



Evaluation of the Canada Nature Fund



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Environment and Climate Change Canada
Public Inquiries Centre
12th Floor, Fontaine Building
200 Sacré-Coeur Boulevard
Gatineau QC K1A 0H3
Telephone: 819-997-2800
Toll Free: 1-800-668-6767 (in Canada only)
Email: enviroinfo@ec.gc.ca

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List of acronyms and abbreviations

CNF	Canada Nature Fund
CNPP	Community Nominated Priority Places
CWS	Canadian Wildlife Service
DFO	Department of Fisheries and Oceans
ECCC	Environment and Climate Change Canada
EOI	Expression of Interest
F/P/T	Federal/Provincial/Territorial
FY	Fiscal year
GCEMS	Grants and Contributions Enterprise Management System
GBA+	Gender-Based Analysis Plus
IPCA	Indigenous Protected and Conserved Area
KM	Kilometres
KNC	Ktunaxa Nation Council
N	Number
NCC	Nature Conservancy of Canada
NGO	Non-Governmental Organization
NHCP	Natural Heritage Conservation Program
NRCan	Natural Resources Canada
OECM	Other Effective Area-Based Conservation Measures
P/T	Provincial and territorial
S.	Section
SARA	<i>Species at Risk Act</i>

Executive summary

Context

This evaluation report presents findings related to Environment and Climate Change Canada's (ECCC) activities under the Canada Nature Fund (CNF) for the period of fiscal year (FY) 2018 to 2019 and FY 2019 to 2020. The objectives of the evaluation were to provide ECCC with early results on the implementation of the CNF and to identify any lessons learned, successes and/or concerns that require attention. The evaluation also aimed to provide insights into the ongoing relevance of the Pathway Initiative post 2020 and to identify opportunities for improvement.

Findings and conclusions

Relevance

The CNF aligns strongly with federal objectives and priorities including environmental protection, habitat conservation and the protection of species at risk and biodiversity, and reconciliation with Indigenous peoples. It also aligns with federal roles and responsibilities in relation to wildlife management, protection of species at risk, and habitat conservation. There is widespread support among evaluation participants for the federal government to continue funding protection efforts related to provincially managed species. The CNF is seen as an appropriate mechanism for providing this funding.

Design and delivery

In general, there has been a high degree of interest in the CNF, particularly for its open Call for Proposals processes. During the first 2 years of the CNF, both the Target 1 Challenge and the Community Nominated Priority Places components, with one open call for each component launched in FY 2019 to 2020, had approximately twice as many applications as funded projects. Funding recipients encompass a wide variety of organizations, including provincial/territorial (P/T) governments; Indigenous governments, communities, and organizations; non-governmental and philanthropic organizations; and resource-based private sector industries. Almost half of the funded projects are led by Indigenous governments, communities and organizations. The majority of survey respondents (61%) reported that the implementation of their CNF project is occurring as planned, with almost 3 quarters (74%) reporting that COVID-19 has affected implementation.

The overall design of the CNF is consistent with the approved plan for "A Nature Legacy for Canada" and enables implementation of the Pan-Canadian Approach to Transforming Species at Risk Conservation in Canada and Target 1 of Canada's 2020 Biodiversity Goals. However, for the Species Stream, the multi-component structure may be causing challenges for project tracking and reporting with existing databases. In addition, there is evidence that CNF open Call for Proposal processes have been challenging to navigate for some applicants, due to communications issues as well as technical and procedural challenges associated with the

Target 1 Challenge application process through the Grants and Contributions Enterprise System (GCEMS).

The evaluation found that there is limited integration and coordination between the Spaces and Species Streams of the CNF and that there is a need for better communication and coordination across CNF streams and components. Efforts are currently underway to better integrate the performance measurement approach across CNF streams and components.

Evaluation participants noted support for placing greater emphasis on directed funding processes or other alternatives to open Call for Proposals processes for engaging Indigenous applicants. Non-competitive, collaborative directed funding arrangements, such as those already being implemented with Indigenous recipients through the Species Stream, are perceived to be better aligned with the principles of nation-to-nation engagement and reconciliation, and more supportive of Indigenous recipients who may lack capacity for proposal development. Also, key informants representing ECCC identified a need for additional guidance for delivering grants and contributions with Indigenous recipients.

Effectiveness

The evaluation evidence indicates that progress is being made toward the expected results of the CNF.

- **Enabling partnerships, including engagement of Indigenous peoples, to achieve better conservation outcomes.** Funded projects have facilitated formal and informal collaboration and partnerships among a wide variety of stakeholders. Indigenous organizations, communities, and groups make up almost half of funding recipients, with representation from First Nations, Inuit, and Métis communities and local organizations, and various engagement activities are occurring. There is evidence that CNF projects have fostered improved relationships between P/T governments and Indigenous peoples, and supported nation-to-nation engagement through shared Crown-First Nations governance and other co-management arrangements with Indigenous communities. The program's work with Indigenous partners is considered one of its most important achievements.
- **Protection of terrestrial and inland waters.** The CNF has helped to secure the protection of terrestrial land and inland waters through the securement of up to 2,210 square kilometres via the Spaces Stream components. While the evaluation could not assess the likelihood of meeting the Canada Target 1 goal of preserving 17% of Canada's land and inland waters by 2023, the CNF appears to be on track to surpass its target of 20 Indigenous Protected and Conserved Areas (IPCA) established.
- **Protection of species at risk and biodiversity.** The CNF is contributing to advancing protection and recovery of species at risk and biodiversity by funding efforts to secure and restore critical and core linkage habitats, and in implementing recovery actions. There is widespread agreement among evaluation participants that these efforts will produce long-term benefits for species at risk and overall biodiversity.

Beyond the contributions to these expected outcomes, CNF-funded projects are producing and have the potential to produce additional secondary benefits related to employment, capacity building and development, support for Indigenous cultures, and ecosystem service provisions.

There is a high level of public support for the conservation of Canada's nature and IPCA establishment, and a reasonably high level of satisfaction with the CNF among evaluation participants. In particular, there is widespread satisfaction with the unprecedented size of the CNF investment in conservation, as well as its commitment to advancing reconciliation goals and its emphasis on collaborative partnerships.

Recommendations

3 recommendations are directed to ECCC's Assistant Deputy Minister (ADM) of the Canadian Wildlife Service (CWS).

Recommendation 1: Review existing formal governance structures to ensure that these structures support improved communication and coordination across the Spaces and Species Streams at both the senior management and working levels.

- Some formal structures and committees are in place which is contributing to CNF management. The extent to which they allow for effective coordination for the CNF overall is unclear. At present, the 2 streams of the CNF appear to be operating largely independently of one another, with limited communication, integration and coordination occurring at either the senior management level or at the program delivery (working) level. This has created challenges for regional ECCC staff who manage agreements under multiple CNF components. Despite recent efforts to improve communication and coordination between the 2 streams, there are opportunities to further enhance program governance by:
 - ensuring that existing formal governance bodies include adequate representation of senior managers, from both the Spaces and Species Streams, to improve communications and allow for coordinated decision making
 - ensuring that representatives from both streams and all program components are engaged in existing working committees
 - considering the establishment of additional working committees with representatives from both streams and all program components to enhance communication and coordination on specific issues, as needed, such as performance measurement

Recommendation 2: Ensure that information about requirements related to the CNF Call for Proposals is clear and easily accessible and that ways to streamline future application processes are examined.

Just over 40% of evaluation survey respondents agreed that information about the CNF is easy to find, easy to understand and available when needed. Some proponents reported finding it

difficult to determine, based on publicly available information, which CNF component or process was most appropriate for their organization/potential project. In addition, some were confused by what they perceived as conflicting messages from ECCC about whether or not applicants were required to provide a letter of support from their province or territory along with their application, since this requirement changed during the open-call period.

Challenges with the complexity and technical functionality of the Target 1 Challenge application process, through the Grants and Contributions Enterprise System (GCEMS), were also identified by evaluation participants. This included perceived redundancy in the submission of both an Expression of Interest and a full proposal; technical issues with the GCEMS web portal for proposal submission made the application process difficult and time-consuming for some recipients (for example, due to loss of data) and challenges with the budget tool, which was perceived as ill suited to some stakeholders and required substantial support from ECCC to navigate.

Recommendation 3: Examine how to better support Indigenous communities in participating in CNF funding opportunities.

The CNF aims to contribute to reconciliation with Indigenous peoples. The Spaces Stream includes activities to establish Indigenous Protected and Conserved Areas and to support reconciliation through co-management of protected and conserved areas. The Species Stream provides directed funds to establish partnerships with Indigenous peoples for the protection and recovery of species at risk.

During the evaluation period, the CNF generated a high level of interest among Indigenous governments, communities and organizations, which represent about half of funded projects. Many evaluation participants consider the CNF's engagement with Indigenous communities, organizations and groups as one of its most important achievements.

While there were notable successes, evaluation findings suggest that some areas of program delivery could be further examined to determine how the program could better support the participation of Indigenous communities in CNF funding opportunities. Specifically, there is a perception among evaluation participants that open Call for Proposal processes tend to favour organizations and communities with the greatest capacity over those that are most in need. In contrast, evaluation participants generally perceived the directed funding processes to better support Indigenous recipients because they entail a more collaborative proposal development process. As well, key informants representing ECCC identified a need for additional guidance for delivering grants and contributions with Indigenous recipients.

