISR's mission is "to serve as a focal point for community-based research and to integrate the various social research needs and experiential knowledge of the community-based organizations with the technical expertise available at the University. It promotes, undertakes, and critically evaluates applied social research for community-based organizations, and serves as a data clearinghouse for applied and community-based social research. The overall goal of CUISR is to build the capacity of researchers, community-based organizations and citizenry to enhance community quality of life."

This mission is reflected in the following objectives: (1) to build capacity within CBOs to conduct their own applied social research and write grant proposals; (2) to serve as a conduit for the transfer of experientially-based knowledge from the community to the University classroom, and transfer technical expertise from the University to the community and CBOs; (3) to provide CBOs with assistance in the areas of survey sample design, estimation and data analysis, or, where necessary, to undertake survey research that is timely, accurate and reliable; (4) to serve as a central clearinghouse, or data warehouse, for community-based and applied social research findings; and (5) to allow members of the University and CBOs to access a broad range of data over a long time period.

As a starting point, CUISR has established three focused research modules in the areas of Community Health Determinants and Health Policy, Community Economic Development, and Quality of Life Indicators. The three-pronged research thrust underlying the proposed Institute is, in operational terms, highly integrated. The central questions in the three modules—community quality of life, health, and economy—are so interdependent that many of the projects and partners already span and work in more than one module. All of this research is focused on creating and maintaining healthy, sustainable communities.

Research is the driving force that cements the partnership between universities, CBOs, and government in acquiring, transferring, and applying knowledge in the form of policy and programs. Researchers within each of the modules examine these dimensions from their particular perspective, and the results are integrated at the level of the Institute, thus providing a rich, multi-faceted analysis of the common social and economic issues. The integrated results are then communicated to the Community and the University in a number of ways to ensure that research makes a difference in the development of services, implementation of policy, and lives of the people of Saskatoon and Saskatchewan.

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ABSTRACT

The Saskatchewan Eco Network (SEN) is a non-profit, non-government organization that connects environmental organizations within Saskatchewan. Membership in the network is open to all Saskatchewan non-governmental organizations (NGOs) that are concerned with environmental issues. In 2004, as part of its facilitative role, SEN initiated a two-phase study to assess the achievability of establishing a Saskatchewan-based environmental funding body. Phase One was conducted between January and March 2005 and involved the development of a draft mandate and organizational structure for a potential funding body in Saskatchewan. After completing interviews with SEN member organizations, several case studies, and secondary research, the primary recommendation from Phase One was that SEN and the Community-University Institute for Social Research (CUISR) should conduct a feasibility study on a charitable organization with a mandate to fund Saskatchewan-based charities and registered non-profit organizations engaged in activities that promote, pilot, and/or demonstrate ecologically sustainable processes; and/or educate the public about environmental issues. Phase Two—the present study—tests the feasibility of the proposed organization by conducting marketing, organizational, and financial analyses. All three analyses suggest that the proposed organization will require significant human and financial resources but could potentially provide little in return. However, the majority of SEN membership supports the idea of increased funding for environmental initiatives. Furthermore, other funding institutions and initiatives across Canada are interested in expanding their environmental funding programs and/or specialize in assisting struggling NGOs with capacity issues. This suggests that a better use of SEN's resources may be to pursue partnerships with community funding bodies and other NGOs instead of attempting to create and maintain a separate charitable organization. New partnerships may increase environmental funding dollars in the province and serve a programming function by encouraging different community organizations to consider environmental issues as their own and not just those of a special interest group.

PROJECT DEFINITION AND DESIGN

INTRODUCTION

Saskatchewan Eco Network (SEN)

The Saskatchewan Eco Network (SEN) is a non-profit, non-government organization that connects environmental organizations within Saskatchewan. As an affiliate of the Canadian Environmental Network/Réseau Canadien d'environnement (CEN-RCE), SEN also helps facilitate the networking of Saskatchewan environmental non-government organizations (ENGOS) locally, provincially, and nationally. Membership in the network is open to all Saskatchewan NGOs that are concerned with environmental issues. As of May 2005, there were forty-one member organizations that range in size, scope, issue areas, activity areas, and annual revenues (for a list of members, see **Appendix A**).

SEN-CUISR Environmental Foundation/Fund Study

The SEN-CUISR Environmental Foundation/Fund Study is the result of an earlier SEN initiative to establish an environmental foundation in Saskatchewan that serves as a regional funding body for under-funded ENGOS in the province. In 2003, after receiving feedback on the first application from a potential funder, the SEN coordinator and board, in association with the Community-University Institute for Social Research (CUISR), devised a two-phased study to assess the feasibility of such an initiative before investing significant resources into a foundation.¹ This report summarizes the results of that study.

METHOD

The SEN-CUISR Environmental Foundation/Fund Study was conducted in two phases. Phase One was conducted between January and March 2005 and involved the development of a draft mandate and organizational structure for a potential funding body in Saskatchewan. The proposed design was informed by interviews with SEN member organizations, several case studies, and secondary research. The CUISR intern conducted Phase Two work with assistance from the SEN coordinator, between April and June 2005. Work in this phase focused on testing the feasibility of the organizational structure and mandate recommended at the end of the first phase. Broadly speaking, the feasibility study considers three major areas: organizational issues (i.e. organizational design); marketing potential; and resource issues (including financial). This Phase Two report comprises the feasibility study. Results from Phase One are referenced throughout this feasibility study when necessary and are presented in their entirety in **Appendix B**.

Phase One

The goal of Phase One was to develop a draft mandate and organizational structure for a Saskatchewan-based environmental foundation or other funding body. The CUI SR intern created and conducted phone interviews with SEN member organizations to assess their interest and solicit their input into the design of a potential funding institution. The phone interviews were divided into two sections. The first section asked interviewees about basic information and the current status of their respective organizations. The second section was more subjective, asking interviewees to consider a potential funding institution in Saskatchewan, how it would be structured, what activities it would fund, and the potential costs and benefits to creating and operating such an organization. (The phone interview design is included as **Appendix C**.)

During the interview period, which ran from the middle of January to the end of February 2005, the researcher conducted phone interviews with representatives from twenty-seven of SEN's forty-one member organizations (65%). While all the member organizations were invited to participate, some actively chose not to, some did not respond to the interview request, and, in some instances, the appropriate contact person was away during the interview period. Although not all SEN member organizations were interviewed, the researcher was able to connect with a representative cross-section of the membership in terms of geographical scope, organizational sizes and structures, and a spectrum of environmental issue areas. Interviews ranged from thirty minutes to one hour.

Information collected from the SEN membership interviews was used along with several case studies and other secondary research to outline four possible models for a funding body. These options and final recommendations by the researcher to SEN are presented in the *SEN-CUI SR Environmental Foundation Feasibility Study, Phase One Report (Appendix B)*. Based on the report and follow-up discussions, an Advisory Committee made up of five representatives from SEN member organizations accepted three of the researcher's recommendations.

- 1) SEN-CUI SR should conduct a feasibility study for a charitable organization with a mandate to fund Saskatchewan-based charities and registered non-profit organizations engaged in activities that promote, pilot, and/or demonstrate ecologically sustainable practices and/or educate the public about environmental issues. Furthermore, in some instances this organization will consider providing some core funding to other charitable ENGOs in Saskatchewan.
- 2) SEN should consider coordinating an ENGO fundraising initiative that is not charitably funded nor constrained (i.e. an education lottery) so as to generate funds that can be used with wider discretion, including towards traditionally hard-to-fund activities.

3) SEN should consider further capacity funding and/or programming for its membership.

These latter two recommendations were proposed to address capacity and core funding issues for some SEN member organizations that cannot be alleviated by a charitable funder due to Canadian Revenue Agency limitations. The second and third recommendations are not considered in this feasibility study, only the first.

Phase Two (feasibility study)

Project definition

The goal of Phase Two is to test the feasibility of a charitable organization with a mandate to fund Saskatchewan-based charities and registered not-for-profit organizations engaged in activities that:

- promote, pilot, and/or demonstrate ecologically sustainable practices; and/or
- educate the public about environmental issues.

Furthermore, in some instances this organization will consider providing some core funding to other charitable ENGOs in Saskatchewan.

There are three components to assessing the feasibility of such an organization, including undertaking organizational, marketing, and financial analyses. Much of the information used in the three main analyses in Phase Two is derived from the *National Survey of Giving, Volunteering and Participating (NSGVP) 2000* (National Survey of Giving, Volunteering and Participating [NSGVP], 2003 a,b,c,d) and others in a series of reports produced by the Canadian Centre for Philanthropy and Volunteer Canada (now Imagine Canada), which interprets the same data. These data were collected by Statistics Canada from a sample of 14,724 Canadians aged fifteen years and older who were asked about their giving and volunteering practices over a one-year period from 1 October 1999 to 30 September 2000 (Hall, Barr, Easwaramoorthy, Sokolowski, and Salamon, 2005).

The Statistics Canada data represent a sampling of the entire country. While there are some regional breakdowns in the analytical reports produced by Imagine Canada, the researcher also conducted a potential donor survey in Saskatchewan to assess the possibilities for regional support. During the interview period in May 2005, the researcher contacted thirty-four potential donors from a cross-section of Saskatchewan society, including religious institutions, foundations, government, large corporations, independent businesses and cooperatives (see **Appendix D**).² While most individuals contacted were not interested in completing the survey, they were willing to speak more generally about their respective institutions' giving programs. Phone calls ranged between two and twenty minutes.

Using the information collected from both secondary and primary sources, the design and structure of this feasibility study is modeled after the United States Department of Agriculture's (USDA) *Cooperative Feasibility Study Guide* to reflect similarities between the cooperative and non-profit sectors (as opposed to the business sector). This is not a rejection of a business model, but recognition that the SEN membership is diverse in terms of their mission goals, objectives, capacities, and funding needs. Cooperatives more closely mirror this complexity than do businesses: "Feasibility studies for cooperatives are similar to those for other businesses with one exception. ... [A] study conducted for a cooperative must address how the project will impact members as individuals in addition to how it will affect the cooperative as a whole" (United States Department of Agriculture, 2000: 3).

The needs and desires of the SEN membership is an important consideration in this feasibility study. Although the study is conducted for an environmental charitable organization with a mandate, SEN member organizations that participated in the Phase One survey also identified mandate-related considerations that deal with how the mandate is crafted, as opposed to its specific content:

- that participating Saskatchewan ENGOS maintain autonomy and control of the mandate, particularly if the organization maintains a significant partnership with corporations;
- that the mandate is well defined, clearly articulated, and broadly supported by SEN membership; and
- that the mandate is sophisticated in that it reflects the intersection of environmental and social sustainability.

So, while the primary focus of this feasibility study is to assess the likelihood of success, as defined by the organization's anticipated ability or inability to achieve substantially more funds for environmental initiatives in Saskatchewan, its secondary focus is to continually consider the sum of hopes and concerns (mandate-related and other) identified by SEN member organizations, at least where possible.

Finally, while the USDA cooperative model is a close fit, it is not perfect. Throughout this study the researcher uses the terminology of a cooperative feasibility study, which means that at times the language is a bit awkward and the definitions are forced into this study's framework (i.e. assessing the feasibility of an environmental charitable organization in Saskatchewan) rather than the more comfortable fit of a potential cooperative. This is particularly true of the section on marketing analysis. To compensate, a marketing term is sometimes re-defined as it is being applied to the specifics of this study.

Project assumptions

This feasibility study is based on several key assumptions that should be considered when accepting or rejecting the report's recommendations. These assumptions either enhance or limit the report's findings, or identify future considerations and/or potentialities.

1) *SEN membership wants financial support for projects concerned with sustainability, environmental education, and some core support.* The establishment of the proposed mandate was based on interviews with twenty-seven of forty-one SEN member organizations (only 65% of the membership). Some organizations actively chose not to participate, some did not respond to an invitation to participate, and in some instances the contact person was away during the interview period. As a result, the full SEN membership was not consulted directly, although all member organizations received two update letters that included opportunities for feedback (see **Appendices E and F**). Also, the *SEN-CUIISR Environmental Foundation Feasibility Study Phase One Report (Appendix B)* was posted on the SEN website in April and May 2005 and made available by mail to any interested member group.

Although not all SEN member organizations were interviewed, the researcher was able to connect with a representative cross-section of the SEN membership in terms of geographical representation, organizational sizes and structures, and a spectrum of environmental issue areas. Furthermore, in a 2004 report commissioned by the Alberta Ecotrust Foundation, a registered charitable organization with a comparable mandate to that being proposed, the authors identified five sustainability strategies for the Ecotrust, the first four of which are highly convergent with those identified by SEN's membership:

- i) general public education and outreach;
- ii) engagement of the formal education system;
- iii) local community citizen engagement through direct hands-on involvement;
- iv) demonstrating and implementing alternative or sustainability solutions; and
- v) applied research aimed at developing or analyzing public policy (Green Planet Communications, 2004: 12).

So, while there is not perfect consensus within SEN membership around the mandate and even the establishment of an environmental charitable organization, there is enough support and comparable initiatives elsewhere to assume that a charitable organization with the defined mandate would provide a necessary and desirable service to SEN member organizations should it be found to be feasible.

2) *A charitable organization is the most appropriate structure for an independent, Saskatchewan-based funding organization.* Beyond using SEN member feedback to design a mandate for a potential funding body, another consideration during Phase One was organizational structure. The designation “charitable organization” was recommended in the Phase One report (and accepted by the SEN Advisory Committee) as the most appropriate for an independent organization for two reasons. First, charitable non-profit status would enable the funding body to issue tax receipts and receive funding from other charitable foundations, thereby maximizing the organization’s fundraising potential. Second, as a registered charity, the funding body would act as a “flow through” fundraising organization. All monies collected in the year (apart from the administrative component) would be disbursed to ENGOs. However, if the designation “foundation” were adopted, it would be able to accumulate donations but only disburse the annual interest earned on these donations. Very large donations would have to be accumulated for a charitable foundation to provide significant disbursements—a difficult prospect in Saskatchewan.

So, assuming that an independent organization is a sensible course of action, a secondary assumption is that a registered charity—as opposed to a charitable foundation—is the most appropriate structure.

3) *There are external and internal limiting factors to the proposed organizational structure (charitable organization).* The proposed organizational structure and its potential success is limited by both external and internal factors. Some of these limiting factors were identified by both the SEN membership during the Phase One interviews and the researcher after analysis. They include:

- i) danger of corporate or funder control of the institution;
- ii) financial viability of the organization;
- iii) danger of jeopardizing current funding relationships between SEN members and their funders;
- iv) creation of an additional bureaucratic layer between SEN member organizations and funders; and
- v) potential for increased competition with and between Saskatchewan ENGOs.

This study must consider these limitations and whether it is possible to either eliminate or adequately minimize them enough so that the proposed organization is considered feasible.

MARKET ANALYSIS

As previously noted, the design of this feasibility study is modeled after the USDA's *Cooperative Feasibility Study Guide* to reflect similarities between the cooperative and non-profit sectors. While the USDA cooperative model is a close fit, it is not perfect. Some marketing terminology that is consistent with a cooperative feasibility study is foreign to the ENGO sector in Saskatchewan. Accordingly, throughout this section some marketing terms are used within quotation marks and re-defined in ENGO terms.

DESCRIPTION OF "TARGET" MARKETS

This feasibility study considers two primary target markets: the SEN membership and other environmental initiatives in Saskatchewan³—the potential recipients of an environmental charitable organization; and the prospective donor base in Saskatchewan—the potential funders of the charity.

SEN membership review

Should it prove to be feasible, the funding organization may be open to applicants outside of SEN, but for the purposes of this study SEN membership comprises the pool of potential applicants. As previously discussed, there is enough support from SEN membership to assume that a charitable organization with the defined mandate would provide a necessary and desirable service to SEN member organizations. However, during phone interviews the CUISR intern also solicited member organizations about their opinions on the potential benefits and limitations of a centralized funding body. These issues have implications for the feasibility of the organization in that the degree to which they are addressed may influence the level of SEN membership buy-in and support of the charitable organization.

Potential benefits to an independent centralized environmental funding body

Beyond the obvious goal of "more money to deliver more programs" (Hjertas interview), SEN member organizations identified multiple potential benefits to a centralized funding body in Saskatchewan.

- 1) *Project Support*: Eight organizations anticipated potential project support in their issue areas of interest. Most of these organizations assumed that this type of support would be for relatively small projects that enhance their core work, but which is not actually core work.
- 2) *Raising the Profile of Environmentalism in Saskatchewan*: Nine organizations stated that while they might not directly benefit from this type of funding body

themselves, it would help to raise the profile of environmental issues in and across the province—“more small groups with a voice and that is always a good thing” (Murphy interview).

