



ENVIRONMENT
FUNDERS CANADA
Advancing a sustainable future

THE IMPACT OF COVID-19 ON ENGOS

*A flash sector survey by Sustainability Network
and Environment Funders Canada*

Introduction

COVID-19 has presented society with unprecedented challenges we couldn't have imagined a few short months ago. Nonprofits and charities are significantly impacted by this pandemic and there are no easy answers.

There is power in numbers, including the power of sharing information about what's changing in our work. With this in mind, Environment Funders Canada and Sustainability Network collaborated to gather information specifically from the environmental sector to inform our strategizing about impacts and supports, and also to feedback trends and observations to survey respondents.

The survey was open to nonprofits and charities who considered themselves to be part of the "Environmental Sector" in Canada, and we asked for one response per organization. The survey was conducted between May 22 and June 1, 2020 and consisted of 18 questions:

- Demographics (4)
- Organizational operations and programs (3)
- Financial impact and risk (3)
- Access to emergency support programs (5), and
- Emerging opportunities and additional insights (3)

248 organizations from across the country responded to the survey and we thank each and every one of them for their time and willingness to share during this challenging time.

We hope you find this summary findings report of interest and that it helps you face the future with confidence.

A handwritten signature in white ink, appearing to read "Thea Silver".

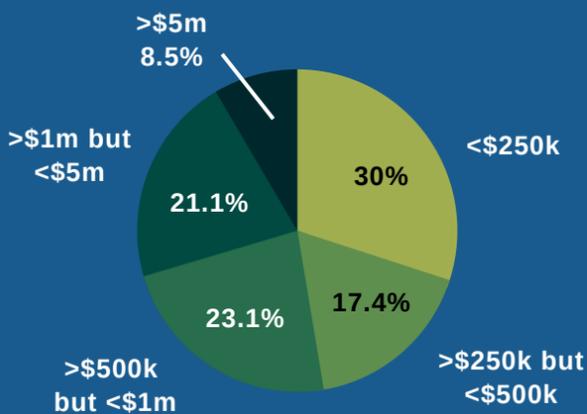
Thea Silver
*Interim Executive Director
Environment Funders Canada*

A handwritten signature in white ink, appearing to read "P. Bubelis".

Paul Bubelis
*Executive Director
Sustainability Network*

RESPONDENT DEMOGRAPHICS

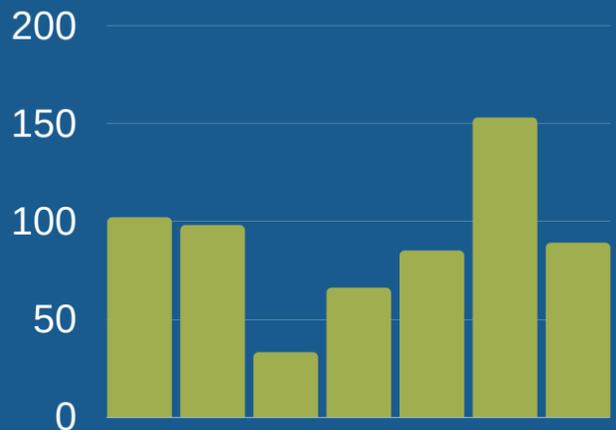
Annual budget



63.7% of organizations have 1-10 paid staff

23.4% provide national programming, followed by **17.3%** Ontario and **12.9%** New Brunswick