1. Context

This evaluation report presents findings related to Environment and Climate Change Canada's (ECCC) activities under the Canada Nature Fund (CNF) for the period of FY 2018 to 2019 and FY 2019 to 2020¹. The objectives of the evaluation were to provide ECCC with early results on the implementation of the CNF and to identify any lessons learned, successes and/or concerns that require attention. Specifically, this report presents findings related to ECCC's role in administering the Spaces Stream and Species Stream of the CNF

Multiple lines of evidence were examined, including:

- A review and analysis of publicly available and internal documents and data, including the Government of Canada policy-setting documents, program planning and operational documents, departmental reporting, annual reports, performance measurement data, financial information, internal communications, and other materials
- In-depth group and individual interviews with 50 key informants, consisting of:
 - 14 program representatives, from ECCC national headquarters and regional offices
 - 36 external key informants, including representatives of provincial/territorial (P/T) governments, National Indigenous Representatives, philanthropic organizations, conservation Non-Government Organizations (NGOs), the Nature Conservancy of Canada and others, and international conservation bodies
- An online survey of CNF applicants and recipients (n=73 completion; response rate 31%)
- A literature review on the socio-economic impacts of investment in nature conservation
- 2 in-depth case studies of the Qat'muk and Edézhzié Indigenous Protected and Conserved Area

The term "participants in the evaluation" or "evaluation participants" is used in this report to collectively refer to key informants, survey respondents, and case study interviewees. Except where otherwise noted, reporting on interview and survey findings focuses on common themes, perspectives and areas of agreement across and/or within categories of evaluation participants. [Appendix A](#) provides a more detailed description of the evaluation approach.

1.1 Overview

Budget 2018 announced an historic investment of \$1.35 billion over 5 years for "A Nature Legacy for Canada" to conserve 17% of its land and inland waters by 2020, transition the Species at Risk program from planning to recovery, contribute to reconciliation with Indigenous peoples, and deliver effective management and expansion of federal protected areas. ECCC received \$730 million, Parks Canada Agency (PCA) \$199 million, Fisheries and Oceans

¹ A portion of the CNF is allocated to support research activities (\$1.4M Spaces/ Complementary Conservation component and \$3.4M Species). These activities are beyond the scope of this evaluation.

Canada (DFO) \$159 million, and Natural Resources Canada (NRCan) \$4 million, for a total of \$1.09 billion, with \$260.6M in unallocated funding to be sought in FY 2020 to 2021.

The announcement included a \$500 million investment in grants and contributions under the CNF. The CNF aims to make progress in reaching Canada's goals for protected and conserved areas, protecting and recovering species at risk, and maintaining biodiversity.

1.2 Canada Nature Fund's activities

The CNF is a 2-stream contribution fund, one for Spaces and the other for Species. It includes \$500 million grants and contributions over 5 years (FY 2018 to 2019 to FY 2022 to 2023). This funding is divided between the Spaces Stream (\$284 million) and Species Stream components (\$215 million).² The CNF was designed to leverage P/T resources and those of other organizations, including the philanthropic foundations sector, and to align federal funding with other stakeholders' conservation disbursements.

The logic models for the Species at Risk Program and the Habitat Conservation and Protection Program (Spaces) can be found in [Appendix B](#).

Spaces Stream

The Spaces Stream aims to mobilize key partners and stakeholders to:

- increase the coverage, ecological integrity and connectivity of Canada's network of protected and conserved areas
- establish new protected and conserved areas, such as IPCAs, provincial and municipal parks, Other Effective Area-Based Conservation Measures (OECMs), and private lands
- maintain and enhance Canada's biodiversity

The Pathway to Canada Target 1 Initiative

Launched in 2016 by federal and provincial/territorial governments, this initiative engages governments, Indigenous peoples, and the private and non-profit sectors to achieve the terrestrial elements of Target 1 of Canada's domestic and international 2020 Biodiversity Goals and Targets. It also aims to position Canada for more ambitious post-2020 targets under the International Convention on Biological Diversity. The Target 1 statement is as follows:

"By 2020, at least 17% of terrestrial areas and inland waters, and 10% of marine and coastal areas of Canada are conserved through networks of protected areas and other effective area-based conservation measures."

Canadian Wildlife Service (CWS) at ECCC is the lead for the 17% target and the DFO is the lead for the 10% marine target.

² A portion of the CNF is allocated to support research activities (\$1.4 million for the Spaces/ Complementary Conservation component and \$3.4 million for the Species component). These activities are beyond the scope of this evaluation.

- connect Canadians to Nature
- support reconciliation through co-management of protected and conserved areas

While the Pathway to Canada Target 1 Initiative was leveraged to support the CNF Spaces Stream, it is not a component of the CNF.

All of the Spaces Stream funding is administered by ECCC, with funding allocated as follows:

- \$10 million in FY 2018 to 2019 for projects funded through the Quick Start component
- Up to \$175 million over 4 years starting in FY 2019 to 2020 for projects funded through the Target 1 Challenge component
- \$100 million over 4 years starting in FY 2019 to 2020 for the Natural Heritage Conservation Program (NHCP)

The Spaces Stream has 2 pillars: IPCAs and other Protected Areas, and the Natural Heritage Conservation Program (NHCP).

Pillar 1: Indigenous Protected and Conserved Areas and other Protected Areas

This pillar consists of 2 components:

- **Quick Start.** This one-year contribution fund (FY 2018 to 2019) provided directed funds to P/T governments, Indigenous peoples and NGOs. Funds from this component supported projects to advance IPCAs and other protected and conserved areas, and/or to support capacity to help build momentum towards Canada's Target 1 commitments.
- **Target 1 Challenge.** This component provides contribution funding over 4 years (FY 2019 to 2020 through FY 2022 to 2023) through an open Call for Proposals process launched in FY 2019 to 2020. Funded projects would significantly contribute to Canada Target 1, to conserve 17% of Canada's terrestrial land and inland water areas by 2020. The open Call for Proposals process funds projects leading to the direct establishment of P/T, Indigenous and other protected and conserved areas, including at least 20 IPCAs, by 2023. In addition, the Target 1 Challenge component supports "early planning projects," which are intended to increase readiness for future protected areas establishment.

Pillar 2: Natural Heritage Conservation Program (NHCP)

The NHCP provides contribution funding for the acquisition and stewardship of biodiversity rich lands to contribute to Canada's protected areas target and to conserve species at risk. In particular, it is designed to ensure the securement of private lands and private interests in land (for example, forest tenures, mineral rights). The NHCP builds on the success of the Natural Areas Conservation Program, which sunset on March 31, 2019. Following an open Call for Proposals process, a contribution agreement was signed in 2018 with the Nature Conservancy of Canada (NCC) to administer the NHCP, in partnership with Ducks Unlimited Canada, Wildlife Habitat Canada, and many regional and local land trusts.

Species Stream

The Species Stream consists of terrestrial and aquatic elements to support species at risk protection and recovery, and the prevention of healthy populations from becoming at risk through place-based and multi-species initiatives for priority areas, species and threats.³ It focuses on funding innovative, multi-species and ecosystem-based actions for priority species, places, sectors and threats identified under the Pan-Canadian Approach to Transforming Species at Risk Conservation in Canada (the Pan-Canadian Approach to SAR).⁴

Of the \$215 million allocated for the Species Stream, approximately \$155.7 million is designated for terrestrial activities and administered by ECCC.⁵ This funding includes:

- \$46.6 million directed funding for the Priority Places component (for projects relating to the 11 priority places identified under the Pan-Canadian approach to SAR)
- \$39.2 million directed funding for the Priority Species component
- \$5.5 million directed funding for domestic activities and \$2.4 million directed funding for international activities under the Priority Sectors and Threats component
- \$42 million directed funded for Indigenous Partnerships
- \$20 million application-based funding for projects selected through the Community-Nominated Priority Places sub-component

The Species Stream delivers a mix of directed and application-based funding through the following components:

- **Priority Places.** This component includes directed funding to support the protection and recovery of species at risk and other biodiversity in 11 priority places identified under the pan-Canadian approach to SAR. It also includes application-based funding to support multi-species and ecosystem-based conservation actions in additional **Community**

Priority Places	
1.	Kespukwitk/southwestern Nova Scotia
2.	Wolastoq/St. John River in New Brunswick
3.	Forested landscape in Prince Edward Island
4.	St. Lawrence lowlands in Quebec
5.	Long Point Walsingham Forest in Ontario
6.	Mixed grass prairie in Manitoba
7.	South of the divide in Saskatchewan
8.	Summit to sage in Alberta
9.	Dry interior of British Columbia
10.	Southwestern British Columbia

³ The aquatic component, managed by DFO, is outside the scope of this evaluation.

⁴ In 2018, the Federal, Provincial and Territorial (FPT) Ministers (except Quebec) responsible for conservation, wildlife, and biodiversity agreed to the implementation of the Pan-Canadian Approach to Transforming Species at Risk Conservation in Canada. This new approach aimed to shift from a single-species approach to conservation to one that focuses on multiple species and ecosystems. Conservation efforts will be concentrated on priority places, species, sectors and threats across Canada. The aim was for conservation partners to work together to achieve better outcomes for species at risk.

⁵ The remaining \$59.3 million is administered by DFO for aquatic activities.

Nominated Priority Places (CNPP) (which are outside of, and complementary to, the 11 priority places identified under the pan-Canadian approach to SAR).