- 3) *Core and Capacity Support for Struggling ENGOs*: Six organizations expressed strong interest in the benefit of core and capacity support, both in terms of funding (dollars) and, potentially, skills development. In keeping with this, four organizations anticipated regional and local support—“there could be less isolation of individuals and perhaps the foundation could generate a feeling of hope that our voices will be heard” (Gilis interview).
- 4) *Connecting Environmental and Social Sustainability*: Four organizations anticipated that if the funding body embodies an understanding of the connection between economic/social and environmental sustainability, this could assist in educating the general public at a more sophisticated level.
- 5) *Funding Begets Funding*: Three organizations suggested that organizations that receiving funding from the foundation may “be able to leverage funding from other sources” (Hymers interview).
- 6) *Creating More Professional and Stable Organizations*: Two organizations suggested that the foundation might help environmental organizations become more professional and, perhaps, more stable.

Concerns and hesitations around a centralized environmental funding body

There are five general concerns shared by many SEN member organizations with regards to a potential environmental funding body in Saskatchewan.

- 1) *Losing Funding Dollars to a Foundation*: Six organizations expressed a strong concern that the current funding relationships between Saskatchewan-based ENGOs and their funders may be compromised by a new environmental foundation or funding body. Specifically, these organizations worried that the current dollars going to environmental work are finite and that a new foundation will simply reshuffle environmental funding in the province instead of increasing it. This could cause organizations that currently receive funding to experience revenue loss, not gain. One organization expressed concern that even a feasibility study may impact its relationship with a specific funder.
- 2) *More Bureaucracy Between Donors and Recipient Organizations*: Similarly, four organizations were concerned that an environmental funding body may become an additional bureaucratic layer between themselves and funders. This could make current application processes more burdensome and less productive, particularly if resources that currently support environmental programs are diverted to supporting the administration of a foundation/funding body.

- 3) *Competition*: Eight organizations cited competition as a danger should a new funding body become established in the province. This could be: 1) competition between the funding organization and other ENGOs that are trying to access the same funders; 2) competition between ENGOs that are trying to access funds from a new foundation; and/or 3) competition within the environmental community to control the funding body, its mandate, and its decisions. “Good luck to the decision makers. They are going to be taking a lot of heat” (Walton interview).
- 4) *Source of Funding Could Compromise Program Integrity*: In keeping with issues of mandate clarity (identified as the most important aspect of the organization’s mandate and structure), six organizations worried that a foundation partnership with some funding entities (e.g. corporations, international foundations) may result in a loss of organizational autonomy. Two organizations specifically stated that a corporation that supports the foundation or funding body might be “green-washing” (i.e. trying to improve its corporate image by associating with an environmental cause without improving its own environmental practices). Further, the ties that often come with corporate funding could prohibit many Saskatchewan ENGOs from benefiting from a corporate funded foundation/funding body because many of their activities are in opposition to mainstream corporate interests.
- 5) *Will Outputs of Foundation Be Greater Than Inputs?*: Six organizations questioned whether the resources (e.g. time, dollars, person power) necessary to develop a funding body will be proportional to the outputs. It will take a large amount of new dollars to make such a structure viable and of service to environmental initiatives in the province.

Potential donor base in Saskatchewan

To define the scope of potential funding sources, the researcher considered the fundraising approaches of the international environment movement’s “Big Three” in terms of fund generation: The Nature Conservancy (TNC); World Wildlife Fund (WWF); and Conservation International (CI). While all three are, in some ways, polar opposites of Saskatchewan’s more grassroots initiatives, it is hard to deny the success and breadth of the fundraising techniques that they employ:

The Big Three’s fundraising covers virtually all of the bases: private foundations, corporations, the US government and individuals (WWF even has a program called “Pennies for the Planet” that taps into children’s piggy banks) (Chapin, 2004: 22).

A cross-section of these potential funding sources (including private foundations, government programs independent business and corporations) is examined in the Potential Saskatchewan Donor Survey, but the emphasis of this feasibility study is on the potential for individual donor support as assessed by secondary research sources. This focus on individual giving is consistent with the results of an extensive national survey undertaken by the *NSGVP 2000*, “that for every one dollar donated by Canadian corporations in 2000, Canadian individuals donated five” (McClintock, 2004: 4). The potential for individual giving in Saskatchewan is explored more fully later in this section.

“PRODUCT” DESCRIPTION

The “product” under consideration is that which was defined previously, namely, a charitable organization with a mandate to fund Saskatchewan-based charities and registered not-for-profit organizations engaged in activities that promote, pilot, and/or demonstrate ecologically sustainable practices; and/or educate the public about environmental issues. Furthermore, in some instances, this organization will consider providing some core funding to other charitable ENGOs in Saskatchewan.

POTENTIAL FINANCIAL SUPPORT

A realistic financial projection is integral for assessing the feasibility of a potential environmental charitable organization in Saskatchewan. This section considers the potential for financial support by drawing on secondary research conducted on the charitable giving sector in Canada, and primary research undertaken specifically for this project that considers other donor opportunities in Saskatchewan (e.g. corporations, cooperatives, churches).

Individual giving in Saskatchewan

In 2005, the Canadian Centre for Philanthropy and Volunteer Canada published a series of reports that outline the results of the *NSVGP 2000*. Using data collected from Statistics Canada in October, November, and December 2000, the *NSGVP* analyzed charitable giving and volunteer trends in Canada based on interviews with 14,724 Canadians aged fifteen years and older. Conversely, the Canadian Environmental Grantmakers Network (CEGN) analyzed recipient data through an “environmental” lens by highlighting ENGO themes from *The Statistics Canada National Survey of Nonprofit and Voluntary Organizations (NSNVO) 2003* (Statistics Canada, 2004). The relevant results of both reports are summarized below.

On the giving side (donors)

In 2000, the average Saskatchewanian donated \$273 to charities that ranged from religion, health, sports and recreation, social services, arts and culture, voluntarism promotion, academia, research, development, and housing. Environmental organizations received 2% of the total donations made in 2000. When asked about their reasons for giving, most Saskatchewan-based donors cited (in order of priority): compassion towards the needy; belief in the cause; personal involvement in the cause; commitment to the community; religious obligations or beliefs; and/or tax credit benefits. Barriers to giving included: saving money for the future; concern that the money would not be used efficiently; and/or a priority on voluntarism (versus philanthropy) (NSGVP, 2003a: 3).

On the receiving side (ENGOS)

In Canada, 8% of all non-profit revenues in 2000 came from individual donors. That same year, 15% of revenues received by the Canadian ENGO sector came from individuals (Hall et al, 2005: 2). According to the *Canadian Nonprofit and Voluntary Sector in Comparative Perspective*, philanthropy is the main source of financial support for environmental protection (Hall et al, 2005: 3). Furthermore, a majority of environmental organizations in Canada are membership based (87%), more so than the rest of the NGO sector (80%), which is reflected in the strong contribution of individual gifts to environmental organizations (Hall et al, 2005: 3).

Using the data as interpreted by Imagine Canada and the Canadian Environmental Grantmakers' Network, along with Canadian and Saskatchewan Census Data for 2003, **Appendix G** details a number of assumptions and calculations used to project a very conservative annual maximum total for individual support of environmental work in Saskatchewan. This total, \$3.8 million dollars, is used as part of the basis for the financial analysis later in this report.

One final consideration about the potential for individual donations is the trend towards donor fatigue across the country. As reported by Imagine Canada, "Canadians may have reached the limits of their willingness to support nonprofit and voluntary organizations with the donations of their time and money. Although charities enjoy a high level of public trust and credibility, the number of volunteers appears to be declining and the number of donors is not growing" (Hall et al, 2005: 5). This concern is discussed more fully later on.

Other potential giving sectors in Saskatchewan

While individual donors are extremely important to environmental initiatives in Canada and Saskatchewan, they are not the sole source of funding. According to the *Canadian Environmental Grantmakers' Research Brief*, in 2003 environmental organizations re-

ceived 27% of all revenues from federal, provincial, and municipal governments, 44% from “earned” income, including gaming, membership, fees for service and investment income, 2% from corporations, 2% from foundations, 15% from individual gifts, 4% from other non-profits, and 6% from other unknown sources (Canadian Environmental Grantmakers’ Network [CEGN], 2004: 4). Many of these potential sources are considered later, but, unlike potential individual donors, it was not possible to come up with even a conservative estimate of these potential funding services.

THE SASKATCHEWAN ENVIRONMENTAL MOVEMENT: A “SECTOR” ANALYSIS

The preceding information is not contextualized. It presents an idealized projection of the amount of charitable dollars that *could* be flowing to environmental initiatives in Saskatchewan from individual donors. It does not reflect the actual amount of money that currently flows to Saskatchewan-based environmental organizations. There are a number of reasons for this discrepancy. One important reason is the limitation of the statistical survey (NSGVP, 2003 a,b,c,d) from which much of the secondary research is derived. The *NSGVP 2000* is an analysis of a single, albeit extensive, national process conducted over a three-month period. So, while it is the most in-depth Canadian study of its kind, the results of the *NSGVP 2000* survey should be considered only a tool for improving volunteer and fundraising programs, not a prescription for donor target rates. This is due to the many inherent limitations of statistical surveys (e.g. sample size, difference between sample answers and actual practices). Furthermore, there are other important environmental sector considerations that influence the amount of money that may, in reality, be available to a new environmental charitable organization in Saskatchewan, including competition for funding dollars, other program opportunities, and the external environment (i.e. the world in which all environmental organizations are operating).

Case study: The Alberta Ecotrust—a partnership between corporate Alberta and the ENGO community

The Alberta Ecotrust is a charitable organization and provincial foundation that partners businesses, environmental groups, and community members in Alberta. Since it was founded in 1991, the Alberta Ecotrust has developed its partnerships throughout the province to fund and support grassroots environmental projects, build capacity and sustainability in the voluntary sector, and promote the idea of the environment as the foundation of a healthy community. Its model is considered unique in Canada because of the corporate-ENGO partnership on which it was founded and currently operates, and because the foundation funds both non-profit environmental organizations and environmental charitable organizations. The purpose of this case study is to provide a

brief overview of a model organization that a central funding body in Saskatchewan may want to emulate or, alternatively, with which SEN may want to partner.

Most funds within the Ecotrust partnership come from a group of corporate partners whose headquarters are in the province. Representatives of these corporations work alongside representatives of community-based environmental organizations to make collaborative decisions, allocate grants, and provide consultative support to grantees and other organizations across the province, all on behalf of the Ecotrust. Since 1992, the Ecotrust has allocated over \$3.5 million to 180 different environmental and community groups in order to undertake 300 projects (Green Planet Communications, 2004). Of these, most were relatively small, grassroots initiatives that received either seed or core funding. The annual grant maximum was \$20,000.

In the 2001⁴ funding year, the Alberta Ecotrust funded the following: \$105,000 on education projects; \$55,000 on applied research projects; \$37,000 on environmental quality projects; \$30,000 on school ground naturalization projects; \$27,000 on waste reduction cycling projects; \$22,000 on sustainable practices projects; \$10,000 on habitat preservation projects; and \$5,000 on species protection projects. Project funding for 2001 totaled \$291,298. Specific projects include:

- \$17,300 for the final phase of a grizzly bear recovery plan (Castle Crown Wilderness Coalition);
- \$10,204 towards a coordinator for the Calgary Alternative Transportation Cooperative–Car Sharing Initiative (Arusha Center of Calgary);
- \$20,000 to *The Coexistence of Ranchers, Wolves and Livestock in Alberta* project (Central Rockies Wolf Conservation Society);
- \$7,500 for a wetland education program (Ducks Unlimited, Red Deer);
- \$19,750 for a live musical presentation on the science of “flight” (Evergreen Theatre);
- \$18,577 for an analysis of “Ecological Footprints” (Youthink Publications Society);
- \$8,000 for the *Alberta Network Development* project, an online project (WildCanada.Net);
- \$14,000 for a community outreach coordinator (Calgary Wildlife Rehabilitation Society);
- \$11,800 towards construction of a solar straw-bale resource building (Green Foundation); and
- \$10,000 towards a community-based social marketing campaign (Sustainable Calgary).

Prior to 2003-2004, this was a relatively typical funding year in terms of both the nature and diversity of projects funded. The majority of these funds were acquired from both national and international corporate funders and foundations.

In 2003-2004, the Ecotrust underwent an organizational needs assessment to analyze its past granting history and to assess the current capacity of voluntary sector environmental initiatives in Alberta. The project had three components:

- 1) The first component was a scan of the issues with representatives of past recipient organizations. This was performed to gain a general sense of the issue and topic areas of the ENGO community in Alberta. Furthermore, it provided a backdrop on which to analyze the second project component, an environmental issues survey.
- 2) In the second project component, 240 Albertans from all walks of life participated in an environmental issues survey and /or focus groups designed to assess the public's primary environmental concerns.
- 3) The third component was a needs analysis that involved the same representatives who participated in the first component, and attempted to assess the effectiveness of ENGOs in Alberta and their organizational capacity.

Much of the information collected throughout all three components of the Ecotrust organizational needs assessment, as well as its analysis, dovetails with the SEN feasibility study. Specifically, many of the recommended shifts to the Ecotrust's program are similar to the funding priorities identified by the SEN membership during Phase One. The Alberta Ecotrust's 2005 granting priorities are as follows:

- 1) Move from an issue focus to a combined environmental priority/sustainability strategy focus. These sustainability strategies include: general public education and outreach; engagement of the formal education system; local community citizen engagement through direct hands-on involvement; demonstrating and implementing alternative or sustainability solutions; and applied research aimed at developing or analyzing public policy.
- 2) Introduce multi-year funding at \$20,000/year, up to a maximum of three years.
- 3) Raise maximum one-year grant amount to \$30,000.
- 4) Create two one-year grant programs for small and large grants with more appropriate application/review processes based on grant size.
- 5) Move from passive capacity building to comprehensive program delivery in the areas identified as capacity gaps: communications; funding development; volunteer management; and governance/board development, with specific emphasis on environmental knowledge.

- 6) Seek strategic partnerships with other service providers to develop a long-term focus on capacity assessment tools, toolbox development, training programs and professional development opportunities, and grants to improve capacity.
- 7) Engage Alberta Ecotrust ENGO partners more meaningfully by providing training opportunities and resources that build their capacity (Green Planet Communications, 2004: 12).

If nothing else, the findings and recommendations made by the Alberta Ecotrust reflect similar priorities to those in Saskatchewan. Furthermore, the grant amounts are in line with what many SEN members identified as project supplementation dollars instead of core support. Given both these factors, SEN may want to consider a partnership with the Alberta Ecotrust instead of trying to emulate it.

While the Alberta Ecotrust's situation is inspiring and may be a useful model for a comparable initiative in Saskatchewan, there are socio-economic discrepancies between the two provinces. Many of the Ecotrusts's corporate funders are headquartered in Alberta whereas Saskatchewan has comparatively few corporations headquartered in the province and those that were surveyed by the researcher expressed little interest in partnering with SEN in a comparable Saskatchewan-based initiative.

"Competition" for funding dollars in Saskatchewan

There are three "competition" considerations: between Saskatchewan ENGOs for donors; between Saskatchewan ENGOs and other ENGOs in Canada; and between the environmental movement and the rest of the charitable and NGO sector.

Environmental funding in Saskatchewan

While SEN member organizations comprise the bulk of the environmental movement in Saskatchewan, they are not its sum total. Although it is difficult to obtain detailed information specific to Saskatchewan, there were an estimated 4,424 environmental non-profit and voluntary organizations active in Canada during 2003, and of these 8% were in Manitoba, Saskatchewan, and the territories (CEGN, 2004). This works out to an estimated 353 organizations across five provincial/jurisdictional districts. Using a simple average (353/5), the researcher estimates that the number of environmental organizations in Saskatchewan today is between forty-one (SEN's membership) and seventy (average between Manitoba, Saskatchewan, and the territories based on an assumption that most Canadian ENGOs—63%—are between one and twenty years old, and are likely still in existence) (CEGN, 2004). This numeric range, however, is not necessarily valuable information, as it does not reflect the size, financial strength, or programming success of each environmental organization. Neither does it consider environmental and sustainable living initiatives undertaken by individuals, school classes, community

organizations, and religious groups who also access environmental funds and petition donors for specific projects, such as tree planting or community clean ups, that could be considered environmental or sustainable living.⁵ So, although it is difficult to define the size⁶ of the environmental and sustainable living sector in Saskatchewan with precision, it should be recognized that there is already competition between the province's environmental initiatives.

Environmental funding in Saskatchewan versus environmental funding in Canada

Throughout North America, environmental and conservation organizations have been experiencing declining charitable revenues of almost 50% since the 1990s. This is not necessarily reflective of a general decline in charitable revenues, as the “Big Three” (CI, TNC, and WWF) have experienced a significant increase in revenues during the same time period (Khare et al, 2004 in Chapin, 2004: 22). Today, these three big ENGOs (BENGOs) dominate the environmental “market.”