Focus of work

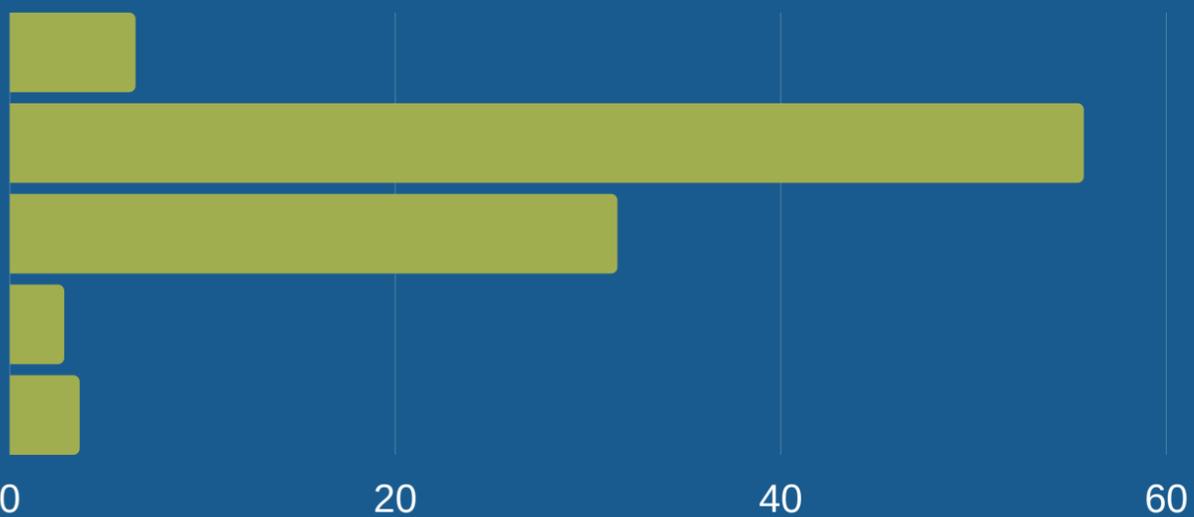


- 102 - Terrestrial conservation
- 98 - Freshwater conservation
- 33 - Marine conservation
- 66 - Climate change policy
- 85 - Climate change mobilization
- 153 - Environmental education
- 89 - Other

THE CURRENT SITUATION

Open or closed?

- 6.5% - Fully open and operating
- 55.7% - Open and operating at a similar level with modifications
- 31.5% - Open but with reduced operations
- 2.8% - Not open
- 3.6% - Other



Over half of respondents (58% today, 60% looking ahead 6 months) believe their mission is limited at least somewhat due to COVID-19 impacts.

94% of respondents said their organizations are still open and operating at some capacity.



82% of respondents said their organizations have been impacted by cancelled in-person programs or events.

REVENUE: TOO EARLY TO TELL

"Although our financial picture is still fairly stable, especially with the CEWS, the biggest impacts are not likely to be felt until late 2020 or 2021."

"Increased competition for foundation philanthropic dollars and corporate dollars with the health and social services sector. Enviro dollars will be even harder to access."

"The biggest shocks to the environmental sector may actually be felt next year, once the short-term support measures are lifted or as reserves start to dry up with reduced revenue to replenish."

64%

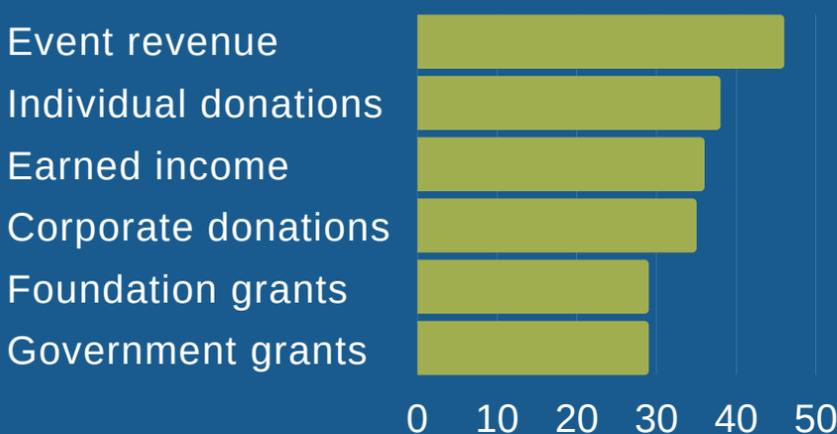
worry about reduced revenue six months from now.

57%

believe their revenue will be impacted between 20-60% over the next year.

"It has been interesting (though disappointing) to observe [major donors] and corporations decide to delay, or withdraw support, due to market uncertainty."

"Groups like mine have yet to feel the financial impacts from COVID because of how we fundraise (individual donor support - mostly received in latter part of [the] year - and foundation grants which come throughout the year. We will feel the financial impact in the next 6 months (individual donors) to 18 months (foundations), and that is when we will need support."



Which revenue sources are affected most?

"If we did not have a contingency fund built over the past 6 years we would not be able to survive. And now we won't have one. And if this goes on a lot longer we may be in big trouble."

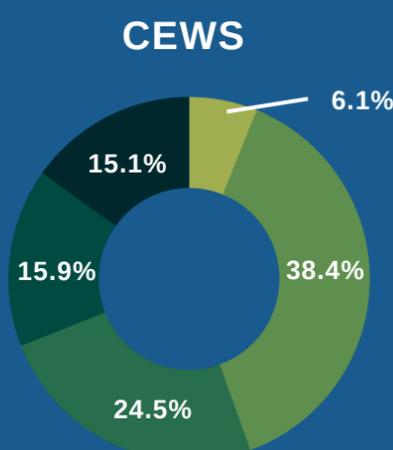
"Lack of future funding opportunities due to loss of business sponsors, individual gifts and granting organizations freezing or changing grant priorities to address COVID related programs."

"Worried about donor fatigue and challenges with funding for traditional, long-term programs."