- **Priority Species.** This component consists of directed funding to support projects focused on protection and recovery of species at risk via enhanced collaboration and partnerships. This component has supported the negotiation and implementation of *Species at Risk Act* (SARA) s.11 conservation agreements with 9 participating P/Ts for the protection and recovery of Boreal and Southern Mountain Caribou, and Wood Bison, identified as priorities by key stakeholders (including P/T, Indigenous peoples, NGOs, and other collaborators).
- **Priority Sectors and Threats.** This component provides directed funds to projects at the domestic and international levels. At the domestic level, funding focuses on the development of sector-based approaches for promoting beneficial practices and improving unsustainable practices for priority sectors including agriculture, forestry, and urban development. At the international level, funding focuses on ensuring that forestry management and certification regimes reflect best practices in species at risk protection and recovery, and on maintaining access for Canadian forestry products in international markets.
- **Indigenous Partnerships.** This component provides directed funds to establish partnerships with Indigenous peoples for the protection and recovery of species at risk. Funds support activities that focus on building relationships, enhancing capacity, and increasing collaborative conservation activities, including consultations, habitat and land-use planning, negotiation of SARA s.10 administrative agreements, and associated funding agreements to meet recovery and protection obligations on reserve lands.

2. Findings: relevance

2.1 Alignment with federal priorities

Findings: The CNF is strongly aligned with federal objectives and priorities including environmental protection, conservation and protection of species at risk and biodiversity, and reconciliation with Indigenous peoples.

As part of the Nature Legacy for Canada funding announced in Budget 2018, CNF objectives match those established for the broader Nature Legacy for Canada Initiative. Moreover, objectives and scoring criteria established for CNF Streams and components are consistent with federal commitments to the Pan-Canadian Approach to Transforming Species at Risk Conservation in Canada, and Target 1 of Canada's 2020 Biodiversity Goals. In particular, the Spaces Stream was a response to the Pathway to Canada Target 1 Initiative. The Species Stream components directly match the priority areas identified under the Nature Legacy for Canada and enable implementation of the pan-Canadian approach to SAR. The CNF is widely viewed by evaluation participants as an important instrument for achieving the Government of Canada's revised, and more ambitious, goal of conserving 25% each of Canada's lands and

oceans by 2025. The majority of key informants reported that there is a continued need for this initiative beyond 2020. While not a component of the CNF, the continuation of the Pathway Initiative was perceived as necessary to achieve the federal government's new goal of conserving 25% each of Canada's land and oceans by 2025.

The design of the CNF is also aligned with the federal government's priority on reconciliation with Indigenous peoples. The CNF's contributions to Indigenous engagement in conservation are considered by many evaluation participants to be an important step toward reconciliation with Indigenous peoples, as well as a key program strength. However, numerous opportunities to improve alignment between the CNF and federal reconciliation objectives were identified during this evaluation. These opportunities are discussed throughout the remainder of this report.

Notwithstanding this strong alignment with federal priorities, there are opportunities for the CNF to improve and increase its alignment with broader federal environmental priorities by reconsidering how various environmental considerations are weighted in eligibility criteria and factored into project selection – particularly in relation to the Spaces Stream open Call for Proposals processes. This is further discussed in the section 3.3-Program design and communications.

2.2 Alignment with federal roles and responsibilities

Findings: The CNF is aligned with federal responsibilities in relation to wildlife management, protection of species at risk, and conservation. There is widespread support for the federal government to continue funding protection efforts related to provincially managed species. The CNF is seen as an appropriate mechanism for providing this funding.

The management of wildlife and protection of species at risk is a shared responsibility between the federal and P/T governments. The federal government's roles and responsibilities are outlined in numerous federal statutes and international conventions (see text box). The objectives and activities of the CNF are aligned with federal roles and responsibilities as articulated in these acts and international agreements.

Similar to the federal government, P/Ts have multiple acts and regulations containing provisions for supporting land protection and habitat conservation. The vast majority of internal and external interviewees believed the federal government should continue to assume a role in funding protection efforts related to provincially managed species. They gave the following reasons:

- Despite the constitutional division of responsibilities for species, the public expects the federal government to play a role in conservation, and this benefits all Canadians
- Federal/Provincial/Territorial (F/P/T) collaboration is required to implement the multi-species, ecosystem-based approach to conservation advocated by the Pan-Canadian Approach to SAR; and

- The transboundary nature of species means that protections put in place for species under P/T jurisdiction will also benefit those under federal jurisdiction, and vice versa.

Evaluation participants support the federal government's use of the CNF to provide funding for protection of provincially managed species. They noted that the CNF was explicitly designed to leverage P/T resources⁶ and those of other organizations, and to align federal funding with other stakeholders' disbursements for conservation. In seeking P/T support and matching funds to implement projects, the CNF encourages F/P/T sharing of the responsibility, accountability, and costs associated with species protection. That said, a few program representatives cautioned that federal spending on species whose habitat is largely under provincial jurisdiction (for example, Boreal Caribou) should not come at the expense of supporting particular at-risk species for which the federal government has sole jurisdiction (for example, migratory birds, bats).⁷

Relevant federal Acts and international Conventions

- *Constitution Act, 1867*
- *Species At Risk Act*
- *Canada National Parks Act*
- *Canadian Wildlife Act*
- *Migratory Birds Convention Act*
- *Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act*
- Convention on International Trade in Endangered Species of Wild Fauna and Flora
- Convention on Biological Diversity

The majority of survey respondents (61%) and external key informants reported being satisfied or very satisfied with the CNF overall. There is widespread satisfaction with the unprecedented size of the CNF investment in conservation, as well as its commitment to advancing reconciliation goals and its emphasis on collaborative partnerships.

Public opinion research carried out by ECCC indicates a somewhat low level of public awareness about specific Government of Canada initiatives related to conservation, including its goal to protect 25% each of Canada's lands and oceans by 2025 and its goal to restore wetlands, grasslands, and other important ecosystems. However, the research also shows that the majority of Canadians place high value on nature and agree that Canada's environment should be protected. Just over 3 quarters (76%) of Canadians agree that Canada should be a country where the environment is protected, even if this slows down economic development, and nearly half (45%) reported valuing the environment more than the economy. This research also shows substantial support for IPCA establishment, with 2 thirds (65%) of Canadians supportive or somewhat supportive of the creation of additional IPCAs.

⁶ The extent to which the CNF leverages other sources of funding was not examined in this evaluation.

⁷ It should be noted that, since the evaluation, the Priority Species initiative "Boreal caribou and other priority species" has identified benefits for stream 2 species, including many migratory birds and bats, and their habitats as priorities for funding.

3. Findings: design and delivery

3.1 Program-level implementation

Findings: A total of 315 projects have been approved for CNF funding, including 130 projects funded through the Spaces Stream and 185 projects funded through the Species Stream. There has been a high degree of interest in the CNF open Call for Proposals processes. Both the Target 1 Challenge and the Community Nominated Priority Places (CNPP) components had approximately twice as many applications as funded projects.

During the 2-year period covered by this evaluation (ending March 31, 2020), a total of 315 projects were approved for CNF funding. This includes 130 projects funded through the Spaces Stream components and 185 projects funded through the Species Stream components. CWS administers CNF projects through the Protected Areas Directorate, the Strategic Priorities Directorate, the Wildlife Management Directorate, and the Regional Operations Directorate, along with the Science and Technology Branch. Funding recipients encompass a wide variety of organizations, including P/T governments; Indigenous governments, communities, and organizations; non-governmental and philanthropic organizations; and resource-based private sector industries.

Table 1 provides a breakdown by stream. As indicated in this table, there has been a high degree of interest in the CNF open Call for Proposals processes. The Target 1 Challenge and Community-Nominated Priority Places (CNPP) components both had approximately twice as many applications as projects funded. Available information also shows that the Spaces Stream projects were funded in all ECCC regions. A breakdown of the Species Stream funded projects by component was not available at the time of the writing of this report. Information on the regional distribution of those projects was also limited.

Table 1: Projects funded under the CNF, FY 2018 to 2019 and FY 2019 to 2020

Stream	CNF component	Total projects funded	Uptake of CNF process	Type of projects funded	Regional distribution
Spaces	Quick Start	38	About 45% more funding was disbursed through this component than originally designated	<ul style="list-style-type: none"> • 19 IPCAs • 10 projects supporting other protected areas • 9 projects supporting private protected areas 	Projects funded in each ECCC region, with fairly even distribution across regions
Spaces	Target 1 Challenge	68	148 project applications received from 140 organizations. Only a few organizations received funding for multiple projects (62 organizations deliver the 68 funded projects)	<ul style="list-style-type: none"> • 42 projects designated as establishment projects • 26 designated as early planning projects. • IPCA projects make up 76% of funded projects, with 52 IPCA-related contribution agreements signed as of October 2020 	Projects were funded in all regions of Canada but more than half are located in the North or Prairie regions (27% and 25% of funded projects, respectively)
Spaces	Natural Heritage Conservation Program (NCHP)*	1	100% of the \$25 million fiscal year funding was spent by the recipient and final recipients	<ul style="list-style-type: none"> • 134 land securement projects by 24 land trusts • 2 land securement projects partnering with Indigenous organizations • 41 capacity development projects 	Land securement projects were completed in all 10 provinces in Southern Canada.
Spaces	Directed Funding	23	Information not available	Information not available	Information not available
Species**	Directed funding	170	Information not available	Information not available	Information not available
Species	Community-Nominated Priority Places (CNPP)	15	28 project applications received from 28 organizations. No organization received funding for multiple projects.	Information not available	Information not available

*Note: NCHP was launched in FY 2019 to 2020

**Note: Thirteen projects are listed in the CSFB Database in both years. The values above reflect the number of unique projects selected for funding.

The Natural Heritage Conservation Program (NHCP) was launched in FY 2019 to 2020. In its first year of operation, it received one quarter (\$25 million) of its designated CNF investment and matched this with \$47 million in funding from other partners. It also supported 134 projects across 24 land trusts and secured 130.05 square kilometres for conservation, with conservation projects/areas resulting in the protection of 20 species at risk. Due to COVID-19,⁸ ECCC agreed to reduce the matching requirements from 2:1 to 1.5:1 over the 4 years of the program. The NHCP's overall goal of securing 2,000 square kilometres of ecologically sensitive land remains in place.