In Canada, Manitoba, Saskatchewan, and the territories collectively received 14% of all revenues that went to environmental organizations in 2003. In a slight deviation from other provincial revenue profiles, Manitoba, Saskatchewan, and the three territories relied less on earned revenues and government funding than they did on gifts and donations (36%) compared to other provinces (CEGN, 2004: 5).⁷ This is, in part, because there are fewer corporate and foundation donors in the region. In 1996, corporate giving to organizations in Saskatchewan, Manitoba, and the Northwest Territories combined to make up only 5% of the total donations to Canadian recipients—much less than would be expected on a per capita basis (Holtlander to Metcalf Foundation, personal communication, March 2003). A later study by Cathy Wilkinson of the Canadian Boreal Initiative and Wendy Francis of the Canadian Parks and Wilderness Society found that “Saskatchewan, Manitoba and Newfoundland have the lowest capacity of all Canadian provinces,” yet “despite this extremely limited capacity, these are provinces with enormous potential for wilderness protection” (Wilkinson and Francis in Holtlander, 2003).

A Saskatchewan-based charitable foundation, then, would not only deal with competition issues amongst the province's environmental initiatives, but also with the national and international environmental movement.

The wider charitable sector

The 4,424 environmental non-profit and voluntary organizations active in Canada during 2003 comprised 2.7% of the total of all Canadian non-profit and voluntary organizations, but received only 1% of the total revenues (\$1 billion of \$112 billion) (CEGN, 2004: 3). Yet, Canadians often describe the environment as a concern. As explained in

Maximizing Effectiveness, a report by the Alberta Ecotrust: “National voluntary sector surveys continually indicate that environmental funding tends to make up a very low percentage of overall grants and remains a low priority for donations from individuals, while consistently a high priority area of concern for most Canadians (Green Planet Communications, 2004: 5). Or, as said even more bluntly of American donors:

The truth is that for the vast majority of Americans, the environmental never makes it into their top ten lists of things to worry about. Protecting the environment is indeed supported by a large majority—it’s just not supported very strongly. Once you understand this, it’s much easier to understand why it’s been so easy for anti-environmental interests to gut 30 years of environmental protections (Shellenberger and Nordhaus, 2004: 11).

Conceptually, the environment appears to be important to North Americans, but many of their dollars are going elsewhere. In the context of this feasibility study, it points to stiff fundraising competition for an independent charitable institution based in Saskatchewan. However, it could also be argued that it identifies an opportunity for Saskatchewan-based ENGOs, perhaps through a charitable organization, to more fully engage Saskatchewan citizens with the work of environmental organizations through charitable giving. As will be discussed a bit later, this may also be a means of re-establishing environmental matters as general societal issues, not just as a special interest concern.

Other options

This section presents options other than the creation of an independent environmental charity in Saskatchewan. These options aspire to reflect the spirit of the mandate identified by the SEN membership, as well as the activity areas of interest, perceived benefits, and hesitations around the idea of a centralized funding body, and some other considerations, particularly with regards to member interest or energy. On this last point, many of the SEN member organizations interviewed during Phase One appear interested in a centralized funding body to supplement their funding options, not to encompass the full extent of their funding. Furthermore, there was little energy and enthusiasm for being part of its creation or management in light of the many other things that Saskatchewan’s ENGO workers and volunteers are currently doing. The suggestions below attempt to both maximize the potential benefits of a centralized funding initiative and minimize the potential limitations.

SEN re-establishes itself as a charitable organization

This is not significantly different than creating an independent registered charitable organization except that, instead of creating a new organization, SEN would incorporate itself as a charity. The key difference is that SEN would more explicitly manage the board and day-to-day administration.⁸

Potential benefits

- 1) There could be less administrative and other overhead costs associated with this model than an independent charitable organization.
- 2) Charitable status would enable the funding body to issue tax receipts and receive funding from other charitable foundations. This would maximize the organization's fundraising ability.

Limiting factors

- 1) It would require that the SEN membership revisit its organizational vision and mission to ensure that its charitable status is consistent with its stated work.
- 2) It would also entail increased staffing and alternative expertise to the SEN coordinator position (including fund-raising and financial management), as well as increased responsibility and liability issues for the current board membership.
- 3) Perhaps most importantly, an external limitation would be the ability of SEN itself to qualify for charitable status as SEN has already attempted and failed to receive charitable status from the Canadian Revenue Agency.

Approach a current foundation/organization to create a regional specific partnership

Creating a charitable organization involves significant resources—particularly during the start-up phase—that in the end may not reach SEN members or their environmental project work. There are several pre-existing foundations/institutions that either work in similar activity areas, partner with ENGOs on capacity and other initiatives, and/or may be open to a new manner of pursuing environmental work. The nature of a potential partnership, like the potential benefits and limiting factors, would differ depending on the organization with which SEN partners.

Potential benefits

- 1) The primary benefit to developing a partnership is likely a savings in resources (including dollars, time, energy, and people) that would be put towards creating an organization and its structure that, in the end, may be unsuccessful.
- 2) A secondary benefit to developing a partnership could be the re-integration of environmental issues with wider societal issues.

Limiting factors

- 1) Negotiation of a partnership could be a time-consuming process and may not achieve autonomous programming for SEN membership.
- 2) While there are some interesting possibilities, there is no obvious partner organization for SEN or its membership. All four institutions described below come with complications and/or history, and may not be interested in such a partnership.

Only limited outreach has been done to these organizations as partnership development is beyond the scope of this feasibility study. Some suggested partnership opportunities follow.

Alberta Ecotrust (based in Alberta)

As discussed previously, the Alberta Ecotrust is a charitable organization and provincial foundation that partners businesses, environmental groups, and community members in Alberta. Since its founding in 1991, the Alberta Ecotrust has developed its partnerships throughout the province to fund and support grassroots environmental projects, build capacity and sustainability in the voluntary sector, and promote the environment as the foundation of a healthy community. Its model is considered unique in Canada because of the corporate-ENGO partnership on which it was founded and currently operates, and because the foundation funds both non-profit environmental organizations and environmental charitable organizations.

Several years ago, the Alberta Ecotrust approached the Saskatchewan environmental community about creating a branch of the Ecotrust in Saskatchewan. The idea was rejected for a number of reasons, including the potential for corporate control of donor dollars (and thus mandate control) and perceived corporate green-washing. However, as the case study demonstrates, it appears that the priorities and strategies of the Ecotrust significantly overlap with some SEN members. If this feasibility study demonstrates that it is unlikely that the Saskatchewan ENGO community can support a separate environmental charitable organization, it may be worth re-approaching the Alberta Ecotrust about an alliance in Saskatchewan. However, any such approach should seek clarification on those initial concerns regarding “ownership” or control of the fund.

Tides Canada and/or Sage Foundation (based in British Columbia)

The Tides Canada Foundation (<http://www.tidescanada.org>) is a national foundation that provides charitable giving services to donors interested in values-led philanthropy in the areas of environmental sustainability and progressive social change. Convinced that non-profits in these fields will play “critical roles in the 21st century,” Tides Canada was created by a founding board of directors to address what they identified as an underdeveloped donor base for social justice and environmental charities in Canada.

Tides Canada acts as a bridge and connects donors with charities.⁹ The organization supports donors by helping them shape giving strategies and researching prospective grantees. Historically, most of their grants have provided core institutional support to selected charities.

One possibility for SEN may be to access Tides' "Donor Advised Funds." Grants emerge directly from the recommendations of Tides Canada's donor clients through these funds. While there are presently no regional partnerships and the donor advised funds appear to be "managed" by single donors, the foundation has participated in many innovative partnerships with charitable organizations and may be open to a new interpretation of this program.

Another, slightly different opportunity for SEN may be through a Tides partner institution, the Sage Foundation (which has the same executive director as Tides). The Sage Foundation provides administrative and accounting expertise—sometimes an entire infrastructure—to organizations and groups that are not legal entities or not-for profit organizations. These are organizations that traditionally cannot raise significant funds, usually because they are unable to issue tax receipts and are thus ineligible for charitable funding. In this scenario, the Sage Foundation becomes a conduit for charitable dollars that are targeted to the partner organization. The amount of work that the Sage Foundation does vis á vis the assisted organization is negotiated by the two partner organizations. It should be noted that the Sage Foundation does not actually fundraise on behalf of its partner organization, but it will administer and manage an "on the ground" staff person as a Sage employee through funds raised by the partner organization.

At this time neither the Tides Foundation nor the Sage Foundation has a significant presence in Saskatchewan. When contacted by the researcher both expressed interest in expanding into the region. If this feasibility study demonstrates that it is unlikely that the Saskatchewan ENGO community can support a separate charitable organization, it may be worth approaching the Tides Canada Foundation and/or the Sage Foundation to consider a partnership.

A Saskatchewan community-based foundation (i.e. Saskatoon Foundation)

Community foundations are locally-run public foundations that build and manage endowment funds to support local charities and community priorities. The Saskatoon Foundation is a community (public) foundation based in Saskatoon. Its defined mission is to enhance the quality of life in the Saskatoon¹⁰ community by strategically making grants to other charitable¹¹ organizations. The Saskatoon Foundation manages its own fund and houses specific funds on behalf of community partners. For example, the Saskatoon Foundation manages an endowed Meewasin Valley Authority fund as well as two other provincial funds, one for a provincial literacy organization and another for the 4H Club.

While one of the Saskatoon Foundation's seven issue areas is "the environment," they have, by their own admission, disbursed relatively few environmental grants in the last several years. This is a pattern found in community foundations across Canada, which collectively contributed 4%-5% of their grants to environmental initiatives in 2002 (Symmes and Reid, 2004: 2). In part, this is because the Saskatoon Foundation purports to receive very few environmentally-themed applications, or at least those that also fall under their wider mandate to improve the quality of life in the city. At the same time, however, several Saskatoon-based ENGOs have made unsuccessful applications to the foundation and do not perceive it to be a true funder of ENGOs.

The Saskatoon Foundation may be interested in expanding their environmental funding, particularly if new environmentally-themed dollars were to be invested in the foundation. In the potential donor survey, they indicated that they would consider investing limited funds if they felt that the proposed organization had a plan for sustainability.¹² In 2003, the Saskatoon Foundation outreached to the Saskatchewan ENGO community by presenting at a SEN organized, environmental funders forum. Furthermore, the Community Foundations of Canada (CFC) organization recently partnered with the J.W. McConnell Foundation to develop the capacity of eight community foundations across Canada. The program, the J.W. McConnell Foundation Environmental Initiative, was created to enable community foundations to more meaningfully fund environmental projects. A report on the initiative was scheduled as a learning opportunity at the CFC's national conference in early June 2005. While the Saskatoon Foundation is not one of the community foundations involved in this project, the national initiative highlights a historic funding gap to environmental projects by community foundations and the need to fill it.

If this feasibility study demonstrates that it is unlikely that the Saskatchewan ENGO community can support a separate charitable organization, it may be worth approaching the Saskatoon Foundation and/or the three (soon to be five) other community foundations in Saskatchewan (i.e. those with membership in CFC). Perhaps they would consider a joint campaign with SEN to increase the number of environmental funders to the community foundation so that it, in turn, can develop a more meaningful environmental funding program.

Sustainability Network (based in Ontario)

The Sustainability Network is an ENGO support centre based in Toronto, Ontario. Its mission is to enrich Canadian environmental leaders and non-profit organizations through programs, services, and other support that help individuals and ENGOs increase their capacity to lead, manage, and strategize.

SEN has partnered with the Sustainability Network in the past to provide organizational capacity development opportunities to its membership. If this feasibility study demonstrates that it is unlikely that the Saskatchewan ENGO community can support a

separate foundation or some other organization, it may be worth trying to further develop the relationship between SEN and the Sustainability Network to create new capacity initiatives in Saskatchewan. However, it is unlikely that a partnership with the Sustainability Network would result in new dollars in the province, just more programs.

SEN coordinates non-charitable fundraising initiatives

There may be limited potential for SEN to directly undertake fundraising initiatives, such as lotteries or other types of fundraising that are not tied to the charitable umbrella, in order to allow for more direct control over how funds might be used.

One example of a fundraising idea from Dianne Manegre (SEN coordinator) would be to create an “Education Lottery” similar to existing home lotteries. A limited number of high value tickets could be sold with the winner receiving, for example, a university education. SEN might develop other similar innovative fundraising ideas through its existing office and staff.

Potential benefits

This type of fundraising could help to fund political advocacy, court challenges, and core work of non-profit SEN member organizations—all of which are not fundable under a charitable organization model.

Limiting factors

- 1) It would require that the SEN membership revisit its organizational vision and mission to ensure that fundraising on behalf of the network is consistent with its stated work.
- 2) This type of initiative would likely entail some increased staffing and alternative expertise to the coordinator position (including fund-raising and financial management), as well as increased responsibility for the current board membership.
- 3) There are high financial and potentially organizational liability risks to this type of fundraising venture (although there may be ways to mitigate these risks).

Considering other options

As will be discussed at the conclusion of this report, this study does not strongly indicate that the proposed organization is feasible. Of the options noted above, the researcher recommends that SEN consider exploring a partnership with the SAGE Foundation, the Alberta Ecotrust, and/or an endowment fund administered by the Saskatoon Community Foundation. This is recommended because: environmental work and issues are often marginalized from other community development initiatives; and a partnership as described above may be an opportunity to integrate environmental issues into more

mainstream organizations while at the same time demanding less of the current resources, particularly human resources, within the province's environmental movement.

EXTERNAL ANALYSIS: PUBLIC PERCEPTION OF ENVIRONMENTAL ORGANIZATIONS AND ENVIRONMENTALISM

While there are a number of funding considerations that influence the viability of an independent environmental funding body in Saskatchewan, there are also external forces that may either limit or enhance its feasibility. This section will briefly consider two of these: changing public perceptions of environmentalism; and the apparent disconnect that mainstream society has from environmentalism.

While it is important that SEN members support an independent environmental funding organization to ensure its viability, such an initiative will only be successful if it is supported by a wide spectrum of donors. As noted earlier in this section, there is significant conceptual support for environmentalism in this country, but it does not necessarily translate into charitable support. Furthermore, the results of the potential Saskatchewan donor survey do not suggest even minimal guaranteed financial support for the proposed organization. In part, this is because there is a range of other worthy causes for Canadians to support. According to the *NSGVP (2000)*, the six most commonly supported Canadian organization types are: health; social services; religious; education and research; philanthropic intermediaries and voluntarism promotion; and arts, culture, and recreation (Lasby and McIver, 2004: 5). Environmental organizations did not make the top six, although they did rank slightly higher than "law" and "development and housing" (Lasby and McIver, 2004: 2).

The public perception of environmentalists and environmental organizations is also a factor: "In general, the environment sector has an image problem—ENGOS are often perceived as radical and out of the mainstream, even where the reputation is clearly not deserved" (Symmes and Reid, 2004: 1). A very specific consequence of the public's disconnect with environmentalism is the growing perception of the environment as a special interest issue, a thing separate and independent of almost all other societal considerations. In their article, "The Death of Environmentalism," Michael Shellenberger and Ted Nordhaus identify this disconnect as lethal to environmental work because the general public does not identify environmental issues as personal issues.

Separating environmental work from general society's work is counterintuitive and counterproductive. As noted by John Muir over one hundred years earlier, "When we try to pick out anything by itself, we find it hitched to everything else in the Universe (Muir, in Shellenberger and Nordhaus, 2004: 9). All three analyses in this feasibility study—marketing, organizational, and financial—indicate that while it is technically feasible, creating and maintaining a charitable organization will take considerable re-

sources—human, financial, and other. It may also become a missed opportunity to hitch environmentalists back into the universe; segregating environmental funds may further segregate environmental work.

The researcher recommends that Saskatchewan’s environmental movement consider a partnership with one of the institutions described earlier, helping them to develop their environmental funding programs into initiatives with more meaningful results, at least from an ecological point of view. As will be discussed at the report’s conclusion, this would alleviate some of the resource stress involved in creating an entirely new organization and at the same time create bridges between environmental and community work. Arguably, this is what the Alberta Ecotrust is doing in a different form—creating a partnership between environmental interests in the province and mainstream, corporate interests. Saskatchewan does not have the same corporate donor environment, and environmental groups may not wish to make the same type of partnerships, but the key idea is a good one and one which Saskatchewan environmentalists may want to emulate.

POTENTIAL SASKATCHEWAN DONORS SURVEY, 2005

In May and June 2005, the researcher contacted thirty-four potential donor organizations in Saskatchewan to conduct a survey designed to assess their potential interest in a provincial environmental funding charity. While not statistically representative, the sample was selected to be anecdotally representative of a cross-section of society, including corporations, independent businesses, government (municipal, provincial and federal), crown corporations, community and private foundations (both in-province and across the country), religious institutions, and cooperatives. Of the thirty-four individuals contacted (as representatives of their organizations), only three actually participated in the survey. Many found that the intangible nature of the organization (i.e. an idea rather than an actual entity) made it difficult for them to commit anything but best wishes. Some found that the questions were not relevant to their respective organizations. And almost all demonstrated a type of “solicitation” fatigue and were wary of what they perceived to be yet another phone solicitation for money. Twenty-nine of those contacted agreed, however, to discuss their charitable giving practices. Interviews ranged between two and twenty minutes. Given the poor response to the survey, the findings are summarized below as an anecdotal foil to the secondary research and should not be considered conclusive.