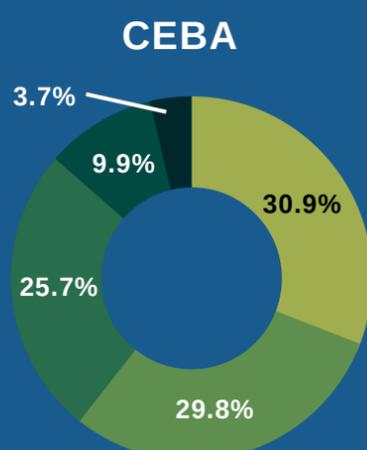
CEWS + CEBA

Who qualifies?

"Unlike a restaurant that knows its cash flow and revenue on a daily basis, it will be months before we know if we might qualify, and even if we can show the 15% or 30% reductions, we won't know if we can adjust to show the loss in the appropriate months even though the over annual loss might 'qualify.'"



38.4% - Currently qualify
 24.5% - Will not qualify
 15.9% - Do not know
 15.1% - Might qualify
 6.1% - Will qualify



25.7% - Currently qualify
 30.9% - Will not qualify
 29.8% - Do not know
 9.9% - Might qualify
 3.7% - Will qualify

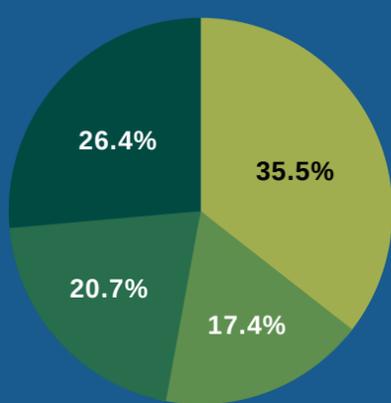
"We do not qualify [for CEBA/CEWS] as our staff are all contractors. To date we have not had a shortfall in funding, but may have [to]... as grant programs may not be available in the future."

"We don't believe that we can show immediate impacts on funding as we are still working on funds from last year in the months from March to August."

"As a charity taking loans is not something our board is comfortable with."

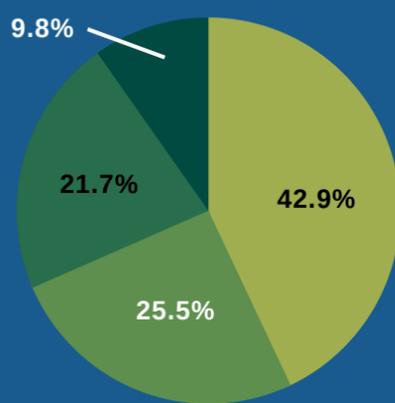
Who is applying?

CEWS



35.5% - Already applied
 26.4% - Will not apply
 20.7% - Do not know
 17.4% - Will apply

CEBA



21.7% - Already applied
 42.9% - Will not apply
 25.5% - Do not know
 9.8% - Will apply

43% and 34% of respondents don't know how to demonstrate their financial need for CEWS and CEBA, respectively.

48.7% have not accessed any emergency funds.

"We will all likely need to work harder to achieve smaller gains. That will mean we need to come together - more formally as mergers/acquisitions etc."

"If we did not have a contingency fund built over the past 6 years we would not be able to survive."

"The fact that we have a social enterprise that supports our mission has made our survival possible."

GOVERNMENT PRIORITIES



"Changes in government priorities; loss of access to some government processes (not able to switch to online). Difficulty engaging prospective funders and stakeholders due to remote engagement."

"It increases the risk of environment deregulation, increases the risk of cuts in "green spending" (although such cuts are also likely to occur with other NGO sectors) and can limit participatory rights on environmental (and other) matters - i.e. municipalities and other institutions are already significantly reducing consultation processes to basic online consultations."



ENVIRONMENTAL ISSUES

Changing the way we live

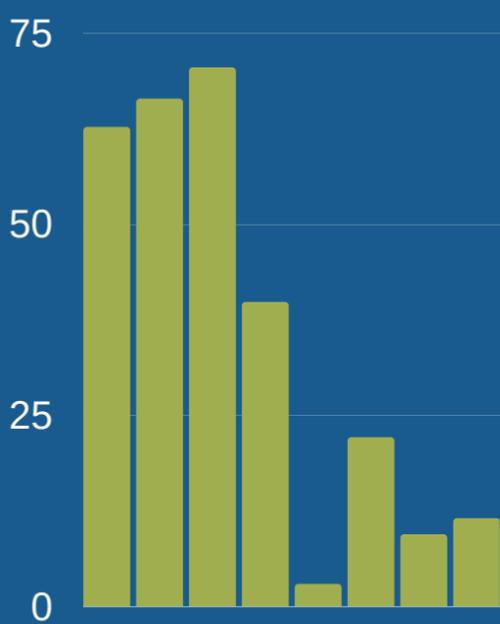
"I think there is a lot of work to be done in ensuring the recovery is centered in justice principles; this is not a unique consideration for the environmental sector, but it is for the social justice movement we aim to be part of. As an organization we are pushing for inclusive recoveries focusing on people."