3.2 Project-level implementation

Findings: COVID-19 has led to delays in implementing planned activities for many projects. Difficulties in gaining partner support and delays in getting Contribution Agreements signed and/or receiving funds have also affected the implementation of some projects, challenging recipients to use all funds in the fiscal year to which they were allocated or causing them to miss time-sensitive windows for completing conservation work. Although ECCC has responded to these challenges by offering extensions on reporting deadlines and allowing recipients to carry funds forward, some recipients identified a need for more flexibility.

The projects funded through the CNF are at various stages of implementation. While the majority of survey respondents (61%) reported that implementation of their CNF project is occurring as planned, almost 3 quarters (74%) also reported that COVID-19 has affected implementation. Resulting impacts have included delays to planned fieldwork due to lockdowns/travel restrictions; cancellations of in-person consultations and events; delays in receiving materials due to supply chain interruptions; and delays/difficulties in hiring staff.

Just over half of the survey respondents (53%) reported experiencing other implementation challenges beyond COVID-19. The most common issues were difficulties in gaining support from key partners and stakeholders (including local communities, and P/Ts) as well as delays in getting Contribution Agreements signed and/or in receiving funds. Available data (limited) for the Target 1 Challenge shows that there were processing delays.⁹

Evaluation participants noted that processing delays can adversely impact project implementation in 2 ways. First, the release of funding late in the fiscal year created challenges for recipients to use all the funds and in carrying out project tasks designated for Year 1 of their

⁸ While the COVID-19 pandemic started past the timeframe for this evaluation, it fell within the data collection period. As such, the evaluation team embedded questions to get a sense of the potential impact of the pandemic on program delivery.

⁹ For example, the time elapsed between the signing of notification letters for successful applicants and the successful negotiation of contribution agreements ranged from 28 days to 167 days. The time elapsed between the negotiation of contribution agreements and the sending of contribution agreements to recipients for signature ranged from 9 days to 113 days.

agreements. Second, the misalignment between CNF funding schedules and conservation timelines caused recipients to miss important time-sensitive, seasonal “windows” for completing conservation work.

ECCC has responded to these challenges by offering extensions on reporting deadlines and allowing recipients to carry funds forward. In particular, under Appendix K of the TB Policy on Transfer Payments, Indigenous recipients were allowed to carry forward funding, which helped them to deal with pandemic-related challenges. However, some evaluation participants suggested that there may be a need for a more flexible approach for some projects and that the level of flexibility could be determined on a project-by-project basis. For example, it was suggested that some projects that were not given the flexibility to carry over funds, and these projects would benefit from additional flexibility in this area to accommodate unexpected challenges and delays and better support project delivery. It was also suggested that for some IPCAs, expectations for establishment by 2023 may need to be reconsidered, considering the significant cost and time required for capacity building, planning, and stakeholder negotiation.

3.3 Program design and communications

Findings: The overall design of the CNF is consistent with the Nature Legacy for Canada and enables implementation of the Pan-Canadian Approach to SAR and Target 1 of Canada’s 2020 Biodiversity Goals. However, for the Species Stream, the multi-component structure may be causing challenges for project tracking and reporting with existing databases.

For some participants, the CNF proposal-based application processes have been challenging to navigate. There is a need to enhance publicly available information about the program and streamline, as well as clarify, the application process for the Target 1 Challenge component.

The requirements associated with the open Call for Proposals processes have been particularly burdensome for Indigenous organizations that have limited internal capacity to prepare detailed proposals.

The overall design of the CNF is fairly complex, consisting of 2 streams with multiple components (each with its own eligibility criteria and requirements). While the component breakdown established for the CNF is aligned with broader federal initiatives (see section 2.2- Alignment with federal roles and responsibilities), the multi-component structure is not fully reflected in current project tracking for the Species Stream. Available data for the Species Stream does not distinguish between the various components that have been identified for the Stream due to limitations of existing databases.

Although there has been a high level of interest for the Call for Proposals, interview participants noted that the CNF’s open Call for Proposals processes have been challenging for some participants. Overall, just over 40% of survey respondents agreed that information about the CNF is easy to find, easy to understand, and available when needed; while half agreed that Expression Of Interest (EOI)/proposal requirements are clear and fair and that the process requires a reasonable amount of effort. The remaining respondents either disagreed or were

neutral. While survey results could not be attributed to particular components,¹⁰ in interviews, proponents involved in open call processes were generally less satisfied with the availability and accessibility of information about CNF funding processes than those involved in directed opportunities. In particular, some applicants have encountered issues related to the availability and clarity of information about the CNF components, and the complexity of the Target 1 Challenge application process and the use of GCEMS.

The following improvements could address these issues:

- **Enhance publicly available program information.** While the CNF website gives a broad overview of the program, it lacks detail about the funding and application process for specific components. Some proponents reported finding it difficult to determine, based on publicly available information, which CNF component or process was most appropriate for their organization/potential project. In the absence of sufficient information about each component, they felt compelled to divide their limited capacity among multiple proposals. This may have resulted in poorer quality submissions than if they would have been able to focus on and produce just one application.
- **Streamline and clarify the application process for the Target 1 Challenge.** Some recipients identified numerous issues related to this component, including technical issues with the GCEMS web portal for proposal submission made the application process difficult and time-consuming for some recipients (for example, due to loss of data); and challenges with the budget tool, which was perceived as ill suited to some stakeholders and required substantial support from ECCC to navigate. In addition, some were confused by what they perceived as conflicting messages from ECCC about whether or not applicants were required to provide a letter of support from their province or territory along with their application, as this requirement changed during the open call period.

Other suggestions for improvement included:

- providing additional ECCC support to applicants and allowing a longer timeframe for proposal preparation
- adapting the eligibility and selection criteria for early planning projects funded through the Target 1 Challenge, rather than using the same criteria to assess all Target 1 Challenge proposals, to improve transparency in the selection process
- better communication of the reasons for unsuccessful proposals to enable recipients to better respond to future funding opportunities

The complexity of the Target 1 Challenge application process, along with relatively tight application deadlines for all open Call for Proposals processes, was perceived by many evaluation participants as disadvantageous especially to Indigenous organizations that often have limited internal capacity to prepare detailed applications. Interviewees observed that

¹⁰ A high proportion of survey respondents applied to multiple components, with 18% of respondents reporting that they sought funding under both Streams, and 22% reporting that they sought funding through both directed and application-based mechanisms.

because of their limited capacity – combined with the larger scale of IPCA and CNPP projects, and the number of partners involved – Indigenous communities that completed applications often did so with substantial support from consultants, NGOs, philanthropic organizations, or other partners. The EOI phase was designed to assist proponents to prepare complete proposals within the timelines.

Many evaluation participants suggested to move away from application-based processes for Indigenous recipients, and to place a greater emphasis on directed funding processes or other alternatives to open Call for Proposals processes for funding Indigenous applicants. While it was recognized that open Call for Proposals processes can play an important role in raising awareness about funding opportunities, and that the Target 1 Challenge component, in particular, generated a high level of interest among Indigenous communities and identified a large number of potential projects that would not have been generated through a directed approach, evaluation participants identified issues with competitive, open Call for Proposals processes from a reconciliation perspective. In particular, evaluation participants commented that such processes tend to favour organizations and communities with the greatest capacity over those that are most in need; are misaligned with a nation-to-nation way of engaging with Indigenous peoples; and foster competition among Indigenous communities.

In contrast, directed funding arrangements are generally perceived to better support Indigenous recipients as they entail a more collaborative proposal development process which is less burdensome for Indigenous communities lacking capacity for proposal development. They also enable greater collaboration between ECCC and Indigenous recipients at an earlier stage in the development of project ideas and plans, which is aligned with the principles of nation-to-nation engagement. It should be noted that many Indigenous communities and regional organizations have already been engaged in directed funding arrangements through the Species Stream, and evaluation results indicate that these arrangements are working well.

Finally, the Target 1 Challenge was designed to identify projects that could contribute to the ambitious target of protecting 17% of Canada's terrestrial and freshwater areas. Notwithstanding support for this policy goal, many evaluation participants suggested that ECCC should consider revising the relative weights given to criteria in Spaces Stream project selection, to ensure that ecologically important but smaller land areas are not unduly disadvantaged by the selection process. According to the Evaluation Grid for the Target 1 Challenge component, the current selection process places most weight (40%) on contributions toward achieving Canada Target 1, with other considerations factoring much less strongly in project selection as follows:

- contributions to Indigenous reconciliation and capacity building (weighted 20%)
- contributions to priority co-benefits (weighted 10%)
- project technical evaluation scores (weighted 30%)

While supportive of the Target 1 Challenge program's goal to significantly contribute to Canada Target 1, evaluation participants noted that the 40% weight given to land size disadvantaged P/Ts and regions with less land area or smaller areas available for conservation purposes (for

example, urban areas that contain habitat for species at risk). In addition, there is support for increasing, to some extent, the relative weight given to priority co-benefits. Currently, project contributions to climate change, biodiversity and species at risk, ecological integrity and connectivity, as well as cultural and social benefits are considered in project selection to the extent that they are identified in proposals as project co-benefits. However, as all of these factors have been identified as broader federal priorities, evaluation participants suggested that these considerations should factor more strongly in future project selection (they should be weighted more than 10%, collectively, in project selection), while the emphasis on land securement is maintained.

3.4 Program support for Indigenous engagement

Findings: There are opportunities to improve the support that the CNF provides for Indigenous engagement. Suggestions include increasing ECCC's capacity to assist Indigenous funding recipients to meet project implementation and reporting requirements, and increasing its capacity to engage on a nation-to-nation basis with Indigenous communities potentially affected by CNF agreements.