Corporations in Saskatchewan

Of the eight corporations contacted, two of the largest in the province would not participate, stating that they require all community organizations requesting funds to fill in questionnaires themselves. They also perceived the survey to be undertaken by a

fundraising-consulting firm, despite the researcher's efforts to clarify the nature of the call. Five corporations do support environmental initiatives, predominantly those involving children, up to a maximum of \$10,000. One corporation has not supported any environmental work in the last several years.

Independent businesses

Four independent businesses were surveyed—two accounting firms and two legal firms. Of these, three do not support any community initiatives beyond those conducted by their clients. One would consider supporting the proposed environmental organization as an individual but not through his business.

Government

Neither federal nor municipal representatives were interested in speaking outside the parameters of their current funding programs, although there may be significantly more federal funds available to environmental initiatives in the next several years. The cities of Saskatoon and Regina do not have any significant environmental funds (beyond a \$1000 grant in Saskatoon), and those funds that they do disburse must be spent within the granting city. In general, most federal programs involve hands-on initiatives and are given directly to community groups and organizations, not other funders.

Foundations

As a general comment, there is a trend amongst community and private foundations to fund initiatives that are helping to build the capacity of environmental initiatives across the country. The CFC and the Canadian Environmental Grantmakers' Network are both involved in national level programs to promote capacity development within ENGOs.

Against this backdrop, the researcher contacted six foundations—two in Saskatchewan and four across the country. One national foundation has a policy of refusing to answer surveys (like one of the above mentioned corporations, they do not want to be solicited by fundraising consultants) and referred the researcher to its website. However three national organizations expressed support for either the idea of, or actuality of a creative partnership. Several of these discussions, conducted with the Saskatoon Community Foundation, Tides Foundation and Sage Foundation, have already been detailed above.

One national organization based in Ontario would consider supporting development of a business plan and/or seed money for the proposed organization depending upon the quality of the proposal and a demonstrated plan for its sustainability. This same foundation, however, is more interested in creative partnerships and was more enthusiastic in some of the alternatives that SEN is considering.

Religious institutions

Of seven religious institutions contacted, none directly support environmental initiatives unless it is a project being undertaken by a member of their congregation.

CONCLUSION

Given the number of other competitors for funding dollars in Saskatchewan, as well as the current cultural disconnect between environmental work and the rest of society, the marketing analysis indicates that promoting a provincially-based environmental funding body would likely be a challenge. At the same time, the need for financial support for environmental work in Saskatchewan has been clearly established, as has the need and desire to more fully engage Canadians in the work, not just the funding. Perhaps, as recommended above, SEN could pursue a partnership that will increase project funds to some Saskatchewan-based initiatives focused on engaging Canadians in sustainable living practices.

ORGANIZATIONAL ANALYSIS

PROPOSED ORGANIZATIONAL DESIGN

The designation of “charitable non-profit organization” was recommended in the “SEN-CUISR Environmental Foundation Feasibility Study- Phase One Report” (and accepted by the SEN Advisory Committee) as the most appropriate designation for an independent organization for two reasons.

- 1) *Why a Charity?* Charitable non-profit status would enable the funding body to issue tax receipts and to receive funding from other charitable foundations, thereby maximizing the organization’s fundraising potential.
- 2) *Why not a Foundation?* As a registered charitable organization, the funding body would act as a “flow through” fundraising organization. All monies collected in the year (apart from the administrative component) would be disbursed to Saskatchewan ENGOS. In comparison, a registered charitable foundation would accumulate donations and could only disburse the annual interest earned on these donations. For a charitable foundation to be able to provide significant disbursements, it would have to accumulate very large donations—a difficult prospect in Saskatchewan, as noted earlier.

This section highlights the most pertinent aspects of design and structure for the proposed organization. These are, however, only broad strokes. If SEN moves forward

and attempts to establish an independent organization, the specifics of the organization's mandate, mission, governing structure, and staffing will likely be further influenced by the founding personalities, the amount of start-up and operating funds that the organization is able to acquire, as well as its business plan.

PROVINCIAL INCORPORATION AND FEDERAL CHARITABLE STATUS

In Canada, non-profit charitable organizations require two separate but connected designations, each of which is governed by a different level of government. Provincial law usually¹³ governs the formation and operation of a non-profit organization, while the granting of charitable status is governed federally.

Creating a provincial organization: To incorporate or not

A non-profit organization is an organization that is formed to carry out activities for purposes other than personal financial gain.¹⁴ In Saskatchewan, a non-profit organization carrying out activities in the province may register (i.e. incorporate) under the *Non-profit Corporations Act, 1995*. There are several benefits to provincial non-profit incorporation. An incorporated organization has its own legal status, separate from that of its membership and/or staff. At the same time, incorporation provides legal limitations on the personal liability of an organization's members, particularly its board members. Incorporation establishes organizational continuity in that members may come and go, but the organization remains. And finally, incorporation establishes the organization more formally and includes a framework for decision-making through requirements for by-laws, a board of directors, and other governance structures (Public Legal Education Association of Saskatchewan, 2003: 3). While a non-profit organization is not always required to incorporate, it must do so to be eligible for federal charitable status. It is therefore assumed that the proposed organization would incorporate.

After the more difficult and philosophical task of defining the organization's mandate, mission, and management and governance structures, actually registering as a non-profit incorporation becomes an administrative task. An application package is submitted by the non-profit organization (a group of one or more individuals who are at least eighteen years of age and mentally competent) to the Saskatchewan Department of Justice, Corporations Branch. The application package includes the following documentation:

- 1) A registration application;
- 2) Appointing a resident of Saskatchewan to act as power of attorney;
- 3) Verified Articles of Incorporation¹⁵;

- 4) Certificate of Status issued by home jurisdiction; and
- 5) Registration fee (\$100 in 2005), name search fee (\$20 in 2005), and gazette publication fee (\$15 in 2005).

Acquiring federal charitable status

A charitable non-profit organization is a distinct entity from a non-profit organization. Federal charitable status conveys two primary benefits to an organization, both of which would assist the proposed funding body: 1) charitable organizations are exempt from paying income tax on earned income; and 2) charitable status allows the organization to issue tax receipts to all donors eligible for tax credits under Canadian income tax law. Regarding this latter point, while tax receipts themselves are not necessarily a motivation for giving—only 13% of Canadians surveyed in the *NSGVP 2000* cited tax receipts as a motivation for their donations—they often influence the magnitude of a donation (Lasby and McIver, 2004: 7). Many foundation donors also require tax receipts due to Canadian Revenue Agency restrictions on their own activities.

Incorporated non-profit charitable organizations must be registered with the Canadian Revenue Agency and operate in compliance with the *Income Tax Act*. To be eligible for registration as a Canadian charitable institution, the major purpose of the non-profit must be restricted to one of following: the relief of poverty; the advancement of education; the advancement of religion; or “other purposes of a charitable nature beneficial to the community as a whole” (Bridge, 2000: 4). The dated nature of this tax law is a topic unto itself and is currently being challenged by public advocacy groups across the country. For now, however, environmental organizations that are able to acquire charitable status are placed in the ambiguous “other purposes” category.

The lack of a clear category for environmental organizations seeking charitable status is further complicated by another element of the Canadian regulatory system for charities—the legal restriction placed on their advocacy activities. In Canada, registered charities are not allowed to devote more than 10% of their resources to “political” activities. An administrative explanation to the appropriate provision in the *Income Tax Act* (s. 149.1 (6.1 & 6.2)) describes such “political” activities as including: “communicating to the public that the law, policy or decision of any level of government in Canada or a foreign country should be retained, opposed or ‘changed’” (Institute for Media, Policy and Civil Society, 2000: 1). Because much of the work carried out by environmental organizations requires identifying and articulating the need for systemic change in our society, many Saskatchewan ENGOS are either constrained by or in contravention of the 10% rule.

Although the organization under consideration in this study is not advocacy oriented, the preceding discussion describes why it is often difficult for ENGOS to acquire

charitable status. According to the Canadian Environmental Grantmakers Network, “environmental organizations are less likely to have charitable status than non-profit and voluntary organizations overall. ... 41% of environment organizations that are registered charities compares to a figure of 56% of all organizations” (CEGN, 2004: 1). Furthermore, SEN has tried and failed to acquire charitable status in the past because its mandate is considered too narrow, serving a specific membership instead of society as a whole. This could also be an issue for the proposed organization. The application will have to demonstrate that it serves “other purposes of a charitable nature beneficial to the community as a whole” and not just SEN’s membership. It will also have to define itself as a charitable organization that is distinct from a charitable foundation in that it plays both a programming and funding role.¹⁶

It is hard to assess exactly how easy or difficult it may be for the proposed organization to acquire charitable status until it becomes less an idea and more a reality. Charitable status, however, will be extremely important to its success. Should the SEN membership decide to pursue the creation of an environmental charitable organization, it is the researcher’s opinion that acquiring charitable status should be one of its first and potentially “make or break” tasks.

MANAGEMENT AND GOVERNANCE ISSUES

The processes of incorporating and registering as a charity may be complicated—particularly the latter—and will influence the ability of the proposed organization to thrive and be of assistance to environmental initiatives in this province. However, management and governance of the proposed organization may be even greater indicators of feasibility. For the purposes of this study, “management” refers to the staff and/or board of directors responsible for the day-to-day operations of the proposed organization, and “governance”¹⁷ refers to the founding board of directors that will be responsible for the charity’s vision, mission, mandate, and creating the systems necessary to ensure good strategic governance so that the organization will survive and thrive well into the future. Maintaining a board of directors is a technical requirement under the *Non-profit Corporations Act, 1995*. While governance and management within the non-profit sector are huge topics that cannot be adequately explored in this report, there are some important trends that are relevant to the SEN initiative.

Surprisingly to some, Canada’s non-profit sector is a significant economic presence within the country. In 1999 it accounted for 6.8% of the country’s gross domestic product, making it the second largest sector of its kind in the world (Hall et al, 2005: 7). Despite the sector’s size, or perhaps because of it, non-profit organizations are struggling with a number of governance and management difficulties:

Non-profit and voluntary organizations report that they are experiencing problems fulfilling their missions, and a substantial percentage report that these problems are serious. *The biggest problems concern their ability to plan for the future, to recruit volunteers and board members and to obtain funding from others* (i.e. governments, foundations, corporations and individual donors). Those that rely on external funding from governments, corporations, and foundations are much more likely to report that they are facing serious problems (Hall et al, 2005: 25; emphasis added).

These issues are even more pronounced within the environmental movement. The report, *Toward Best Practices in Environmental Grantmaking: Strengthening Community Engagement and Capacity at the Local Level*, commissioned by the Hamilton Community Foundation, Community Foundations of Canada, and the Canadian Environmental Grantmakers Network, outlines the governance character of the environment sector:

Environmental groups at the community level are typically younger, smaller and more lacking in infrastructure, stable revenue streams and public funding than groups in other sectors. At least half lack charitable status and their Boards tend to be less strategic and less sophisticated than in other sectors. Many ENGOs are born in response to a threat to the local environment, and advocacy to change government policies is an important focus for some groups, which may bring them into conflict with agencies and the business sector (Symmes and Reid, 2004: 3).

While it would be misleading to say that the descriptions above apply to all ENGOs operating in the province, the Phase One findings support this trend—that governance capacity is a chronic issue for many Saskatchewan ENGOs and that it influences their ability to access resources. This is a serious consideration for the proposed organization that will be tasked with acquiring funds, not for itself, but for the wider environmental movement within the province. The level of governance expertise involved in founding the environmental charitable organization, then, will be extremely important as it will likely influence all other capacities in the organization, most importantly strategic planning and fund-raising.

As discussed previously, given the poor response during the potential donor survey there is not a sense of strong potential donor buy-in to the proposed organization, either in terms of funding or participating in its creation. Furthermore, during the Phase One

interviews of SEN member organizations there was little enthusiasm expressed for being part of its creation or management in light of the many other things that Saskatchewan ENGO workers and volunteers are currently doing. While it cannot be denied that, as Margaret Mead once so elegantly noted, “a small, group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has,” there is no such obvious group at the completion of this study. And, should such a group arise, there may be a more effective use of their commitment.

FINANCIAL ANALYSIS

ASSUMPTIONS

Beyond the general assumptions on which this entire feasibility study is based, there are some very specific assumptions for the financial analysis that follows:

- 1) As already noted, it is assumed that a volunteer board of directors who will heavily influence the substance of the organization will found this charitable organization. What follows are only the researcher’s best “guesstimates” as to the anticipated staffing structure, operating budget, and other financial considerations.
- 2) All projected start-up and operating costs (see **Appendices H and I**) are adapted by the researcher from a SEN 2003 funding submission.¹⁸
- 3) As per SEN’s original submission, it is assumed that the start-up phase would take approximately fifteen months, after which time the organization would begin soliciting potential ENGO applicants. There are therefore two different cost estimates presented: 1) Anticipated Personnel Costs Associated with the Start Up Phase (**Appendix H**); and 2) a Draft Annual Operating Budget (after the first fifteen months) (**Appendix I**).
- 4) Based on the SEN submission, it is assumed that there will be three paid contract staff positions during the start-up phase, each of which is paid, on average, \$23/hour.¹⁹
 - i) A project manager, who is responsible for all elements of the organization’s start-up from inception to completion (i.e. getting an organization up and running, ready for its first year of work). This includes meeting with the founding board of directors, managing and implementing the overall project work plan including staff management, and implementation of the promotional plan for donors.
 - ii) A fundraising coordinator, who is responsible for developing a fundraising plan and making initial contacts under the supervision of the project manager.

- iii) A technical coordinator to help with the preparation, filing, and management of the incorporation and charitable registration processes. This position also works under the supervision of the project manager.
- 5) After the fifteen-month start-up phase, it is assumed that there will be one staff position (i.e. a program coordinator) that will answer to the volunteer board of directors. It is assumed that this position will be responsible for all elements of the organization's work, including fundraising and project management. However, based on feedback from SEN membership during Phase One, it is likely that a volunteer committee, not a program coordinator, will make funding decisions.
- 6) All revenue considerations are derived from secondary research, not the Potential Saskatchewan Donor Survey. This is due to the poor response to the survey, which resulted in an inability to project any potential revenues. Due to a lack of reliable financial information (i.e. commitments), there is no potential revenue attributed to the organization, only expenses.

START-UP COSTS

It is anticipated that start-up of an environmental charitable organization with the described mandate will require almost one thousand hours of paid work by three different contractors (for a total of \$21,500) (see **Appendix H** for details). Furthermore, this phase will require strong management by a volunteer board of directors involving an estimated 900 volunteer hours.²⁰ These start-up costs are predominantly personnel expenses and do not include office supplies, phone lines, cost of incorporation, or rent. These types of expenses have been considered in the Draft Annual Operating Budget (**Appendix I**) but not in the start-up phase and may result in several thousand extra dollars in costs (and even more if contractors require office space).

OPERATING COSTS

It is anticipated that the annual operating costs of the organization—before fund generation for other environmental initiatives—will be approximately \$47,000 (see **Appendix I**). This includes a one-time capital expenditure for a computer, printer, and desk, and assumes a modest rent of \$300/month, as well as a full-time coordinator. A full-time coordinator is imperative because that individual will have to raise significantly more than \$47,000 in funds to ensure that the organization is achieving its mandate to fund Saskatchewan-based charities and registered not-for profit organizations engaged in activities that promote, pilot, and/or demonstrate ecologically sustainable practices, and/or educate the public about environmental issues.²¹

REVENUE PROJECTIONS

At the outset of this project, the researcher and SEN Advisory Committee all anticipated that information derived from the primary research (i.e. the Potential Saskatchewan Donor Survey) could be used to project potential revenues for the proposed organization. Given the poor response to this survey, no such revenue projection is possible. Instead, the only revenue potential considered is that for individual giving in Saskatchewan.

Individual giving (secondary research results)

As discussed in the section on marketing analysis, Canadian ENGOs derive 15% of their revenues from individual donors (Hall et al, 2005: 2). According to the *Canadian Nonprofit and Voluntary Sector in Comparative Perspective*, philanthropy is the main source of financial support for environmental protection (Hall et al, 2005: 3). Furthermore, a majority of environmental organizations in Canada are membership-based (87%), more so than the rest of the NGO sector (80%), which reflects the strong contribution of individual gifts to environmental organizations. Using these data along with Canadian and Saskatchewan census data for 2003, a conservative projection for annual individual contributions is set at \$3.8 million dollars (see **Appendix G**). This total is a projection of all individual dollars going to all environmental initiatives in Saskatchewan and should not be considered the potential revenue stream for the proposed organization.

