

# Research Brief –104

## The Environment Sector in Ontario

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### Background

In early 2007, the Ontario Trillium Foundation (OTF) undertook a study of its grantmaking in the not-for-profit environment sector. OTF engaged Stratos Inc., an Ottawa-based consulting firm with extensive expertise in the environment sector to conduct the study.

The goal of the research was twofold:

- To assess OTF's impact in the environment sector since 2001; and
- To identify opportunities to enhance the impact of the Foundation's grants over the next three to five years.

The research included an analysis of OTF's environment grants, a review of recent publications, interviews with key informants, a sector roundtable, as well as focus groups. More than 45 environmental experts, key informants and grantees were included in the study. An advisory committee of OTF experts in the environment sector was also consulted throughout the project.

### What We Learned

#### About the Sector

As a group, environmental not-for-profit organizations (ENGOS) have different characteristics compared to not-for-profit organizations in the other sectors funded by the Foundation. The sector is unique.

- ENGOS are typically younger, with two-thirds being less than 20 years old;
- They are less likely to be incorporated or registered as charities compared to other sectors;
- Almost 70 per cent have no paid staff compared to 54 per cent for all not-for-profit organizations;
- They identify capacity building as a sector-wide problem; and
- There is less access to funding mechanisms available to groups when compared to other sectors (e.g. government funding, United Way or individual donors). The result is that groups in the environment sector have fewer options and tend to rely heavily and almost exclusively on project to project funding.

#### About OTF Granting

OTF is the largest funder of the environmental not-for-profit sector in Ontario. Between 2001 and 2006, the Foundation funded over 600 environmental projects across Ontario worth more than \$47 million. These grants supported a wide range of community-based and province-wide initiatives in areas as diverse as public education, the restoration of wildlife habitat, environmental health and energy conservation.

#### Four key strengths of OTF granting in the environment sector

1. As a responsive grantmaker, OTF enables groups to address community needs and local priorities;

2. OTF is one of the few funders that explicitly supports capacity building with operational and capital funding;
3. OTF helps reinforce links between grassroots and large environmental not-for-profit organizations; and
4. OTF helps break down silos by encouraging cross-sector cooperation and collaboration.

Grantees appreciate OTF's responsive funding strategy and the research shows that OTF grants are achieving a wide range of benefits and responding to real needs throughout the Province. This broad approach however, makes it difficult to aggregate results and to measure the overall impact that the Foundation is having in the sector. The study suggests that OTF can have even greater impact by focusing on achieving more targeted results in capacity building and environmental outcomes.

## **Opportunities for OTF**

The study identified three key opportunities for OTF related to building capacity in the environment sector:

### **1. Expand on the Foundation's position as a sector leader**

- As the largest funder of the environment sector in Ontario, OTF's impact is significant. The research encourages the Foundation to build on its leadership through opportunities such as convening funders to foster closer coordination, facilitating exchanges of information and providing opportunities for networking.

### **2. Capitalize on the knowledge OTF is accumulating and support best practices in the sector**

- OTF is uniquely positioned as a province-wide and a community grantmaker as well as one that helps organizations build their capacity. The Foundation has a unique perspective on the needs of environmental groups as a result of the information it receives. OTF therefore has the opportunity to be an information broker for the environment sector.

### **3. Consider the benefits of defining specific environmental objectives**

- While the Foundation is making a difference and responding to real needs throughout the province, it would be beneficial for OTF to identify specific environmental outcomes to achieve.

## **What OTF is Doing**

OTF is building on its strengths as a leader in the environment sector. In 2007 the Foundation enhanced the funding available to organizations working on environment issues through the introduction of its Future Fund program. The fund made an additional \$2 million available to build the capacity of organizations working on environment issues.

The Foundation increased its granting for capital improvements in the not-for-profit sector, by raising its limits for capital grants to \$150,000. At the same time OTF has given priority to the funding of capital projects that will help "green" the not-for-profit sector.

The Foundation is sharing its findings about its impact in the environment sector with other funders and stakeholders.

OTF is building on its strength as a convenor to help build the capacity of environmental not-for-profit organizations.

OTF is bringing funders and environmental not-for-profit organizations together to share knowledge, exchange ideas, and seek opportunities to collaborate. In 2007, OTF convened environmental funders to look for innovative ways to collaborate. The Foundation will continue to seek more opportunities to convene organizations in the sector.