Many evaluation participants agreed that supporting Indigenous engagement in conservation is an important strength and achievement of the CNF. However, close to half of survey respondents who offered an opinion on whether the CNF adequately supports Indigenous peoples, communities, and organizations in conservation initiatives believe that it does not. At the same time 2 thirds of Indigenous survey respondents whose CNF project was funded, reported that a specific person within ECCC had been designated to liaise with their community or organization for their project.

Some evaluation participants noted that the Indigenous Partnerships Initiative, in particular, is understaffed. Limited capacity affects the program's ability to engage with all Indigenous communities that may potentially be affected by CNF projects.

Considering that a high number of applications received from Indigenous communities and organizations for CNF funding could not be supported, many evaluation participants suggested that additional resources be designated for IPCA and Indigenous early planning projects in subsequent rounds of funding. While First Nations, Inuit, and Métis communities and regional organizations were represented among funding recipients, some evaluation participants also suggested that additional engagement of Inuit and Métis communities would be beneficial.

Key informants representing ECCC identified a need for additional guidance for delivering grants and contributions with Indigenous recipients¹¹, recognizing the need for different approaches to working with First Nations, Inuit, and Métis people.

¹¹ Indigenous recipients means governments, communities and other organizations.

3.5 Program spending

Findings: The CNF spent about 97% of planned resources over the evaluation period. Although some reallocations have occurred across streams and components, expenditures were split approximately evenly between the 2 streams. This is consistent with the planned distribution.

Actual expenditures for the CNF totalled nearly \$337 million in FY 2018 to 2019 and FY 2019 to 2020, or 97% of planned spending. While some reallocation of funding occurred over the evaluation period, overall, actual expenditures were fairly evenly split between the Spaces Stream (51%) and the Species Stream (49%) which is consistent with the overall planned distribution for these fiscal years.

Table 2: Canada Nature Fund actual expenditures, by program stream for FY 2018 to 2019 and FY 2019 to 2020

Stream	Planned expenditures	Actual expenditures	Amount of variance	Actual/planned
Spaces Stream	\$177,297,496	\$171,936,813	-\$5,360,683	97%
Species Stream	\$168,818,126	\$164,962,722	-\$3,855,404	98%
Total	\$346,115,622	\$336,899,534	-\$9,216,088	97%

Source: Program financial data

Note: Column totals were calculated prior to rounding

Demand for funding through some CNF application-based components exceeded available funds. As noted in Section 3.1 - Program-level implementation, about half of the applications received for the Target 1 Challenge and CNPP components were funded.

Given its design and delivery model, particularly its emphasis on partnerships and matching funds, as well as the recently increased federal commitment to conserve 25% each of Canada’s lands and oceans by 2025, the vast majority of internal and external key informants perceived that the CNF could be scaled up to meet demand.

3.6 Governance

Findings: At the time of the evaluation, there was limited integration and coordination between the Spaces and Species Streams of the CNF, although efforts were underway to address this issue. The governance approach for the NHCP is working well, despite some administrative and reporting inefficiencies.

CNF governance

While information on program governance was limited at the time of the evaluation, documents show that some formal structures and committees are in place, at the ADM, Director General (DG), and executive levels. These are contributing to CNF management. For the Species Stream, these include the Species Program's Executive Committee and Species Directors Committee, which came into effect April 1, 2019, and the various interrelated manager-level subcommittees, technical committees, task groups, and communities of practice which support the work of the Species Directors Committee. Documentation related to Spaces Stream governance was more limited; however, a Spaces National Weekly Meeting is held which includes representatives of headquarters staff for the Target 1 Challenge, regional staff, and corporate communications.

However, the extent to which these structures allow for effective coordination for the CNF overall is unclear. In interviews, program representatives indicated that there is limited coordination and integration between the Species and Spaces Streams at the senior decision-making level. This has resulted in a “siloe” approach to program management and delivery, which has, in turn, created challenges for regional ECCC staff who manage agreements under multiple components. According to program key informants, efforts are underway to improve coordination and communication between the 2 streams. For example, membership for the Species Stream Directors Committee includes representatives from the Protected Areas Directorate. In addition, key informants identified that efforts are being made to improve communications at the DG-level regarding how projects are selected under both streams.

NHCP governance

The NCC received contribution funding through the CNF to administer the NHCP. Perceived successes of NHCP governance and management to date include:

- the positive working relationship that has been established between the NCC, Wildlife Habitat Canada, and Ducks Unlimited Canada
- Wildlife Habitat Canada's experience in grant administration
- the effective process that has been implemented for project selection
- effective communication about the program to land trust alliances and other relevant stakeholders, as evidenced by the high volume of applications to the program

Despite these successes, key informants identified several challenges related to NHCP governance and management.

- The distribution of roles and responsibilities between Wildlife Habitat Canada, which administers the Land Trusts Conservation Fund, and the NCC, which signs agreements and distributes funding, has created some redundancy in terms of administrative tasks. The timelines and turnaround time has led to some dissatisfaction from land trusts.

- The NCHP's third-party delivery model is causing challenges for funding recipients. In order to fulfill its annual performance reporting obligations to ECCC, the NCC requires NHCP funding recipients to submit their performance reports well before the fiscal year end. This process has shortened the reporting timeline for NCHP funding recipients, and resulted in a relatively short period for recipients to use funds.
- The Land Trusts Working Group does not have legal status or accountability and therefore does not have the same decision-making authority as the other partners in the NHCP. This has reportedly led to tensions between the land trusts and other NHCP administrative partners.

While these challenges were identified, key informants did not identify any concrete solutions for addressing them.

Pathway to Canada Target 1 Initiative governance¹²

The governance of this initiative consists of the following.

- The main governing body of this initiative, the Director/DG-level F/P/T, Indigenous and municipal National Steering Committee, provides a venue for strategic, high-level discussions on policies, collaborative approaches and tools to advance the conservation of Canada's terrestrial areas and inland waters, in support of Canada Target 1. Membership of the National Steering Committee includes representatives from ECCC, PCA, P/Ts (except Quebec, Nunavut, and PEI), the Assembly of First Nations, Métis National Council, a local government and a special representative from the Canadian Parks Council.
- The National Steering Committee reports to the ADM-level Conservation, Wildlife and Biodiversity Steering Group (CWBSG), which has been expanded to include ADMs responsible to parks and protected areas.

While there is general agreement that the Pathway Initiative is working well, evaluation participants suggested that the Pathway governance could be improved through additional efforts to increase representation from P/T government departments as well as First Nations, Inuit, and Métis populations in governance bodies.

3.7 Performance measurement

Findings: Efforts are currently underway to improve performance measurement by refining performance indicators and establishing targets. Work is also being carried out to better integrate the performance measurement approach across CNF streams and components. Evaluation evidence indicates a need to simplify performance reporting requirements and/or improve supports and resources available to recipients.

¹² While the Pathway to Canada Target 1 Initiative was leveraged to support the CNF Spaces Stream, it is not a component of the CNF.

The CNF does not have its own logic model. The CNF has been incorporated into the Performance Information Profiles and logic models developed for the Habitat Conservation and Protection Program and the Species at Risk Program¹³.

The development and implementation of a performance measurement approach for the CNF is progressing. In particular, efforts are underway to refine and set targets for performance indicators related to the CNF; better align performance reporting frameworks and tools used across CNF components; improve integration and coordination in the performance measurement approach across CNF streams and components as well as across CWS programming more broadly.

Program representatives reported that, because the performance measurement strategy is still in development, performance data has not yet influenced program decision making.

Project-level performance reporting

Results from the survey indicate that a large majority (81%) of respondents understand what is required to comply with CNF performance reporting requirements. In interviews, many recipients noted that the expected outcomes of their project and reporting targets for their respective agreement were negotiated with ECCC at the outset. ECCC program leads have been good at clarifying expectations when recipients encounter difficulties. Over 2 thirds (69%) of survey respondents agreed that this reporting requires a reasonable amount of effort.

Slightly more than half (53%) of survey respondents agreed that available tools and templates were helpful. Suggestions for improvement included simplifying reporting requirements and templates; allowing more flexibility in reporting; providing assistance in filling out forms or completing reports; and providing sample reports or completed templates as guidance.

Gender-Based Analysis Plus (GBA+)

GBA+ was considered as part of the program development process as well as the Performance Information Profiles (PIP) for the Habitat Conservation and Protection Program and the Species at Risk Program. Specifically, the PIPs note that conservation outcomes associated with program activities and funding initiatives (including those relating to the CNF) are expected to benefit both men and women, as well as rural and Indigenous communities. The Habitat Conservation and Protection PIP also notes that stakeholder engagement and consultation undertaken in relation to Target 1 projects “will be conducted in a manner that allows equal opportunity for people of both genders to participate in the process” and that the development of communications materials for targeted groups “will be sensitive to any potential socio-economic and gender-based differences among them”.

However, only a few interviewees could comment extensively on the incorporation of GBA+ in CNF project implementation. Those who could comment highlighted that the CNF’s emphasis on Indigenous engagement represents an important contribution to GBA+. Observations

¹³ See [Appendix B](#) for the logic models.

concerning Indigenous engagement are discussed in sections 3.4-Program support for Indigenous engagement and 4.1-Enabling partnerships, including Indigenous engagement of this report.

4. Findings: effectiveness

4.1 Enabling partnerships, including Indigenous engagement

Findings: Conservation projects funded through the CNF have facilitated formal and informal collaboration and partnerships among a wide variety of stakeholders. There is evidence that CNF projects have fostered improved relationships between P/T governments and Indigenous peoples, and supported nation-to-nation engagement through shared Crown-First Nations governance and other co-management arrangements with Indigenous communities. The program's engagement of Indigenous partners is considered one of its most important achievements.