This projection, however, indicates that the SEN membership may be able to access more individual donations than they do at present, either through an environmental charitable organization or in another collective manner. During Phase One, the researcher interviewed 65% of the SEN membership. Collectively these organizations earn eight million dollars²² annually from a variety of sources. Assuming that SEN member organizations fit the national ENGO profile and are acquiring, on average, 15% of their income from individuals, collectively they would be acquiring 1.2 million dollars from individuals—more than 2.5 million dollars less than the amount projected in **Appendix G**. While there are a number of factors that influence the validity of the projected value (e.g. not all organizations involved in environmental work are SEN members), the discrepancy in the two values points to the potential for increased environmental revenues to SEN member organizations.

Other potential sources of revenue

While individual donors are extremely important to environmental initiatives in Canada and Saskatchewan, they are not the sole source of funding. In 2003, according to the *Canadian Environmental Grantmakers' Research Brief*, environmental organizations received 27% of all revenues from government (federal, provincial, and municipal levels), 44% from “earned” income, including gaming, membership, fees for service,

and investment income, 2% from corporations, 2% from foundations, 15% from individual gifts, 4% from other non-profits, and 6% from other unknown sources (CEGN, 2004: 4). Although the researcher was unable to project specific amounts for each of these sources, they should be considered in a business plan if SEN attempts to create the proposed organization.

Sources of financing

No potential funder committed to any form or level of financing during this research. Two foundations, one national and one community, expressed interest in receiving an update on the project and would consider a proposal for start-up funds, although the community foundation is not in a position to fund initiatives outside the city of Saskatoon.

CONCLUSION

This financial analysis is not able to compare potential revenues for the proposed organization with its anticipated costs, thus detracting from the analysis. However, given the reasons for the missing revenue projection—most significantly the failure of the Potential Saskatchewan Donor Survey and the associated ennui of many corporate funders in Saskatchewan—it is the researcher’s opinion that, financially, it will be very difficult for a volunteer group to generate the start-up and operating funds necessary to ensure that the organization can run on a day-to-day basis. Furthermore, the proposed purpose of the organization in question is to fund Saskatchewan-based charities and registered not-for-profit organizations engaged in activities that promote, pilot, and/or demonstrate ecologically sustainable practices, and/or educate the public about environmental issues. This means that it must not just raise money for itself (\$47,000 annually), but for other environmental initiatives in Saskatchewan. To be of value to the ENGO sector, it would have to generate significantly more than \$47,000 annually.

While it may be difficult for the proposed organization to create the financial ability to achieve its mandate, **Appendix G** suggests that it is possible to increase the amount of individual donations to environmental work in Saskatchewan. Accordingly, the researcher suggests that SEN may better use its limited resources by developing a partnership that will maximize outreach to new individual donors.

CONCLUSION AND FINAL RECOMMENDATIONS

Figure 1. Summary of the Marketing, Organizational, and Financial Analyses.

	Strengths of the Proposed Initiative (More Feasible)	Weaknesses of the Proposed Initiative (Less Feasible)	Analysis
Overview of Marketing Analysis	<ul style="list-style-type: none"> • outreach to SEN membership in Phase One to get member feedback • strong product; SEN membership supports concept of a provincial funding body • majority of ENGO support is from individual donors and there is room for growth in this sector • Alberta Ecotrust, a successful, comparable initiative, as prototype organization 	<ul style="list-style-type: none"> • significant competition for fundraising dollars amongst NGOs and other ENGOs • public distrust of environmental initiatives and current disconnect between environmental work and general society's work • other options may achieve same ends (i.e. partnership, while using less resources) 	<p>It may be a better use of resources for SEN to consider a partnership with a community-based foundation or comparable initiative that has marketing and fundraising experience. This would achieve two ends:</p> <ol style="list-style-type: none"> 1) Increased dollars to ENGO work in Saskatchewan; and 2) Connect environmental work to community work.
Overview of Organizational Analysis	<ul style="list-style-type: none"> • charitable status enables organization to provide tax receipts 	<ul style="list-style-type: none"> • increasingly difficult for ENGOs to acquire charitable status • governance and management of organization is imperative to its success (ENGO sector tends to be weak in this area) 	<p>Good governance and management will be imperative to the organization's success and are often weak in the ENGO sector. May be better to use the resources associated with getting new organization up and running to develop a partnership with an organization that can help develop the Saskatchewan ENGO sector's capacity (so that individual organizations can earn own funds).</p>
Overview of Financial Analysis	<ul style="list-style-type: none"> • majority of ENGO support is from individual donors and there is room for growth in this sector 	<ul style="list-style-type: none"> • will take approximately \$25,000 in start-up costs and approximately \$47,000 annually to run organization before revenue generation 	<p>May be more able to use limited resources (\$72,000 in first two years) by developing a partnership or, if SEN continues to develop programming, increasing ENGO sector's capacity.</p>

As demonstrated by **Figure 1**, a final assessment as to the feasibility of the proposed organization is subjective. It is likely technically feasible to pursue the creation of an organization with a mandate to fund Saskatchewan-based environmental charitable work: the need has been identified by SEN's membership and supported by the independent analysis of the Alberta Ecotrust; the public supports environmental initiatives, albeit conceptually more than financially; and there appears to be the potential for more individual donor support in Saskatchewan. At the same time, all three analyses suggest that such an initiative will be a huge amount of work for potentially little return. And, perhaps most significantly, the discussion of the public perception of environmental organizations and environmentalism demonstrates that environmental work is still largely segregated and separate from mainstream society. In this context, a partnership(s) between SEN and a foundation(s) or other institution(s) may not only facilitate more environmental funding dollars in the province, but it may also serve a program function by encouraging different community organizations (i.e. the Saskatoon Community Foundation) to consider environmental issues as their own.

In light of the above, the researcher does not recommend that SEN establish a charitable organization with a mandate to fund Saskatchewan based charities engaged in environmental education and sustainable living projects.

However, as there was significant support for the idea of increased funding for those types of initiatives, the researcher therefore recommends the following:

- 1) That SEN pursue a partnership with the Sage Foundation and/or Alberta Ecotrust to enhance funding opportunities for environmental initiatives of the type defined in Phase One. While the nature of the partnership would differ depending on the organization (and, of course, their interests), the potential benefits and concerns identified by the SEN membership during Phase One should be part of the partnership parameters.
- 2) That SEN consider creating an endowment fund with the Saskatoon Community Foundation. This would not necessarily generate significant revenues, but it would establish a relationship with the Saskatoon Community Foundation and its funders.
- 3) That SEN consider coordinating an ENGO fundraising initiative that is not charitably funded nor constrained (e.g. an education lottery) to generate funds that can be used with wider discretion, including towards traditionally hard to fund activities.
- 4) That SEN continue its capacity development work with the Sustainability Network so that ENGOs in Saskatchewan have the opportunity to further develop their fundraising and resource management skills.

NOTES

- ¹ The term “foundation” is used loosely throughout this project as a synonym for “funding body.” The proposed organizational structure—the result of Phase One research and the subject of this feasibility study—is not a charitable foundation, but rather a charitable organization. (For more explanation on this, see the section entitled “Organizational Analysis”). The term “foundation,” however, is used throughout this report when referring to Phase One documents and, in some cases, Phase One findings as that was the term used during first phase research. This leads to some confusion, particularly for SEN member organizations that assume that the creation of a charitable foundation is the likely result of this study. This should be considered a weakness in the study design.
- ² No Saskatchewan-based individuals were contacted in this survey (with the exception of several independent business owners). Therefore, all discussion of individual giving in Saskatchewan throughout this report is based on NSGVP data.
- ³ This would depend on the guidelines developed by the funding organization, should it prove to be feasible.
- ⁴ The Alberta Ecotrust underwent an organizational needs analysis in 2003/2004 that led to some program restructuring. The researcher selected 2001 because it is likely more reflective of the first decade of the Ecotrust’s giving trends.
- ⁵ The environmental charitable organization obviously proposes to tightly define its mandate and mission, including its working definition of “sustainable living.” However, most prospective donors are unlikely to appreciate the distinction between SEN’s use of the term and that of a school group, so all provincial “environmental” initiatives are considered competition in this section.
- ⁶ The interest in “size” is only from the perspective of competition for donor dollars. As an agricultural province, the researcher recognizes that a number of individuals practice sustainable living as a way of life outside of the context of institutions working for environmental protection and societal change.
- ⁷ This strengthens the decision in this report to focus on the potential for individual donor support.
- ⁸ Several of the member organizations interviewed assumed that SEN would manage the funding body as opposed to it existing as a completely separate structure.
- ⁹ In this type of partnership, only charitable members of SEN would likely benefit.
- ¹⁰ A partnership with a local community organization would result in some regional constraints. However, at least one of the community foundations participates in the J.W. McConnell Foundation Environmental Initiative fund outside their strict geographic areas (i.e. Greater St. Johns, New Brunswick). Furthermore, the Saskatoon Foundation manages several provincial funds on behalf of partner organizations outside Saskatoon.
- ¹¹ In this type of scenario, only charitable members of SEN would likely benefit from the partnership.

- ¹² The representative for the Saskatoon Community Foundation said that they would seriously consider an application to start up the organization, but they also have a history of funding projects but not other funders..
- ¹³ It is possible for non-profit organizations to incorporate federally, but it is more likely that the organization under consideration would register as a provincial non-profit organization given its provincial mandate.
- ¹⁴ A non-profit corporation can earn a profit, but it must be used to further the goals of the group, not its individual constituents.
- ¹⁵ The Articles of Incorporation is a document that identifies the unique characteristics of a non-profit corporation. It includes the name of the non-profit, its objectives, the number of directors, and class(es) of membership. Often associated with the Articles of Incorporation, but not required by law, are the organization's bylaws—the rules and regulations that govern the internal workings of the organization (PLEA, 2003: 4).
- ¹⁶ This was the same case for the Alberta Ecotrust.
- ¹⁷ These are not strict definitions because any board of directors is collectively responsible for governance whether the organization is five days old or five years old. In this scenario, however, it is assumed that the founding board of directors will create a framework that will ensure good governance long after the founding individuals are no longer involved with the organization.
- ¹⁸ Feedback on this submission was the impetus behind the joint CUISR-SEN Environmental Foundation Feasibility Study.
- ¹⁹ This includes benefit expenses to SEN or the coordinating body.
- ²⁰ This assumes six board members meeting for ten hours per month during the fifteen-month start-up phase.
- ²¹ This feasibility study does not attempt to put a dollar amount on the potential for project funds (beyond operating expenses) as it is the researcher's opinion that the base operating funds will be difficult enough to achieve.
- ²² Because most of Saskatchewan's largest ENGOS participated in Phase One, it is assumed that the entire membership does not earn substantially more than eight million dollars.

INTERVIEWS

Marilyn Gilis, Quill Lakes Watch Group, 11 February 2005.

Dale Hjertas, 11 February 2005.

Glenn Hymers, Craik Sustainable Living Project, 31 January 2005.

Linda Murphy, Inter Church Uranium Cooperative, 29 January 2005.

Rob Walton. Core Neighbourhood Youth Project, 25 January 2005.

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Appendix A. List of Member Organizations, January 2005.

Back to the Farm Research Foundation
Beyond Factory Farming Coalition/Council of Canadians
Canadian Parks and Wilderness Society, Saskatchewan Chapter
Child Hunger and Education Program (CHEP)
Concerned Citizens for a Safe and Health Environment
Core Neighbourhood Youth Co-op
Council of Canadians, Prince Albert Chapter
Craik Sustainable Living Project
CUPE Environment Committee
Environmental Studies Students Association (ESSA), University of Saskatchewan
Farm Woodlot Association of Saskatchewan
Gaia Group
Grandma's Environment Fund
Inter Church Uranium Committee Education Co-operative
Meewasin Valley Authority (MVA)
National Farmers Union (NFU)
Nature Saskatchewan
Ness Creek Society
Northeast Alliance for Co-Management
Organic Connections
Oxfam, Prairie Region
Partners for the Saskatchewan River Basin
Prairie Institute for Human Ecology
Prince Albert Earth Advocates
Quill Lakes Watch Group
Quint Development Corporation
Redberry Biosphere Reserve
Regina Natural History Society

SARCAN

Saskatchewan Council for International Cooperation (SCIC)

Saskatchewan Environmental Society (SES)

Saskatchewan Federation of Labour

Saskatchewan Nature and Eco-Tourism Association

Saskatchewan Organic Directorate (SOD)

Saskatchewan Waste Reduction Council (SWRC)

Saskatchewan Wildlife Federation

Saskatoon Curbside Recyclers

Saskatoon Nature Society

Sierra Youth Coalition

SOS Elms

Sustainable Developments

Appendix B. SEN-CUI SR Environmental Foundation Feasibility Study Phase One Report.

INTRODUCTION AND SUMMARY

During the months of January and February 2005, twenty-eight SEN member organizations participated in an interview designed to assess their interest and to solicit their input into the design of a potential funding institution dedicated to supporting Saskatchewan based environmental work. The information collected from these interviews is summarized below in two parts. *Part One* summarizes basic information about the participating organizations. *Part Two* describes their opinions, concerns and hopes for a funding body. *Part Three: Discussion* was developed from the content of these interviews, the extent of initial support from interviewees and several case studies. It outlines the parameters of four possible approaches and/or models for a Saskatchewan based funding body. In the *Conclusion* the researcher recommends that SEN continue with Phase Two of the SEN-CUI SR project by conducting a feasibility study on a registered charitable organization in Saskatchewan to support environmental education and sustainable living demonstration projects, as well as capacity building by environmental non-profit organizations in the province. If, during this Phase Two we assess that it is not feasible to create such an organization in Saskatchewan, the information collected may help SEN assess whether it would like to pursue one of the other suggestions presented in the *Discussion*.

PART ONE: OVERVIEW OF PARTICIPATING SEN MEMBER ORGANIZATIONS

The first part of the phone interview (questions #1-10) was designed to collect basic information and the current status of SEN member organizations.

DESCRIPTION OF PARTICIPATING SEN MEMBER ORGANIZATIONS

The SEN member organizations interviewed range in size, scope, issues areas, activity areas and their annual revenues. A charted description of the organizations is presented in **Appendix Two, SEN Members: Basic Organizational Information (Summary of Questions #1 – 8)**.

ISSUE AREAS OF SEN MEMBER ORGANIZATIONS

SEN members work on a variety of issues (identified from **Appendix Three, CEN Environmental Issue Areas**). The majority of organizations interviewed identified sustainable communities/community development and environmental education among many other issues (summarized in **Table One**).

Table One. Summary of Issues on Which SEN Member Organizations Working.

CEN Issue	No. of SEN orgs
Urban and Land Use Management – Sustainable Communities/ Community Development	15
Ecology and Society – Environmental Education	10
Economics – Sustainability	9
Agriculture – Food Issues	8
Biodiversity and Wildlife – Wildlife Protection	7
Agriculture – Intensive Livestock Operations	6
Climate Change	6
Biodiversity and Wildlife – Wilderness and Parks	6
Energy Renewables	5
Waste – Reduction, Recycling, Composting	5
Fresh Water – Water Quality	5
Biodiversity and Wildlife – Outdoor Recreation	5
Economics – Eco tourism	5
Ecology and Society – Ethics/spirituality	5
Atmosphere	4
Air Quality	4
Biotechnology	4
Forests – Forest Practices	4
Health	4
Assessment and Law	3
Biodiversity and Wildlife – Animal Rights	3
Energy Conservation	3
Ecology and Society – Environmental Technologies	3
Ecology and Society – Labour and environment	3
Toxics – Pesticides	3
Fresh Water – Watershed Management/Water Use	3
Biodiversity and Wildlife	2

Energy Nuclear	2
International Affairs – International Trade	2
International Affairs – Globalization	2
Marine – Aquaculture	2
Mining	2
Toxics – Hazardous Waste	2
Urban and Land Use Management – Land Conflict	2
Ecology and Society – Peace and environment	1
Ecology and Society – Youth and environment	1
First Nations	1
Forests – Forest Restoration	1
International Affairs – International Development	1
International Affairs – Human Rights	1
Marine – Coastal Marine	1
Toxics – Transportation	1
Fresh Water – Watershed Restoration	1
Fresh Water – Wetlands	1

ACTIVITIES UNDERTAKEN BY SEN MEMBER ORGANIZATIONS

The majority of SEN member organizations are involved in some sort of environmental/sustainable practices education or training among other activity areas. A significant portion of the interviewed membership also engage in publications/ communications, research, policy legislation advice and/or reform as well as political advocacy.

Table Two. Summary of Environmental Activities Undertaken by SEN Member Organizations.

Environmental Activities	No. of SEN orgs
Environmental/sustainable practices education or training	19
Publications/Communications	14
Research	13
Policy/legislation advice and/or reform	12
Political advocacy	12
Demonstration projects	10
Habitat/species protection or clean up	7
Recreational activities	4

GEOGRAPHIC SCOPE OF ACTIVITIES

While many of the SEN organizations that were interviewed have national and international affiliations, the majority are provincial in scope. However, a significant number of SEN member organizations are very local. This reflects a divergence within SEN membership: most of the provincial organizations tend to have paid staff and more resources than do more local initiatives—many of which are entirely volunteer driven.

Table Three. Geographic Scope of SEN Member Organizations.

Geographic Scope	No. of SEN Orgs.
Provincial	13
Local	9
National	3
Regional	1
International	0

FUNDING POLICIES OF SEN MEMBER ORGANIZATIONS

Of the SEN member organizations that participated in phone-interviews, only one organization has a formal written policy that excludes specific funding sources. The Saskatchewan Environmental Society (SES) has a policy that prohibits the organization from seeking out or receiving funds from the Uranium Industry and Shell Canada. Nature Saskatchewan has a more general written policy that guides all financial relationships from investments to fundraising strategies: “to ensure that all our financial partnerships are consistent with our values, vision and mission” (Skeel, Nature Saskatchewan).

Many SEN member organizations have less formally articulated “rules of thumb” when it comes to potential funders. Four organizations do not access provincial gambling revenues or “other funding sources that derive their income from poor people”(Archibald, Child Hunger Education Program). Two organizations do not accept funds from either the uranium industry or the mining industry. Three organizations expressed generalized hesitations around accepting any private or corporate funds and have not done so to date. And four organizations indicated that they consider potential funders on a case-by-case basis to ensure that the donor’s work and reputation do not conflict with the mandate of the recipient organization.

PART TWO: THOUGHTS ON A POTENTIAL FUNDING INSTITUTION IN SASKATCHEWAN

Questions #10-14 of the phone interview were more subjective and asked the interviewees to consider a potential funding institution in Saskatchewan, how it would be structured, what activities it would fund and the potential costs and benefits to creating and operating such an organization.

SUGGESTED MANDATE AND/OR STRUCTURE FOR A FUNDING BODY

While few organizations had suggestions about a specific mandate and/or structure for a Saskatchewan based funding body, there were some common suggestions about the importance of ensuring a strong, meaningful mandate and how to do so.

- 1) *Maintaining Autonomy and Control of Mandate*: Twelve organizations highlighted the importance of ensuring that the environmental community in Saskatchewan controls the mandate of the funding body. Specifically, it is important to ensure that contributing corporate and other partners do not overly influence the mandate of the foundation/funding body (or its implementation and practices). Five of these organizations indicated that the mandate of the organization should share SEN's mandate.
- 2) *Clear Articulation of Mandate*: Nine organizations identified the importance of a clearly articulated mandate – whatever the content - with supporting application guidelines and procedures. Five organizations indicated that they would like the funding body to use simple language and streamlined processes to ease the process for potential applicants. This includes stating clearly what the funder will and will not fund, as well as being realistic in reporting demands.
- 3) *Developing a Sophisticated Mandate*: Seven organizations identified that they would like the mandate to be sophisticated in that it reflects the intersection of environmental and social sustainability. Further, five organizations identified that the mandate should encompass the ability to fund not-for-profit organizations (as opposed to solely registered charities) and difficult to fund activities (such as political advocacy).

SUGGESTED ACTIVITY SUPPORT BY A FUNDING BODY

While many organizations made individual plugs for their current activities (☺), there were also general categories of action that most interviewees believe should be funded by a foundation or centralized funding body in Saskatchewan.

- 1) *Sustainable Living Activities*: Eight organizations stressed the importance of supporting sustainable living and green technology activities, particularly those that are embodied by demonstration projects.
- 2) *Environmental Education*: Seven organizations would like to see support for more environmental public and school education activities within the province.
- 3) *Core Support*: Five organizations identified the importance of funding the core work of some smaller organizations (ex. organizations with less capacity). It should be noted that several of the organizations that made this suggestion are themselves relatively large and do not anticipate drawing on such a fund themselves.
- 4) *Hard to Fund Activities*: Five organizations specifically identified their desire for support of “hard to fund” activities, predominantly political advocacy. (However, it should also be noted that two organizations explicitly indicated that political advocacy activities should not be funded).
- 5) *Organic Agriculture*: Four organizations would like to see more sustainable and organic agriculture activities supported.

POTENTIAL BENEFITS TO ORGANIZATIONS AND THE ENVIRONMENTAL MOVEMENT IN SASKATCHEWAN

Beyond the obvious, “more money to deliver more programs” (Hjertas, Regina Natural History Society), organizations identified multiple potential benefits to a centralized funding body in Saskatchewan.

- 1) *Project Support*: Eight organizations anticipate potential project support in their issue areas of interest. Most of these organizations assume that this type of support would be for relatively small projects that enhance their core work (but is not actually core work).
- 2) *Raising the Profile of Environmentalism in Saskatchewan*: Nine organizations think that while they may not directly benefit from this type of funding-body themselves, it would help to raise the profile of environmental issues in and across the province: “more small groups with a voice and that is always a good thing” (Murphy, Inter Church Uranium Cooperative).
- 3) *Core and Capacity Support for Struggling ENGOs*: Six organizations expressed strong interest in the benefit of core and capacity support – both in terms of funding (dollars), and potentially skills development. In keeping with this, four organizations anticipate regional and local support: “there could be less isolation of individuals and perhaps the foundation could generate a feeling of hope that our voices will be heard” (Gilis, Quill Lakes Watch Group).

- 4) *Connecting Environmental and Social Sustainability*: Four organizations anticipate that if the foundation embodies an understanding of the connection between economic/social and environmental sustainability this could assist in educating the general public at a more sophisticated level.
- 5) *Funding Begets Funding*: Three organizations suggested that organizations that receive funding from the foundation may “be able to leverage funding from other sources” (Hymers, Craik Sustainable Living Project).
- 6) *Creating More Professional and Stable Organizations*: Two organizations suggested that the foundation might help environmental organizations become more professional and perhaps become more stable.

CONCERNS AND HESITATIONS

There are five general concerns shared by many of the SEN member organizations with regards to a potential environmental funding body in Saskatchewan. While most of the organizations identified potential benefits *and* concerns, two organizations feel strongly that the potential benefits do not outweigh the anticipated drawbacks.

- 1) *Losing Funding Dollars to a Foundation*: Six organizations expressed strong concern that the current funding relationships between Saskatchewan based ENGOs and their funders may be compromised by an environmental foundation or funding body. Specifically, these organizations are worried that the current dollars going to environmental work are finite and that a foundation will reshuffle environmental funding in the province instead of increasing it. This could cause organizations that currently receive funding to lose or experience reduced revenues, not increased revenues.

One organization expressed concern that even the feasibility study may impact its relationship with a specific funder.
- 2) *More Bureaucracy Between Donors and Recipient Organizations*: Similarly, four organizations worry that an environmental funding body may become an additional bureaucratic layer between themselves and funders. This could make current application processes more burdensome and less productive, particularly if resources that currently support environmental programs are diverted to supporting the administration of the foundation/funding body.
- 3) *Competition*: Eight organizations identified the danger of competition should a new funding body become established in the province. This could be 1) competition between the funding organization and other ENGOs who are trying to access funds from the same funders; 2) competition between ENGOs who are trying to access funds from the new foundation; and/or 3) competition within the environmental community to control the funding body, its mandate and its decisions. “Good luck to the decision makers. They are going to be taking a lot of heat” (Walton).

- 4) *Source of Funding Could Compromise Program Integrity*: In keeping with issues of mandate clarity (identified as the most important aspect of the organization’s mandate and structure), six organizations worry that a foundation partnership with *some* funding entities (ex. corporations, international foundations) may result in a loss of organizational autonomy. Two organizations specifically worry that corporations that support the foundation or funding body may be “green-washing” (i.e. trying to improve their corporate image by associating with an environmental cause without practicing it). Further, the ties that often come with corporate funding could prohibit many Saskatchewan ENGOS from benefiting from a corporate funded foundation/funding body given that many of their activities are in opposition to mainstream corporate interests.
- 5) *Will Outputs of Foundation Be Greater Than Inputs?*: Six organizations question whether the amount of resources (time, dollars, person power) necessary to develop a funding body will be proportional to its outputs. It will take a lot of new dollars to make such a structure viable and of service to environmental initiatives in the province.

PART THREE: DISCUSSION OF OPTIONS

Of the twenty-eight SEN organizations interviewed during Phase One, only two organizations articulated a complete lack of support for the idea of a centralized funding body/organization. In general, interviewees expressed support for the idea of some sort of provincial, environmental funding body although many interviewees identified potential cons (as well as pros—both of which are summarized in **Table One**).

Table One. Pros and Cons.

Summarized “Pros”	Summarized “Cons “
Project support (generally identified as small projects)	Could jeopardize current funding relationships between corps/government and current ENGOS
Could raise profile of environmental issues/ideas in Saskatchewan	Additional bureaucratic level
New support for core and capacity	May create competition with and between SK ENGOS
More sophisticated understanding of intersection between environmental and social sustainability	Danger of corporate or funder control (of a foundation)
Increases potential capacity (funding begets funding)	Resource issues for developing and maintaining a funding body
Could help SK ENGOS to professionalize	
May help to create more stability for SK ENGOS	

What follows is a discussion framed as suggestions for the mandate and structure of a centralized funding body in Saskatchewan. This is based on the feedback from SEN members, several brief case- studies of pre-existing model organizations and some analysis of the materials by the researcher.

SUGGESTIONS FOR MANDATE

Few of those organizations that were interviewed suggested a specific mandate. However, many expressed considerations including: 1) that the mandate is clearly agreed upon and articulated; 2) that the mandate is rooted in the basic ideals of the Saskatchewan Eco Network; and 3) that environmental organizations control the mandate and its implementation regardless of the funding source(s). For instance, a potential model organization, the Alberta Eco-Trust (*Case Study One*) is perceived by some SEN member organizations to be overly influenced by corporate funding interests to the detriment of environmental grant recipients.

While there were few suggestions for the mandate, we may be able to use the answers to question #10, (summarized in the *Suggested Activities to be Funded* section). The researcher recommends that the organization's funding mandate be derived in some way from one or all of the following activity areas identified during the interviews¹:

- 1) environmental education;
- 2) sustainable living activities (particularly demonstration projects);
- 3) core and/or capacity support;
- 4) hard to fund activities (particularly political advocacy and/or court challenges).

There are two other considerations that may influence how we shape a mandate.

- 1) If any type of charitable organization is selected as the optimum way to structure the funding body there are immediate limitations on the nature of activities that such a structure could support – despite the needs of SEN members. In particular, a charitable structure would NOT be able to support political advocacy, court challenges or networking activities. Also, a charity would only be able to provide core support to those SEN members who are registered charities (as opposed to non profit organizations without charitable status).
- 2) Several organizations either expressed or appear to be experiencing capacity problems. While this may be a specifically funded activity (along with core as organized in point #3 above), the *Discussion* section of this report also suggests that SEN may want to increase its capacity assistance programming instead of, or alongside a separate provincial foundation.

As a result of these considerations, in the paragraphs that follow, the mandate that each structural option would be able to support is also discussed.

SUGGESTIONS FOR STRUCTURE

The interviewees were not specifically asked about their ideas for structure. The following suggestions are based on the identified activity areas of interest, perceived benefits and hesitations around the idea of a centralized funding body and some other considerations particularly with regards to member interest, energy etc. Of this last point, many of the organizations interviewed appear interested in a centralized funding body to *supplement* their funding options, not to encompass the full extent of their funding (a practical assumption). Further, there was not a lot of energy and enthusiasm for being part of its creation or management in light of the many, many other things SK ENGO workers and volunteers are currently doing. The suggestions below attempt to reflect a majority of benefits and a minimum of concerns. Finally, any centralized funding body in Saskatchewan would need to provide MORE environment dollars in the province, instead of re-shuffling the status quo. Assuring that this is so will be the primary focus of Phase Two, the feasibility study.

Suggestion One: Form a Separate Charitable Organization

This would be a separate organization from SEN, registered as either a charitable organization or a charitable foundation. While either structure has benefits and limitations, a separate organization would require staffing to fundraise, promote the organization and administer funds (assumedly at the direction of a Board of Directors or other organizing committee). It could potentially share space with SEN to save on administration costs and staffed (administratively) by the SEN Coordinator who is currently half time (although the foundation would have to pay supplemental salary and benefits).

As a registered charity, the funding body would act as a “flow-through” fundraising organization. All monies collected in the year (apart from an administrative component) would be disbursed to ENGOs. In comparison, a registered charitable foundation would accumulate donations and could only disburse the annual interest earned on these donations. For a charitable foundation to be able to provide significant disbursements it would have to accumulate very large donations - a difficult prospect in Saskatchewan.

The Alberta Ecotrust model (*Case Study One*) is an example of a funding body that was founded as a registered charity (not a charitable foundation). The Ecotrust flows donations through to ENGOs in Alberta (both non-profit, through agency agreements, as well as registered charities).

As a result, the researcher recommends that the funding structure be a registered charitable organization.

Mandate

As part of its mandate, such an organization could focus on funding environmental education and sustainable living activities but there would be limitations on providing core support due to CRA regulations.

Potential Benefits

Charitable status would enable the funding body to issue tax receipts and to receive funding from other charitable foundations. This will maximize the fundraising ability of the organization.

Limiting Factors

- 1) As noted above, a separate charitable organization is generally limited in what activities it can support and to which type of organization it can disburse funds.
- 2) A separate infrastructure (board, office and staff, etc.) will be needed. This is very expensive and may mean a higher administrative cost than other options discussed below.
- 3) Adequate fund-raising expertise and board management are perpetual issues for Saskatchewan based ENGOs. To thrive, a regional foundation will require both - particularly during its start-up years.

Suggestion Two: Create a charitable organization within existing SEN framework

This is not significantly different than the first suggestion except that instead of creating a new organization, SEN would incorporate as a charity. The key difference from the first suggestion is that both the board and day-to-day administration would be more explicitly managed by SEN. (Note: several of the member organizations interviewed assumed that the funding body would be managed by SEN as opposed to a completely separate structure).

Mandate

Same as Suggestion One. As part of its mandate, such an organization could focus on funding environmental education and sustainable living activities but there would be limitations on providing core support due to CRA regulations.

Potential Benefits

- 1) There could be less administrative and other overhead costs associated with this model (compared to Suggestion One).
- 2) Charitable status would enable the funding body to issue tax receipts and to receive funding from other charitable foundations. This will maximize the fundraising ability of the organization.

Limiting Factors

- 1) This would require a re-visiting by SEN's membership of its organizational vision, mission etc. to ensure that charitable status is consistent with its work.
- 2) It would also likely entail some increased staffing and alternative expertise to the Coordinator position (including fund-raising and financial management) as well as increased responsibility and liability issues for the current Board membership.
- 3) Perhaps more importantly, an external limitation is the ability of SEN itself to qualify for charitable status. SEN has already attempted and failed to receive charitable status from CRA.

Suggestion Three: Approach a Current Foundation/Organization to create a regional specific partnership

As the first two suggestions entail a great deal of resources - particularly during the start-up phase - that may in the end not reach SEN members or environmental project work, perhaps SEN should consider a partnership. There are several pre-existing foundations/institutions that either work in similar activity areas, partner with ENGOs on capacity and other initiatives and/or may be open to a new way of doing environmental work. The nature of a potential partnership would differ depending upon the organization with which SEN partners as do the potential benefits and limiting factors.

Mandate

The mandate options differ depending upon the partnership, however it should be noted that all of the suggestions are charitable organizations or charitable foundations—all of which have CRA limitations on disbursements.

Potential Benefits

The primary benefit to developing a partnership is likely a saving in resources (including all of dollars, time, energy and people) towards creating an organization and its structure that may be unsuccessful in the end.

Limiting Factors

- 1) Negotiation of a partnership could be a timely process and may not in the end achieve autonomous programming for SEN membership.
- 2) While there are some interesting possibilities, there is no obvious partner organization for SEN or its membership. All four institutions described below will come with complications and/or history, and they may not be interested in such a partnership.

Although NO outreach has been done to any of these organizations, potential opportunities include:

1. Alberta Eco trust (based in Alberta)

The Alberta Ecotrust is a charitable organization and provincial foundation that partners businesses, environmental groups and community members in Alberta. Since it was founded in 1991, the Alberta Ecotrust has developed its partnerships throughout the province to fund and support grassroots environmental projects, build capacity and sustainability in the voluntary sector and promote the environment as the foundation of a healthy community. Its model is considered unique in Canada because of the corporate-ENGO partnership on which it was founded and currently operates, and because the foundation funds non-profit environmental organizations as well as environmental charitable organizations.

Several years ago the Alberta Ecotrust approached the Saskatchewan environmental community about creating a branch of the Ecotrust in Saskatchewan. The idea was rejected for a number of reasons including the potential for corporate control of donor dollars (and thus mandate control) and perceived corporate green-washing. If the feasibility study demonstrates that it is unlikely the Saskatchewan ENGO community can support a separate foundation or other organization, it may be worth re-approaching the Alberta Ecotrust about an alliance in Saskatchewan. Also, the Alberta Ecotrust is a potential model funding organization for a comparable home-grown initiative in Saskatchewan and is more fully developed in *Case Study One: The Alberta Ecotrust*. However, any such approach should seek clarification on the initial concerns regarding “ownership” or control of the fund.