One of the expected outcomes of the CNF is to enable partnerships, including engagement of Indigenous peoples, to achieve better conservation outcomes. Conservation projects funded through the CNF have facilitated formal and informal collaboration and partnerships among a wide variety of stakeholders. Moreover, the extent of partner engagement goes beyond recipient organizations, since funded projects involve formal and informal partnerships with additional organizations, communities, and stakeholders. Interviewees generally believed that these partnerships would not have occurred without the CNF.

Beyond enabling partnerships in general, the CNF was specifically designed to support Indigenous engagement in conservation and advance Indigenous-led conservation. Available evidence indicates that the program is making positive contributions in this regard. Almost half (46%) of the funded organizations across the Spaces and Species Streams of the CNF were Indigenous communities, organizations, or groups. The proportion of CNF projects led by Indigenous recipients varied across streams and components:

- Indigenous recipients represented over one third (34%) of funded recipients under the Species Stream and the Quick Start component (38%), and nearly 3 quarters (71%) of funding recipients under the Target 1 Challenge component. While the Species Stream data was not broken down by component, available data shows that, in FY 2019/2020, 12 projects involving over \$5 million in funding commitments were supported through the Species Stream Indigenous Partnerships Initiative.
- Within the Spaces Stream, half (50%) of the projects funded under Quick Start (n=19) and just over 3 quarters (76%) of projects funded under the Target 1 Challenge component (n=52) are related to IPCA establishment.

Furthermore, a variety of engagement activities are occurring, though evidence indicates there are opportunities for improvement. For example, 92% of survey respondents who self-identified as representing an Indigenous community or organization were involved in the development of their project's EOI, proposal, and/or project idea. Fewer, however, reported being involved in

developing a shared vision for their project (64%); identifying priority conservation actions (61%); participating in initial project consultations (58%); developing a collaboration plan for project implementation (58%); and taking part in ongoing partner meetings (56%). Survey respondents also provided concrete descriptions of ways in which partnerships and Indigenous engagement have been enhanced via their projects, including through:

- leading projects as Indigenous peoples
- holding workshops in affected communities to develop project ideas
- establishing working groups including representatives from Indigenous communities
- hiring Indigenous engagement specialists
- hiring Indigenous employees and investing in their capacity development
- collecting and using Indigenous ecological knowledge data to guide project development and implementation

Evidence from the case studies indicates that projects funded through the CNF have, in some cases, fostered improved relationships between P/T governments and Indigenous peoples and supported nation-to-nation engagement with Indigenous peoples through the establishment of shared Crown-First Nations governance and other co-management arrangements with Indigenous communities.

- A CNF Spaces Stream contribution agreement to support the establishment of the Edézhíe Protected Area was signed with the Dehcho First Nation in February 2019. The Edézhíe area covers 14,218 square kilometres in the Dehcho region of the Northwest Territories, which is being established as both a Dehcho Protected Area under Dehcho law and a National Wildlife Area under the Canadian Wildlife Area Regulations. Representatives of the Łíídlíi Kųę, Tthets'ék'edélj, Deh Gáh Got'įę, and Pehdzeh Ki First Nations sit on the Edézhíe Management Board, and have responsibility for operation and management of the protected area.
- The Qat'muk IPCA project received CNF Spaces Stream Target 1 Challenge funding in August 2019 and is working to establish a protected area covering up to 2,000 square kilometres of traditional Ktunaxa Nation territory, located within the Purcell mountain range in southeastern British Columbia. Primary project goals are to safeguard Ktunaxa culture and protect biodiversity. The project is working toward the implementation of co-governance arrangements involving the Ktunaxa Nation Council (KNC), the province of British Columbia, and the Federal Government. Plans are also in place to establish an IPCA stewardship governance board, consisting of appointees from the KNC as well as provincial and federal governments, to oversee and approve stewardship plans, budgets, and guidance on IPCA activities. In addition, there are plans to establish an advisory committee with representation from Ktunaxa citizens, other stakeholders and local governments to provide input into governance.

Overall, many evaluation participants consider the program's engagement with Indigenous communities, organizations and groups as one of its most important achievements.

4.2 Protection of terrestrial land and inland waters

Findings: The CNF has helped to secure the protection of terrestrial land and inland waters through the securement of 2,210 square kilometres through the Spaces Stream components. The CNF also appears on track to surpass its target for IPCA establishment. The evaluation could not assess the likelihood of meeting the Canada Target 1 goal of preserving 17% of Canada’s land and inland waters by 2023.

A second CNF expected outcome is to help secure the protection of terrestrial land and inland waters, in accordance with Canada Target 1 (that is, at least 17% of Canada’s land and inland waters is preserved). While 2020 was the original deadline for Target 1 achievement, this timeline has been extended to 2023.

Over the evaluation period, about 2,210 square kilometres were secured for protection through the Spaces Stream components (Table 3). With the CNF, as well as other departmental contributions to land securement, the proportion of Canada’s land and freshwater that is preserved rose by nearly 2 percentage points over the evaluation period, from 10.5% in 2018 to 12.1% in late 2019.

Table 3: Square kilometres secured for protection through the Spaces Stream

Spaces Stream CNF Component	Fiscal year	Square kilometres*
Quick Start	2018 to 2019	1,983.64
Target 1 Challenge	2019 to 2020	96.35
NCHP	2019 to 2020	130.05
Total Spaces Stream	2018 to 2020	2,210.04

Source: Program data

*These values reflect what was reported by funding recipients in progress reporting. At the time of writing this report, only a portion of these areas had been added to the Canadian Protected and Conserved Areas Database.

In addition, the CNF has produced 46 contribution agreements for IPCA establishment (19 through Quick Start; 27 through the Target 1 Challenge), as well as an additional 25 agreements for early planning projects with Indigenous recipients. While the implementation status of these projects could not be determined from available data, it appears the CNF is on track to surpass the target to “recognize and support, by the end of 2020, the management of 20 to 35 IPCAs and other protected areas on Indigenous lands”.

4.3 Protection of species at risk and biodiversity

Findings: Since most CNF projects are at an early stage of development and implementation, it is too soon to assess their long-term impacts on biodiversity and species at risk. However, there is widespread agreement among evaluation participants that the CNF is contributing positively to advancing the protection and recovery of species at risk and biodiversity.

Advancing the protection and recovery of species at risk and biodiversity is the 3rd expected outcome identified for the CNF. For the Species at Risk Program, while recovery of species at risk is a long-term endeavour and further work will be needed, protection or recovery actions are being implemented for all 6 priority species. In addition, preliminary analysis indicates that of the estimated 322 species at risk within the 11 F/P/T priority places, 72 have 100%, and 75 have 50% to 99% of their range covered. Conservation actions in the priority places are expected to benefit many of these species and others. Further, one of the main ways in which the CNF is expected to benefit species at risk and biodiversity is through the securement and restoration of critical and core linkage habitats. CNF-specific data is limited but performance data are available for the Habitat Conservation and Protection Program, to which the CNF contributes. These data shows that, as of October 21, 2020, 156,230.27 square kilometres of wildlife habitat had been secured directly by ECCC and through partners.¹⁴

Since CNF projects are mostly at early stages of development and implementation, long-term impacts on the protection and recovery of species at risk and biodiversity remain to be seen. However, there is widespread agreement among evaluation participants that the CNF, through both streams, is currently having a positive impact on, and will produce long-term benefits for, particular species at risk and overall biodiversity.

Direct positive impacts on at-risk plant and animal species are already occurring and have been observed as a result of recovery activities supported through the Species Stream funding include, but are not limited to, the following examples.

- Phragmites removal activities implemented in multiple CNF projects have led to documented recoveries of Bent Spike-rush, turtle, sage grouse, and other at-risk species
- Habitat monitoring and baseline data collection activities supported through the Species Stream funding are being used to inform the development of remediation plans, and address issues facing particular species – for example, barriers to fish migration
- Funding has been used to support implementation of land management best practices critical for species-at-risk habitat on Crown lands in the mixed-grass prairie

Furthermore, establishment of protected areas through the Spaces Stream is expected to bring long-term benefits to at-risk species by preventing development from occurring. For example:

- The Qat'muk Protected Area contains critical habitat for several at-risk plant and animal species, including more than 300 square kilometres of critical habitat for mountain caribou; more than 600 square kilometres of core and linkage habitats for grizzly bear; and up to 1,450 square kilometres of suitable habitat for whitebark pine (Ktunaxa Nation Council Society, 2019)
- The Edézhíe Protected Area has secured 14,218 square kilometres of unique boreal forest and watershed biomes that are critical habitat for 20 species listed or under consideration under SARA. These include 4 mammals (Boreal Caribou, Little Brown Myotis, Wolverine, Wood Bison); 11 birds (Bank Swallow, Barn Swallow, Common

¹⁴ An overall estimate of the total number of species affected/expected to be affected by CNF-funded projects was not available.

Nighthawk, Evening Grosbeak, Harris's Sparrow, Horned Grebe, Olive-sided Flycatcher, Red-necked Phalarope, Rusty Blackbird, Short-eared Owl, Yellow Rail); 2 fish (Bull Trout, Shortjaw Cisco); and 3 insects (Gypsy Cuckoo Bumblebee, Transverse Lady Beetle, Yellow-banded Bumblebee)

4.4 Other benefits

Findings: Recent studies estimating the values of ecosystem services provided by natural and protected areas make a business case for investing in conservation. The Qat'muk and Edézhíe IPCA projects are generating a variety of benefits in terms of employment, capacity development, contributions to Indigenous culture and reconciliation, and ecosystem services.