2. Tides Canada Foundation (based in British Columbia)

The Tides Canada Foundation is a national foundation that provides charitable giving services to donors interested in values-led philanthropy in the areas of environmental sustainability and progressive social change. Convinced that non-profits in these fields will play “critical roles in the 21st century” (Tides Canada Foundation, <http://www.tides-canada.org>), Tides Canada was created by a founding board of directors to address what

they identified as an underdeveloped donor base for social justice and environmental charities in Canada.

Tides Canada acts as a bridge and connects donors with successful charities². The organization supports donors in helping them shape giving strategies and researching prospective grantees. Historically, most of their grants have provided core institutional support to selected charities.

Of key interest to SEN, is Tides Canada's *Donor Advised Funds*. Grants emerge directly from the recommendations of Tides Canada's donor clients through their Donor Advised Funds. While there are no regional partnerships at present, and the donor advised funds appear to be "managed" by single donors, the foundation has participated in many innovative partnerships with charitable organizations. If the feasibility study demonstrates that it is unlikely the Saskatchewan ENGO community can support a separate foundation or other type of organization, it may be worth approaching the Tides Canada Foundation to consider a partnership with SEN whereby a "Saskatchewan Donor Fund" is housed by the Tides Foundation. *Case Study Two: Tides Foundation* provides an example of one of Tides Canada Foundation's more innovative charity-funder partnerships, the *Social Investors Forum*.

3. A Saskatchewan Community Based Foundation (i.e. Saskatoon Foundation)

Community foundations are locally-run public foundations that build and manage endowment funds to support local charities and community priorities. The Saskatoon Foundation is a community (public) foundation based in Saskatoon. Its defined mission is to enhance the quality of life in the Saskatoon³ community by strategically making grants to other *charitable*⁴ organizations. Like other community foundations across the country, the Saskatoon Foundation holds donations in trust, in perpetuity. Only the income earned on endowed funds is used to make grants.

While the Saskatoon Foundation is interested in funding environmental projects, the majority of their environmental funding has been directed towards "environmental" camps in the city. Also, several Saskatoon-based ENGOs have made unsuccessful applications to the foundation and do not perceive the foundation to be a true funder of ENGOs.

The Saskatoon Foundation may be interested in (or open to) expanding their environmental funding, particularly if new environmentally themed dollars were to be invested in the foundation. The Saskatoon Foundation has outreached to the SK ENGO community in the past by presenting at a SEN organized, environmental funders forum in 2003. Further, the Community Foundations of Canada organization recently partnered with the J.W. McConnell Foundation to develop the capacity of eight community foundations across Canada. The program, called the *J.W. McConnell Foundation Environmental*

Initiative, was created to enable community foundations to more meaningfully fund environmental projects. While the Saskatoon Foundation is not one of the community foundations involved in this project, the national initiative highlights an historic funding gap (environmental projects) by community foundations and the need to fill it.

If the feasibility study demonstrates that it is unlikely the Saskatchewan ENGO community can support a separate foundation or other organization, it may be worth approaching the Saskatoon Foundation and/or the three other community foundations in Saskatchewan (with membership in the Community Foundations of Canada organization). Perhaps they would consider a joint campaign (with SEN) to increase the number of environmental funders to the community foundation, so that it, in turn, can develop a more meaningful environmental funding program.

4. Sustainability Network in Ontario

The Sustainability Network is an ENGO support centre based in Toronto, Ontario. Its mission is to enrich Canadian environmental leaders and non-profit organizations through programs, services and other support that helps individuals and ENGOs to increase their capacity to lead, manage and strategize.

SEN has partnered with the Sustainability Network in the past to provide organizational capacity development opportunities to its membership. If the feasibility study demonstrates that it is unlikely the Saskatchewan ENGO community can support a separate foundation or other organization, it may be worth trying to further develop the relationship between SEN and the Sustainability Network to create new capacity initiatives in Saskatchewan (also see “Other Recommendations” at the end of this section). However, it is unlikely that a partnership with the Sustainability Network would result in new *dollars* in the province, just more programs.

Suggestion Four: SEN Coordinates Non-Charitable Fundraising Initiatives

There may be limited potential for SEN to directly undertake fundraising initiatives, such as lotteries or other types of fundraising, that are not tied to the charitable umbrella and thus allow for more direct control over how funds might be used.

One example of a fundraising idea from Dianne Manegre (SEN Coordinator) would be to create an “Education Lottery” similar to existing home lotteries. A limited number of high value tickets could be sold with the winner receiving a university education (for example). Other similar innovative fundraising ideas might be developed by SEN through its existing office and staff.

Mandate

While a mandate is not integral to this type of initiative, a purpose of the fundraising initiative could be to fund the types of activities suggested including political advocacy, court challenges and core funding to non profit ENGOs.

Potential Benefits

This type of fundraising could help to fund political advocacy, court challenges and core work of non profit SEN member organizations—all of which are un-fundable under a charitable organization model (Suggestions One, Two and likely Three, depending upon the nature of the partnership).

Limiting Factors

- 1) This would require a re-visiting by SEN's membership of its organizational vision, mission etc. to ensure that fundraising on behalf of the network is consistent with its work.
- 2) This type of initiative would likely entail some increased staffing and alternative expertise to the Coordinator position (including fund-raising and financial management) as well as increased responsibility for the current Board membership.
- 3) There are high financial and potentially organizational liability risks to this type of fundraising venture (although there may be ways to mitigate these risks).

Other Recommendations: Strengthen SEN's Ability to Support the Membership

While the idea of more funding resources was of obvious interest to SEN members, some of the SEN membership equates a new funding body as an opportunity for them to increase their core capacity both in terms of money and expertise. SEN has been working with the Ontario based Sustainability Network for the past year to create capacity development opportunities for SK ENGOs. This has largely been through work-shop opportunities, bursaries and some direct management assistance opportunities for organizations to identify and "fix" specific problems through small grants. Some smaller, less "professional" organizations may need more hands-on, even directed assistance.

Regardless of whether SEN goes forward with Phase Two (feasibility study), the researcher recommends that SEN consider more actively creating capacity opportunities and programming for SEN membership organizations.

Further, the survey results summarized in Part One and Part Two were a good opportunity for SEN member organizations to provide feedback to SEN. Only 28 of 46

member organizations were able to participate, but generally those that did appeared to welcome an opportunity for feedback. Several interviewees asked if there would be future opportunities for these types of discussions between SEN and its membership.

The researcher also recommends that SEN consider a more general survey approach to its membership in the near future to assess SEN's past work and future direction.

Potential Benefits	Suggestions			
	<i>1. Charitable Org.</i>	<i>2. SEN as Charity</i>	<i>3. Partnership</i>	<i>4. SEN Fundraising</i>
Can Issue Tax Receipts ^a	√	√	X	
Project support	√	√	√	√
Raise profile of environmental issues/ ideas in Saskatchewan	√	√	√	√
Support for core and capacity ^b	X	X	X	√
More sophisticated understanding of intersection between environmental and social sustainability	√	√	√	√
Increases potential capacity (funding begets funding)	√	√	√	√
Could help SK ENGOS to professionalize	√	√	√	√
May help to create more stability for SK ENGOS	√	√	√	√

√ = denotes high likelihood or strong incidence of this benefit

X = less likelihood or incidence of this benefit, although still possible/present

^aThe ability to issue tax receipts and to receive foundation funding will maximize any funding body's ability to fundraise. Only charitable organizations are able to do so under CRA regulations. A negotiated partnership may produce the ability to issue tax receipts and receive foundational funding but that is dependent on the nature of the partnership.

^bA charitable organization is limited in its ability to disburse funds. Charitable organizations can provide core funding to other charities and project support to non profits (through agency agreements) and charities. Depending upon the nature of a partnership, there may be limited ability to provide core support for the same reasons.

Limiting Factors	Suggestions			
	1. Charitable Org.	2. SEN as Charity	3. Partnership	4. SEN Fundraising
Danger of corporate or funder control ^a	†	†	†	
Resource issues for developing and maintaining a funding body ^b	√	√	†	†
Could jeopardize current funding relationships between SEN members and their funders ^c	√	√	†	†
Additional bureaucratic layer	√	√	†	
May create competition with and between SK ENGOS	√	√	†	
Financial Risk				√

√ = denotes high likelihood or strong incidence of this limiting factor

† = less likelihood or incidence of this limiting factor, although still possible/present

^aWhile there is some danger of corporate or funder control in any of Suggestions One, Two or Three it is assumed that given the SEN membership response this is an issue that will be seriously considered when moving forward into Phase Two.

^bAny initiative will require significant resource inputs, although it is anticipated this will be the most pronounced for Suggestion One.

^cSuggestions One and Two pose the most risk to current funding relationships, Suggestion Three less so (although this will vary depending upon the partnership) and Suggestion Four likely not all. A feasibility study on either of the first two suggestions will consider this as a serious limiting factor.

As demonstrated by the **Potential Benefits** and **Limiting Factors** tables above, there is no obvious choice. Almost all of the potential benefits could be realized by any of the four suggestions *except* for what is likely the most important tool for fundraising: charitable status and its associated ability to issue tax receipts as well as receive foundational support. A partnership may also provide the ability to issue tax receipts depending upon the nature of the partnership (including the partner organization and the negotiated terms). The limiting factors are less homogenous. Both the *Partnership* and *SEN Coordinated Fundraising* options (Suggestions Three and Four) have less total limiting factors. However, as noted in *Part Three: Discussion of Options* section, there is not an obvious partner organization with which SEN might work at this time. Finally, there is significant financial risk and expertise associated with Suggestion Four that SEN is not necessarily able to take on at this time.

Based on the ability of a charitable organization to issue tax receipts and potentially achieve the other benefits identified by the SEN membership, the researcher recommends to the Advisory Committee that SEN conduct a feasibility study on a registered charity. Inherent to this recommendation for structure is the recommendation that the mandate

of the organization is to fund environmental and sustainable living projects and some core and capacity funding (subject to the limitations of CRA regulations). It is likely the most ambitious suggestion, particularly with regards to the required resources (funds, time, and personnel) and the potential for limiting factors. Of the latter, the feasibility study will need to address the limiting factors and to minimize them as part of assessing feasibility.

If Phase Two of the SEN-CUIISR project assesses that creating a registered charity in Saskatchewan is not feasible, much of the information collected will still be valuable and may be used towards developing one of the alternative suggestions should SEN decide to pursue it in the future.

NOTES

- ¹ In keeping with the desire for clarity, SEN will want to carefully consider what is meant by each of these activity areas during Phase Two, the feasibility study.
- ² In this type of partnership then only charitable members of SEN would likely benefit.
- ³ A partnership with a local community organization would result in some regional constraints. However, at least one of the community foundations participating in the J.W. McConnell Foundation Environmental Initiative funds outside of its strict geographic area (Greater St. Johns, NB).
- ⁴ In this type of scenario then only charitable members of SEN would likely benefit from the partnership.

Appendix C. SEN Member Organization Phone Interview Questions (Phase One).

Overview

The purpose of these questions is to:

- 1) re-introduce the idea of the feasibility study to SEN members; and
- 2) collect information from the SEN membership to design a potential structure for an environmental foundation, charitable non-profit corporation or other mechanism that could function as a funding institution dedicated to supporting Saskatchewan based environmental work. This design will be supported by other research including the development or use of pre-existing case studies that consider comparable funding mechanisms elsewhere in Canada.

While this is not a formal survey, we would like to ensure that the information collected is meaningful (somewhat standardized and therefore comparable). The CUISR intern will conduct interviews of all 46 SEN member organizations during January 2005 that are anticipated to last approximately a half hour – hour each. These questions are meant to serve as a starting point; depending upon the direction of each interview, they may be adapted.

Interview Question

1. According to your organization's website, the mandate of your organization is:

Is this correct?

2. What is the designation of your organization?

Check appropriate box(es)

Registered not for profit – provincial:	
Registered not for profit – federal:	
Registered national charity:	
Cooperative:	
Other (<i>ask interviewee to explain</i>):	

3. How would you describe your organization's structure? (*Include number of staff, volunteers and steering structure*)

4. Roughly speaking, what is your organization's average annual revenue? (*Note: this data will be lumped together; we will not be reporting on individual organizations*)

5. Roughly speaking, what is the break down of your core funding vs. your project funding (*Note: this data will be lumped together; we will not be reporting on individual organizations*)

Funding Source	Core (Approximate Percentage)	Project (Approximate Percentage)
Municipal government		
Provincial government		
Federal government		
Individual donors		
Memberships		
Foundations		
Gaming		
Events		
Other (<i>please explain</i>)		

6. What environmental issues does your organization work on? (*See CEN's coding of issues, attached*)

7. What environmental and/or “sustainability” activities are you currently undertaking? Please choose from the following:

Check appropriate box(es)

Environmental / Sustainable practices education or training:	
Research:	
Publications / Communications:	
Policy/legislation advice and/or reform:	
Political advocacy:	
Habitat/species protection or clean-up:	
Demonstration projects:	
Recreational activities:	
Other (<i>explain</i>):	

8. What is the geographic scope of your activities?

Check appropriate box(es)

Local (define, i.e. a specific geographic membership):	
Regional:	
Provincial:	
National:	
International:	

9. Does your organization have any policies that restrict your potential funders (i.e. are there funding bodies from whom you will not take funds)?

10. Part of the SEN-CUI SR Environmental Foundation/Fund Feasibility Study is to design a centralized funding body that responds to the needs of our members.
 - a) Are there specific things you feel are important about the mandate we need for a centralized funding body, or the way in which it is structured?

 - b) What type of environmental and ecological sustainability activities do you think it should support?

11. What are the potential benefits you expect a centralized funding body would provide to your organization?

12. What are the potential benefits you expect a centralized funding body would provide to the environmental movement in Saskatchewan?

13. What are the concerns/hesitations that you have concerning a centralized funding body and its impact on your organization? If you do have concerns, do you have any suggestions for how we might minimize these negative impacts?

14. What questions should be answered through this information gathering and design process?

15. Do you have any questions? (*Note: All SEN membership will have the opportunity for further input and we encourage questions throughout this process*)

Appendix D. SEN/CUIISR Environmental Foundation Feasibility Study Potential Donor Survey.

Section 1

Introduction

Hello, my name is _____. I am calling from the Community University Institute of Social Research and the Saskatchewan Eco Network.

- i) Are you responsible for coordinating your organization's charitable giving or sponsorship program?

If yes, would you have time now, or would you like to schedule another time?

If no - who do you suggest I speak with?

- ii) Confirming/collecting following details:

Contact person name and title:

Name of organization:

Phone number:

E-mail address:

Background

The organizations that are conducting this survey are exploring the idea of creating a charitable organization to fund Saskatchewan-based environmental groups. Funds raised by this organization would be used to support activities that either promote, pilot or demonstrate ecologically sustainable practices; or that educate the public about environmental issues.

To help us decide whether or not to move forward, we need to assess the feasibility of this type of organization from the perspective of potential donors.

I'd like to ask you a series of questions about your organization's current funding practices, in general, and your support of ecologically-sustainable initiatives in particular.

- iii. Does your organization currently provide financial support to community organizations in Saskatchewan?

Note to Interviewer:

If respondent answers "Yes" - go to Section 2

If respondent answers "No" - go to Section 3

Section 2

- 1) I'm going to read through a list of different types of community organizations or initiatives, and I'd like you to rate each area on a scale of 1 to 5. One is for an area that receives the most financial support from your organization. Five is for an area that receives *no* financial support.
 - i) Arts, culture and recreation organizations
 - ii) Education and research organizations
 - iii) Health organizations
 - iv) Social services organizations
 - v) Environment organizations
 - vi) Development and housing organizations
 - vii) Law, advocacy and politics organizations
 - viii) Philanthropic intermediaries and voluntarism promotion organizations
 - ix) International organizations
 - x) Religion organizations
 - xi) Business and professional associations and unions
 - xii) Youth
 - xiii) Rural development
 - xiv) Are there any other types of organizations or initiatives that you support? If so, what are they, and what are their rankings?

Note to Interviewer:

If answer to (v) above is "5", or not supported at all, go to Section 3, otherwise continue

- 2) How has your support for environmental organizations or projects changed over recent years? **(Circle One)**
- a) It has increased
 - b) It has decreased
 - c) It has stayed the same
 - d) Don't know
- 3) What are your expectations for giving to environmental organizations in the future? **(Circle One)**
- a) It will increase
 - b) It will decrease
 - c) It will stay the same
 - d) Don't know

As part of looking at the feasibility of a charitable organization that supports ecological sustainability, we need to understand some of the things that might be important to potential supporters. The next few questions will try to capture some of these factors.

- 4) How could this charitable organization be developed to make you *more* likely to support it financially?

Note to Interviewer: Make categories out of responses (possibilities below)

- a) Proper reporting
- b) Promotional opportunities
- c) Project selection
- d) Board representation on the charitable organization
- e) Charitable receipt
- f) Other (please describe)

- 5) How could this charitable organization be developed to make you LESS likely to support it, financially or otherwise?

Note to Interviewer: Make categories out of first day's responses.

The next question has been designed for organizations and individuals who are already financially supporting environmental work in Saskatchewan. Part of this study is to assess whether or not a new funding organization is likely to result in more funds for environmental work instead of re-distributing the dollars other environmental organizations already receive.

- 6) How would the creation of a charitable organization change the amount of financial support that your organization commits towards ecological sustainability initiatives in Saskatchewan? (***Circle One***)
- a) You would significantly increase the amount going to ecological sustainability initiatives
 - b) You would stay about the same
 - c) You would significantly decrease the amount going to ecological sustainability initiatives
 - d) Don't know – please explain on what it would depend

- 7) There are start up costs associated with developing this type of organization. If our research indicates it is feasible to develop a charitable organization that supports and promotes ecological sustainability, what level of support do you think your organization might be willing to provide for start up:
- a) None
 - b) None at this time. Please keep us informed.
 - c) Expert advice (*Ask for explanation*)
 - d) Would be willing to consider a proposal
 - e) Seed funding (cash)
 - f) Board representation
 - g) Second an employee
 - h) Other (*Ask for explanation*)

Note to Interviewer: If the respondent indicates they would like to be kept informed, please confirm their contact information at the end of the interview.

That is it for this interview. Thank you for your time. **END**

Section 3

(For respondents who answered “5” to (v) in first question, Section One)

- 1) Why does your organization choose NOT to support environmental organizations or initiatives in Saskatchewan?

Note to Interviewer: Make categories out of responses

- 2) Are there any factors might make your organization more likely to support organizations or projects that promote ecological sustainability in Saskatchewan? What are they?

Note to Interviewer: Make categories out of responses

Note to Interviewer: Will have to assess response to 2, before deciding whether to go on with rest of interview.

If “nothing” to 2, that is it for this survey. Thank you for your time. END.

If there are position answers to 2, go on to 3.

- 3) At this point in time, do you think that the creation of a charitable organization would cause your organization to consider funding ecological sustainability in Saskatchewan?

Yes, would increase *Go to question 4*

Maybe - please explain on what it would depend *Go to question 4*

No - would not support - please explain why Thank you for your time. *END*

- 4) What kinds of conditions would be important, i.e. what kinds of things would you need in order to make a financial investment in this new charitable organization?

Note to Interviewer: Make categories out of responses

- 5) There are start up costs associated with developing this type of organization. If our research indicates it is feasible to develop a charitable organization that supports and promotes ecological sustainability, what level of support do you think your organization might be willing to provide for start up:
- a) None
 - b) None at this time. Please keep us informed.
 - c) Expert advice (*Ask for explanation*)
 - d) Would be willing to consider a proposal
 - e) Seed funding (cash)
 - f) Board representation
 - g) Second an employee
 - h) Other (*Ask for explanation*)

Note to Interviewer: If the respondent indicates they would like to be kept informed, please confirm their contact information at the end of the interview.

That is it for this interview. Thank you for your time. **END**

Appendix E. Introduction Letter to SEN Membership.

January 15, 2005

Dear SEN Member organization:

Re: Environmental Foundation Feasibility Study: We need your input!

SEN and CUISR are moving forward on the environmental foundation feasibility study. In early December, I was hired as an intern to conduct research that will be used to develop a structure for an environmental foundation *or* some other centralized funding mechanism dedicated to supporting Saskatchewan ENGOS. We are unsure about the final product and even whether such an institution is feasible. Will it be a foundation or some other entity not yet conceived? Is it something that the SEN membership wants and will it assist SEN member groups further their work? We don't know. To answer this, we need your input!

During the month of January each SEN member group will be getting two phone calls from me. The first phone call will be brief. I will introduce the project, establish a contact person at your organization and schedule a follow-up meeting time later in the month. The second phone call will be longer as I would like to conduct an interview of each SEN member group to get your full input.

The phone interview (based on a questionnaire) will last between a half hour and an hour depending upon how much you have to say. It will be relatively structured in that it is intended to collect information that will be used to design an appropriate structure for an environmental foundation, charitable non-profit corporation or other funding mechanism dedicated to supporting Saskatchewan based environmental work. But it is also your time ... so if there is information that you don't feel is being captured by the interview, or you have something else to say about the project please let us know! To ensure that you and your organization have time to think about your answers, we will send you a copy of the questionnaire *before* the phone interview.

The information collected from the interviews will be used by myself, an Advisory Committee to the project and an academic consultant from CUISR to design a proposed funding mechanism. I will then conduct a second set of interviews (again based on questionnaires) targeted at potential funders and supporters of the proposed funding mechanism. Potential donors could be other foundations, corporate sponsors, credit unions, cooperatives and members of the general public.

The results of all of the research will be summarized in a report for SEN and a presentation to the SEN membership in May, 2005. Because we do not yet know the results of the study, we are not sure as to whether this will be a meeting, a tele-conference or a mail out. What we do know is that to make this research as complete and meaningful as possible we need your participation. If you have any questions about the upcoming interviews or any other stage of the project please email me at XXXXX or leave a message at SEN.

Thank you for your attention. I look forward to speaking with a representative of your organization.

Sincerely,

Jennifer Fillingham
SEN-CUISR Intern

Appendix F. Phase One Update Letter to SEN Membership.

March 30, 2005

Dear SEN member organization,

Re: Update on SEN-CUIISR Feasibility Study

During January and February 2005, I was able to speak with many of you by telephone about the joint SEN-CUIISR project to assess the feasibility of an environmental funding body here in Saskatchewan. The focus of each phone call was to collect information about your respective organizations as well as your ideas, hopes and concerns about the mandate and structure of a potential funding body dedicated to supporting Saskatchewan based environmental work. I am writing to update you about the outcomes of those phone calls, the recommendations that came out of the first Phase of this project, as well as the plan for Phase Two (scheduled to take place in April and May 2005).

Phase One – Phone Interviews

During the interview period (mid January – end of February), I was able to communicate with representatives from twenty-eight SEN member organizations. This represents 50% of SEN's membership: some organizations actively chose not to participate, some did not respond to an invitation to participate and in some instances, the contact person was away during the interview period. While not all SEN members were interviewed, I was able to connect with a representative cross-section of the membership including geographical representation, a diversity of organizational sizes and structures (i.e. from volunteer driven to hundreds of employees), as well as a spectrum of environmental issue areas.

Each individual representative who participated in the phone interview was sent the questions electronically or by mail in advance of the phone call. The interview questions were both objective (asking about general organizational information) as well as subjective (asked about individuals' opinions). Given that these individuals are but one within an organization, and given that not all of the SEN membership was able to participate in the phone interviews, I am presenting you with a brief summary of the recommendations made during the first Phase of this project. These recommendations are based on the phone interviews, some case studies of pre-existing organizations as well as the feedback from the CUIISR Academic Advisor and SEN Advisory Commit-

tee (made up of five individuals representing different SEN member organizations). If you are interested in reading the full Phase One report, it will be available on SEN's website (www.econet.sk.ca/pdf/phase1report.pdf) and/or by mail if you contact SEN at 652-1275. We still welcome feedback, and if you feel like something is missing or you have some questions please feel free to contact me at XXXXX or leave a message at SEN at sen@link.ca or 652-1275.

And for those of you I was able to speak with, THANK YOU! I appreciate that you gave me some of your time, and your stories. It was both educational and enjoyable (at least for me 😊) There is a lot of interesting environmental work being done in this province!

Phase One – Recommendations

Based on the feedback from those interviewed, as well as a consideration of some of the benefits and constraints of different organizational structures, the Phase One report discusses a variety of options but recommends the following:

Recommendation One

That SEN-CUISR conduct a feasibility study on a *charitable organization* with a mandate to fund Saskatchewan-based charities and registered not-for-profit organizations engaged in activities that:

- 1) promote, pilot and/or demonstrate ecologically sustainable practices; and/or
- 2) educate the public about environmental issues.

Further, in some instances, this organization will also consider providing core funding to Sask charitable ENGOs.

Recommendation One reflects the majority response from SEN members when asked about the types of activities they would like to see funded. Many identified sustainable living activities with a strong emphasis on demonstration projects (i.e. projects that embody the values they are promoting) as well as environmental education projects. Phase Two of the SEN-CUISR project will focus on this recommendation.

However, many SEN members also identified the need for capacity and core support for some under-funded, less developed provincial ENGOs as well as a desire to see support for traditionally “hard to fund” activities including political advocacy work. Due to CRA constraints on a charitable organization, these activities either cannot be funded or only minimally by a charitable organization. Because these activities cannot be funded under the model proposed in the first recommendation, the Advisory Committee also recommends the following:

Recommendation Two

That SEN consider coordinating an ENGO fundraising initiative that is not charitably funded nor constrained (i.e. an education lottery) to generate funds that can be used with wider discretion, including towards traditionally hard to fund activities.

Recommendation Three

That SEN consider further capacity programming for its membership.

While assessing the feasibility of recommendations two and three are beyond the scope of the SEN-CUIISR project, these recommendations will be included for SEN to consider in the final report for this project (end of May 2005).

Phase Two – Feasibility Study

We are now moving on to the second phase of this project, namely conducting a feasibility study on a charitable organization with a mandate to fund Saskatchewan-based charities and registered not-for-profit organizations engaged in activities that:

- 1) promote, pilot and/or demonstrate ecologically sustainable practices; and/or
- 2) educate the public about environmental issues.

By conducting this feasibility study we are assessing whether it is possible to create this type of funding body in Saskatchewan and its likelihood of success (or not). However, even if we assess that it is not possible at this time, the feasibility study will help us to collect valuable information that may be used in alternative approaches (as suggested in the Phase One report).

The feasibility study will take place during April and May of 2005. It will look at two major areas: organizational issues (i.e. organizational design); and resource (financial) issues. This study will include a potential donor survey from a cross-section of Saskatchewan society including corporations, churches, unions and cooperatives as well as a focus group for individuals and secondary research on giving trends across the province.

We are *not* approaching any organization or individual for funding, and we are conscious of the concern that some ENGOs have that our donor survey may impact their relationship with a particular funder. For organizations who expressed such concerns in Phase I, we will work with them to ensure that their concerns are addressed before contacting donors. If your organization would like to bring similar concerns forward before we approach potential funders, please contact me before April 8, 2005.

The results of all of the research conducted in Phase One and Phase Two will be summarized in a report for SEN and a presentation to the SEN membership at the end of May, 2005, either through a meeting, a tele-conference or a mail out. To make this research as complete and meaningful as possible, we need your participation. Again, if you have any questions about the outcomes of the phone interviews and/or the recommendations, please contact me at XXXXX, or SEN at sen@link.ca, or by phone at 652-1275.

Thank you for your interest.

Jennifer Fillingham, SEN-CUISR Intern

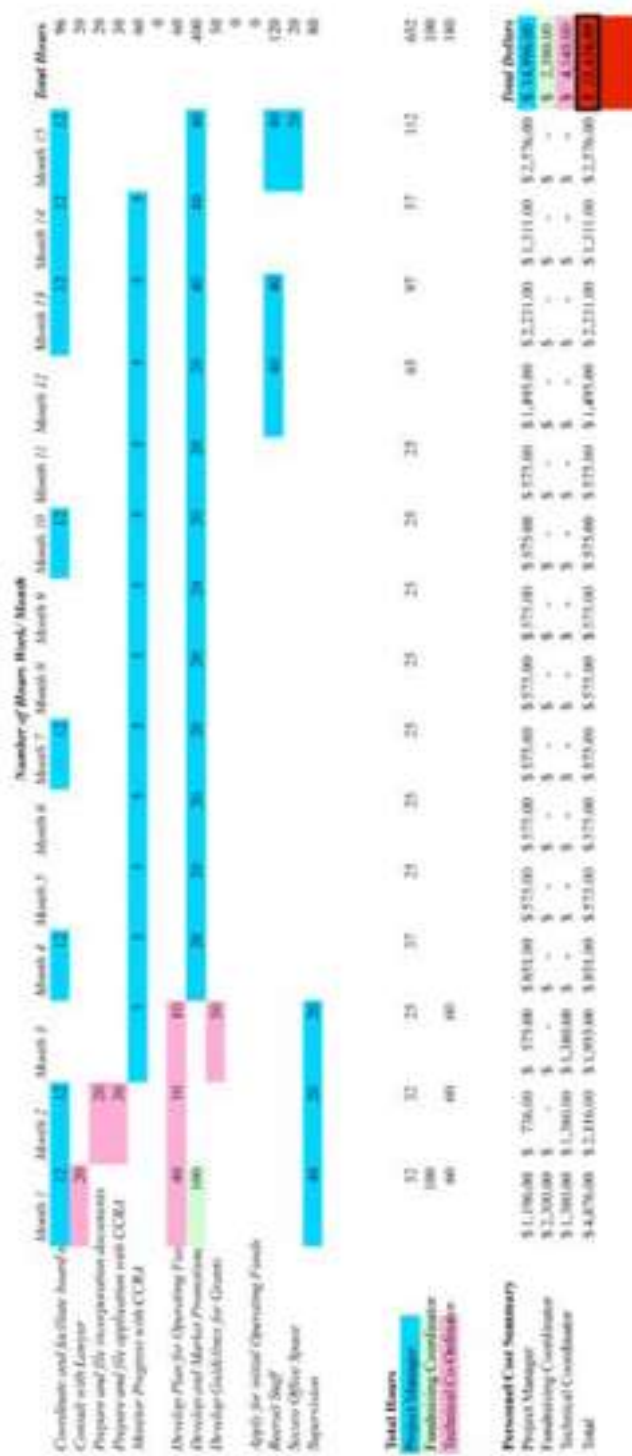
Appendix G. Projection of Potential For Individual Giving Towards Environmental Initiatives in Saskatchewan.

Age Class (years) ¹	SK Population (2003) ²	Percent of Canadians That Gave to Charities in 2000 ³	Projected Population of SK Residents that Might be Expected to Give to Charity ⁴	Average Donation of SK Residents by Age Class in 2000 ⁵	In 2000, 2% of Individual Donations Went to Environment ⁶	Maximum Projected SK Individual Donations by Age Class ⁷
15-24	149938	83%	124449	\$151,000	\$3.22	\$400,724.30
25-34	121691	83%	101004	\$239,000	\$4.78	\$482,796.87
35-44	143315	88%	126117	\$239,000	\$4.78	\$602,840.22
45-54	137975	87%	120039	\$351,000	\$7.22	\$866,682.45
55-64	91312	83%	75789	\$351,000	\$7.22	\$547,196.29
65+	147631	90%	132869	\$331,000	\$6.62	\$879,585.50
Total Potential Donations⁸						\$3,779,825.62

Notes

- 1 and 2. 2003 Age Class population data taken from *Saskatchewan Fact Sheet, 2004* (Saskatchewan Bureau of Statistics). [not in refs]
3. Percentage of Canadians that gave by Age Class taken from NSGVP, 2003d.
4. Projected population of Saskatchewan residents that might be expected to give was calculated by multiplying Age Class Population x Percentage of Canadians that Gave by Age Class (2000). This data is projected from a collection of 2000 and 2001 data and does not consider inflation or limitations of the data due to different survey years.
5. Average Donation of Saskatchewan Residents by Age Class (2000) taken from NSGVP, 2003d.
6. Percentage taken from McClintock, 2004. This figure is for all Canadians; there are likely regional variances that are not considered in these calculations.
7. Projected Individual Donations by Age Class calculated by multiplying Projected Population of Saskatchewan Residents that Might be Expected to Give x 2% of Average Donation of Saskatchewan residents by Age Class
8. As discussed in the main text of this report, this maximum projection is based on several significant assumptions.

Appendix H. Anticipated Personnel Start Up Costs for Saskatchewan Environmental Funding Charity.



Note: Start-up costs are adapted from SEN's original submission to a potential funder in 2003.

Appendix I. Draft Annual Operating Budget.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Capital office expend.	3500												3500,00
Project Coordinator	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	2916,67	35000,00
Rent	300	300	300	300	300	300	300	300	300	300	300	300	3600,00
Office Supplies	50	50	50	50	50	50	50	50	50	50	50	50	600,00
Phone and Internet	150	150	150	150	150	150	150	150	150	150	150	150	1800,00
Insurance					200								200,00
Audit Expenses													2000,00
Bank Fees	20	20	20	20	20	20	20	20	20	20	20	20	240,00
Total:	6936,6667	3436,667	3436,667	3436,667	5036,667	3436,667	3436,667	3436,667	3436,667	3436,667	3436,667	3436,667	46940,00

Note: It is assumed that these are operating expenses only (i.e. for day-to-day running of organization). Funds generated for projects are not considered in this budget.

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