Recent studies related to the socio-economic impacts of investment in nature conservation: a) demonstrate that high returns can be achieved from protected area establishment and investing in conservation actions; b) provide evidence of the cost effectiveness of using protected areas as natural climate solutions; and c) provide a business case for investing in conservation.

The case studies conducted for this evaluation showed that the following other benefits are being generated from the Qat'muk and Edézhíe IPCA projects.

- **Employment.** Both projects have resulted in local job creation, with the hiring of Indigenous community members. For example, to date, the Edézhíe project has resulted in the creation of 14.5 full-time equivalent (FTE) positions, primarily associated with the Dehcho K'éhodi Guardians Program, including: one regional coordinator, 4 community coordinators, 8 Guardians, one full-time administrative assistant, and one half-time communications coordinator. Data on the number of jobs created by the Qat'muk project was not available at the time of the writing of this report.
- **Capacity development.** Training on ecological monitoring has been provided by ECCC to First Nations involved in both projects. In addition, members of the Dehcho First Nations are providing cultural, language, and job-related training through the Edézhíe Guardians program.
- **Cultural benefits.** Establishment agreements for both projects pertain to areas of cultural and spiritual importance to First Nations, and emphasize First Nations access to, and use of, the land.
- **Contributions to reconciliation.** Through the establishment of co-management/co-governance mechanisms and First Nations oversight of IPCA projects, both projects are considered to be making positive contributions to reconciliation.
- **Ecosystem services.** Both the Qat'muk and Edézhíe IPCA projects are expected to deliver ecosystem service benefits, as the areas covered by the agreements are important for water and air purification, food production, carbon sequestration, genetic resources, and other ecosystem functions.

5. Conclusions, recommendations and management response

5.1. Conclusions

Overall, the CNF aligns strongly with federal objectives, priorities, as well as roles and responsibilities including wildlife management, environmental protection, conservation and protection of species at risk and biodiversity, and reconciliation with Indigenous peoples.

There has been a high degree of interest in the CNF in general and, in particular, the open Call for Proposals processes. Funding recipients encompass a wide variety of organizations, including P/T governments; Indigenous governments, communities, and organizations; non-governmental and philanthropic organizations; and resource-based private sector industries.

The overall design of the CNF is consistent with the Pan-Canadian Approach to SAR and Target 1 of Canada's 2020 Biodiversity Goals. However, for the Species Stream, the multi-component structure may be causing challenges for project tracking and reporting with existing databases. There is evidence that CNF open Call for Proposal processes have been challenging to navigate for some applicants, due to communications issues as well as technical and procedural challenges associated with the Target 1 Challenge application process that used GCEMS.

The evaluation found that there is limited integration and coordination between the Spaces and Species Streams of the CNF and that there is a need for better communication and coordination across CNF streams and components. Efforts are currently underway to enhance performance measurement by improving the integration of the CNF streams and components into the performance measurement approach.

The CNF has made progress towards its expected results. Funded projects have facilitated formal and informal collaboration and partnerships among a wide variety of stakeholders. CNF projects have fostered improved relationships between P/T governments and Indigenous peoples and supported nation-to-nation engagement through shared Crown-First Nations governance and other co-management arrangements with Indigenous communities. The CNF has helped to secure the protection of terrestrial land and inland waters. It appears to be on track to surpass its target for IPCA establishment. The CNF is contributing to advancing protection and recovery of species at risk and biodiversity by funding efforts to secure and restore critical and core linkage habitats, and in implementing recovery actions.

Recommendations and management response

The following recommendations are directed to the Assistant Deputy Minister (ADM) of the Canadian Wildlife Service (CWS), as the senior departmental official responsible for the CNF.

Recommendation 1

Review existing formal governance structures to ensure that these structures support improved communication and coordination across the Spaces and Species Streams at both the senior management and working levels.

Discussion: Some formal structures and committees are in place which are contributing to CNF management. However, the extent to which these governance structures allow for effective coordination for the CNF overall is unclear. At present, the 2 streams of the CNF appear to be operating largely independently of one another, with limited communication, integration and coordination occurring at either the senior management level or at the program delivery (working) level. This has created challenges for regional ECCC staff who manage agreements under multiple CNF components. Despite recent efforts to improve communication and coordination between the 2 streams, there are opportunities to further enhance program governance by:

- ensuring that existing formal governance bodies include adequate representation of senior managers from both the Spaces and Species Streams, to improve communications and allow for coordinated decision making
- ensuring that representatives from both streams and all program components are engaged in existing working committees considering establishment of additional working committees with representatives from both streams and all program components to enhance communication and coordination on specific issues, as needed, such as performance measurement

Statement of agreement or disagreement: The ADM of CWS agrees with the recommendation.

Management response: CWS is revising its governance structures with a more integrated Director and Director General-level Nature and Operations Committees. This will ensure that governance structures and committees can enable a more coordinated and integrated approach between the Species and Spaces streams.

Deliverable

1. Canada Nature Fund (CNF) Spaces and Species stream issues, progress and reporting will be brought forward by CNF Policy and Program leads using newly established Director and Director General-level Nature and Operations Committees. These forums will also be used to discuss the development of Nature Agreements with Provinces and Territories which are designed to integrate spaces and species outcomes.
 - a. Timeline: October 2021
 - b. Responsible party: Director General, Protected Areas Directorate / Support: Canada Nature Fund Policy and Program Leads

Recommendation 2

Ensure that information about requirements related to the CNF Call for Proposals is clear and easily accessible and that ways to streamline future application processes are examined.

Discussion: Just over 40% of evaluation survey respondents agreed that information about the CNF is easy to find, easy to understand and available when needed. Some proponents reported finding it difficult to determine, based on publicly available information, which CNF component or process was most appropriate for their organization or potential project. In addition, some were confused by what they perceived as conflicting messages from ECCC about whether or not applicants were required to provide a letter of support from their province or territory along with their application, since this requirement changed during the open-call period.

Challenges with the complexity and technical functionality of the Target 1 Challenge application process, through the Grants and Contributions Enterprise System (GCEMS), were also identified by evaluation participants. This included technical issues with the GCEMS web portal for proposal submission made the application process difficult and time-consuming for some recipients (for example, due to loss of data) and challenges with the budget tool, which was perceived as ill suited to some stakeholders and required substantial support from ECCC to navigate.

Statement of agreement or disagreement: The ADM of CWS agrees with the recommendation.

Management response: CWS will review and update information to ensure it is clear for interested applicants for open Call for Proposals processes. CWS will also review how current application processes are examined and identify areas for improvement for future processes.

Deliverables

1. CWS is establishing an open call application review team to recommend areas of improvement so that information is clear and easily accessible for applicants, including information regarding expressions of interest and full proposals for future open application programs.
 - a. Timeline: December 2021
 - b. Responsible party: Canada Nature Fund Policy and Program Leads
2. CWS is a member of the ECCC Director General G&C Committee, which is developing recommendations to improve the effectiveness and efficiency of ECCC's G&C programs, including making improvements to the GCEMS application system.
 - a. Timeline: December 2021
 - b. Responsible party: CWS DG Strategic Priorities Directorate and CWS's Centre of Expertise

Recommendation 3

Examine how to better support Indigenous communities in participating in CNF funding opportunities.

Discussion: The CNF aims to contribute to reconciliation with Indigenous peoples. The Space Stream includes activities to establish Indigenous Protected and Conserved Areas and to support reconciliation through co-management of protected and conserved areas. The Species Stream provides directed funds to establish partnerships with Indigenous peoples for the protection and recovery of species at risk.

During the evaluation period, the CNF generated a high level of interest among Indigenous governments, communities and organizations, which represent about half of the recipients of funded projects. Many evaluation participants consider the CNF's engagement with Indigenous communities, organizations and groups as one of its most important achievements.

While there were notable successes, evaluation findings suggest that some areas of program delivery could be further examined to determine how the program could better support the participation of Indigenous communities in CNF funding opportunities. Specifically, there is a perception among evaluation participants that open Call for Proposals processes tend to favour organizations and communities with the greatest capacity over those that are most in need. In contrast, evaluation participants generally perceived directed funding processes to better support Indigenous recipients because they entail a more collaborative proposal development process. As well, key informants representing ECCC identified a need for additional guidance for delivering grants and contributions with Indigenous recipients.

Statement of agreement or disagreement: The ADM of CWS agrees with the recommendation.

Management response: CWS will review how it supports Indigenous communities under the Spaces and Species streams of the Canada Nature Fund and identify areas to better support Indigenous communities for future funding opportunities. CWS will also try to align how Indigenous communities are engaged and supported between the Spaces and Species streams where possible.

Deliverables

1. CWS is a member of the ECCC Director General G&C Committee, which developing recommendations to improve the effectiveness and efficiency of ECCC's G&C programs, including considering how to better support Indigenous communities in participating in CNF funding opportunities.
 - a. Timeline: December 2021
 - b. Responsible party: CWS DG Strategic Priorities Directorate and CWS's Centre of Expertise

2. Canada Nature Fund program and policy leads will review how their respective programs engage with Indigenous communities and identify areas for improvement, and provide these recommendations to the ECCC DG G&C Committee.
 - a. Timeline: November 2021
 - b. Responsible party: CWS DG Strategic Priorities Directorate / Support: Canada Nature Fund Policy and Program Leads

Appendix A: Evaluation scope, methodology and limitations

Scope

The evaluation covered the period from FY 2018 to 2019 to FY 2019 to 2020.

The evaluation examined:

- relevance
- design and delivery
- effectiveness

Key questions to be addressed by this evaluation were:

- Is the design of the CNF aligned with federal priorities?
- To what extent should the federal government fund provincially managed species? Is there a need to develop rules to govern federal spending on provincially managed species?
- Do the CNF funding criteria and processes support the achievement of expected outcomes?
- Does the CNF adequately support engagement of Indigenous peoples, communities and organizations in conservation efforts? What, if any, changes are needed to improve engagement?
- Has the CNF achieved the right balance between the Spaces and Species streams? To what extent, and how, are the 2 streams integrated? What are the benefits of integration? How could the streams be better integrated in the short-term?
- Is the NHCP governance structure working as intended? What are NHCP successes to date? What, if any, challenges need to be addressed to ensure success of the overall NHCP?
- To what extent is the Pathway Initiative meeting the expectations of its members? How can the process be improved? Should the Pathway Initiative continue past 2020? If yes, what should be its focus beyond 2020?
- Has the CNF been implemented as planned? What changes have occurred, and why? Have any challenges been encountered, and if so, how have these been addressed?
- Is funding for the 2 streams of the CNF (Spaces and Species) appropriately allocated and adequate to address needs?
- Does the CNF have adequate corporate supports to deliver grants and contributions funding efficiently and effectively?

- To what extent is the current approach to program design and delivery scalable? Are there alternative approaches or models that would be more effective and/or efficient in the context of the increased federal conservation commitment?
- Has the CNF incorporated GBA+ into ongoing program planning, management, and delivery? If so, in what ways?
- What are the strengths and weaknesses of the current design and delivery of the Spaces and Species streams of the CNF? How should the weaknesses be addressed?
- Is the current approach to performance measurement appropriate and sufficient for measuring the results of the CNF and its contribution to the Nature Legacy? How could it be improved?
- Are there early indications of progress toward the expected outcomes of the CNF?
- To what extent do investments in nature conservation lead to secondary (for example, economic or social) benefits? Is there evidence that CNF-funded projects are producing such secondary benefits?
- To what extent is there public support for the CNF?

Approach and methodology

The evaluation used multiple lines of evidence for data collection:

Review of documents and data. The document and data review served to develop a thorough understanding of the CNF and to contribute as a line of evidence to address all evaluation questions. Examples of the types of materials reviewed included key policy setting documents, departmental reports, previous evaluation and audit reports, and administrative and performance measurement data.

Literature review. The literature review on the socio-economic impacts of conservation served to support evaluation findings by illustrating the value of protected areas and the ecosystem services that protected areas provide. The review included publicly available academic literature; publications from governmental, international, and non-governmental organizations; grey literature; and media coverage.

Key informant interviews. Key informant interviews were used to solicit informed opinions and observations on the evaluation questions from various stakeholders involved in or familiar with the CNF. A total of 50 key informants were interviewed.

Table 4: Distribution of interviews, by key informant category

Key Informant Category	# of key informants
Internal - CWS Senior Management, Regional and Program Managers	14
Total internal	14
External - PT governments	12
External - National Indigenous Representative Organizations	4
External - Philanthropic organizations	4
External - Conservation non-profit organizations	3
External - NHCP Management	4
External - Recipients	7
External - International conservation bodies	2
Total external	36
Overall Total	50

Survey of recipients and applicants: The survey gathered information from organizations that had sought and/or received CNF funding. The survey was conducted as a web-based survey in both official languages. The sample was provided by the CNF program and consisted of 233 valid email addresses. After 5 reminders, the survey achieved 73 completion, representing a response rate of 31%. The majority (n=60) of the surveys were completed in English, while the remainder (n=13) was completed in French. Table 5 shows the number of respondents that sought and received funding through each component, as well as the percentage of funded respondents, both as a percentage of those who sought funding through each component and as a percentage of all respondents.

Table 5: Distribution of survey respondents, by type of funding sought and received

Please indicate under which component(s) your organization received funding.	Number that sought funding	Number funded	Funded respondent as % those who sought funding through the component	Funded respondents as % of all respondents
Quick Start	23	18	78%	25%
Pathway to Canada Target 1 Challenge – Open Call for Proposals	40	14	35%	19%
Priority Species	13	9	69%	12%

Please indicate under which component(s) your organization received funding.	Number that sought funding	Number funded	Funded respondent as % those who sought funding through the component	Funded respondents as % of all respondents
Community Nominated Priority Places	9	7	78%	10%
Spaces Stream – Directed Funding	13	5	38%	7%
Priority Places – Directed Funding	6	4	67%	6%
Indigenous Partnerships Initiative	9	3	38%	4%
Priority Sectors and Threats	3	3	100%	4%
Multiple-response question. Totals may sum to more than 100%.				

Case studies. The case studies provided detailed information on 2 IPCA projects funded through the CNF Spaces Stream: the Edézhíe Protected Area, and the Qat'muk Protected Area. Each case study consisted of a targeted review of documents and data, and interviews with ECCC and external representatives who are supporting implementation of these projects.

Limitations

The evaluation encountered 3 main limitations while conducting the evaluation and put in place strategies to mitigate their impact.

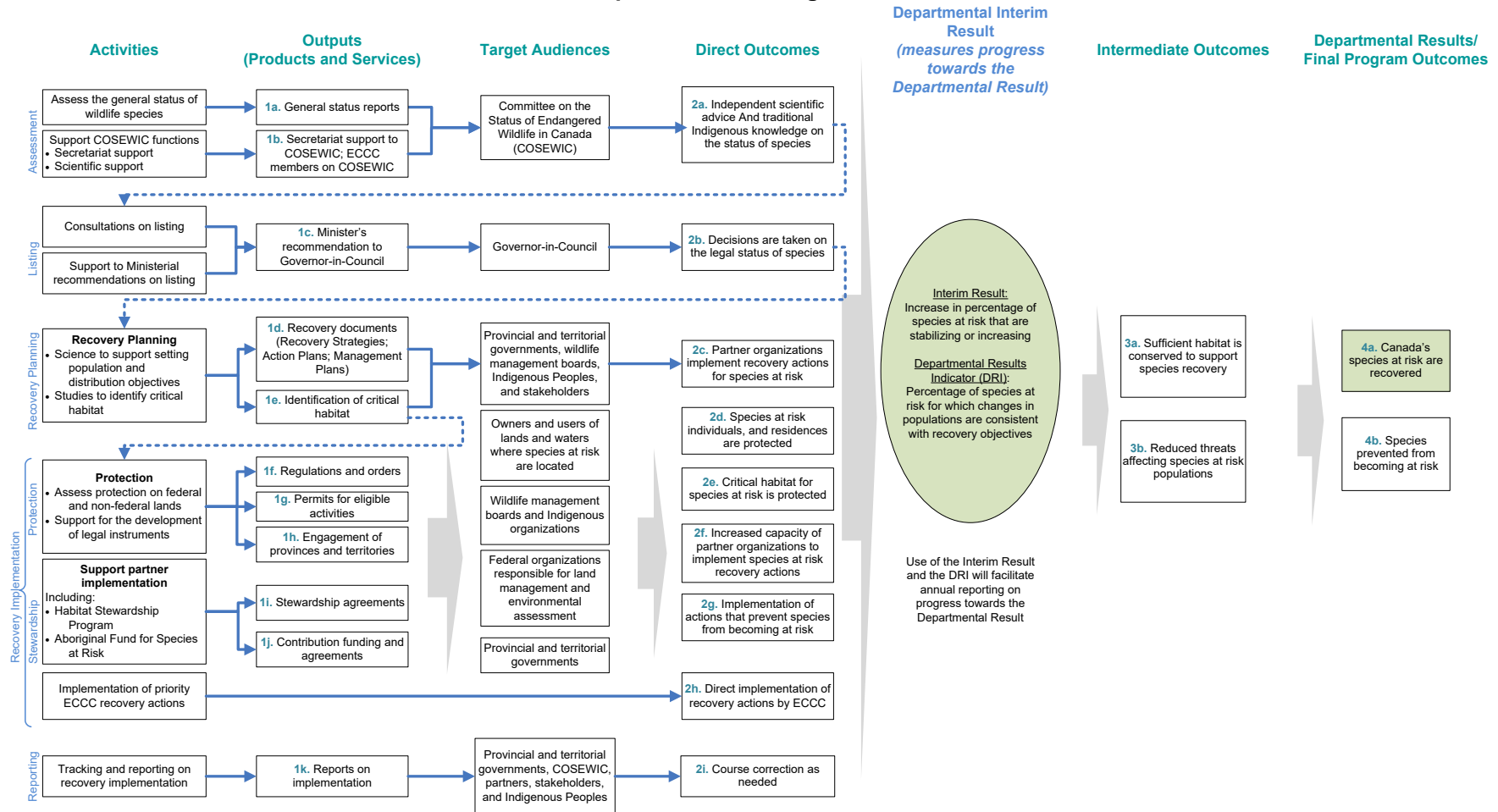
Limitations and mitigation strategies

- Potential key informants were identified through purposive sampling, and self-selected into the interview process once invited to participate. As such, the perspectives of key informants may not represent the views of all relevant partners and stakeholders.
 - **Mitigation strategies:** Wherever possible, findings from the interviews were corroborated with information from other lines of evidence.
- Non-response bias is a limitation for all surveys. It was not possible to determine whether those who did not respond to the CNF survey differ significantly from those who did respond.
 - **Mitigation strategies:** 5 reminders were issued to increase the survey response rate. A 31% response rate was achieved. In addition, survey findings were corroborated with other lines of evidence.
- Many survey respondents were involved in multiple CNF components and both directed and application-based funding processes, which limited the ability to carry out cross-tabulation of survey results.

- **Mitigation strategies:** In addition to the survey findings, other lines of evidence were considered.

Appendix B: Logic Models

Species at Risk Logic Model



Habitat Conservation and Protection