"People are really focused on food systems now. We need to put more energy, time, and resources into revitalizing this sector at scale."

"COVID-19 has revealed the cracks in our capitalistic society that have been detrimental not only to the environmental sector but also to the social sector. The way we treat the land is reflected in the way we treat each other. COVID has sent all of us to our rooms to think about relationships - our relationship with Mother Nature and our relationships with each other. We can come out when we're ready to apologize and change the way we live."

DEAR FUNDING COMMUNITY...

What support would be helpful?



62.7% - Flexibility in project timelines
66.4% - Flexibility in meeting project deliverables
70.5% - New project funding
39.8% - Emergency operational funding
2.9% - Bridging loans
22.1% - Assistance with infrastructure/IT costs
9.4% - Guidance on operating during COVID-19
11.5% - Other

Over 70% of respondents said their organizations would benefit from additional project funding.

"It's hard to get the ear of funders while everyone is consumed with COVID-19. Our causes seem less significant and urgent at the moment."

"This is the emergency you have been saving for... Trust your grantees. If you ever believed in us, help us make it through this time. We need you with us."

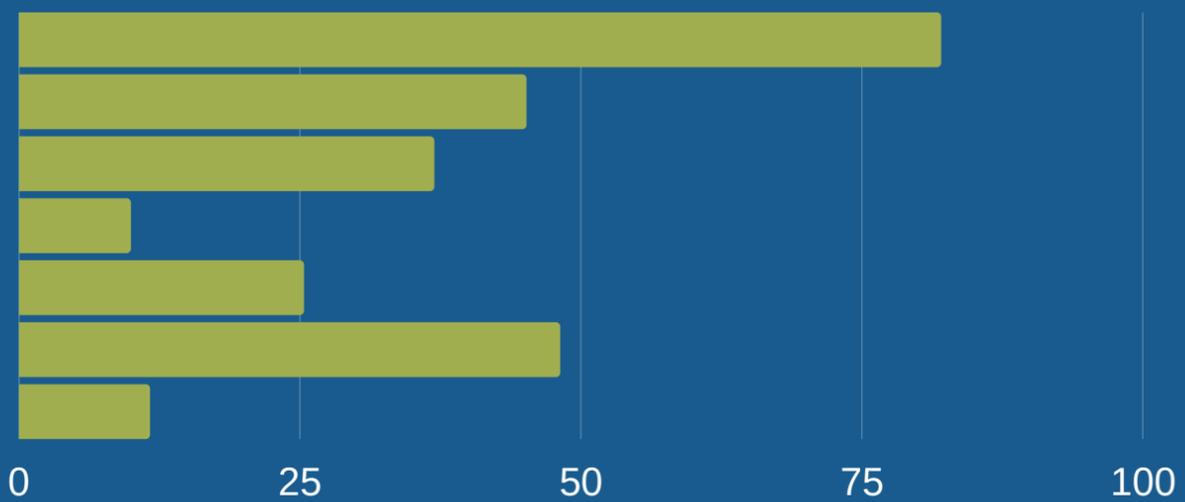
"Emergency operating funding is critical to give us a runway to continue adapting our strategic direction and program offering."

"Taking a multi-year approach to support for organizations would be beneficial to provide the certainty organizations need around planning and pivoting, and continuing to do so in a highly fluid context that is likely to remain for some time."

LOOKING AHEAD...

What opportunities might arise?

- 82% - New methods of delivering programs
- 45.1% - New partnerships for program delivery
- 36.9% - Operational cost-savings we hadn't considered
- 9.9% - Potential mergers with like-minded organizations
- 25.3% - New funding relationships
- 48.1% - Renewed strategic directions
- 11.6% - Other



82% identify new methods of delivering programs.

"I feel like this is a key opportunity to gain momentum for the climate change movement. COVID-19 provided a narrative with our audiences of just recovery and a "better than normal" return to business as usual."

"This crisis is a unique opportunity to drive our society towards sustainability, we need to ensure the principles of social justice guide us through this new era."

"In many ways the response to COVID-19 is the type of worldwide, disruptive response we've needed for climate change. It's good to see this is possible but there is also burnout and exhaustion in the public making the issue of the climate crisis hard to promote."

"It has helped educate the public on what widespread disruption might look like if we don't address climate change more aggressively."

"There is a bit of a narrative around this "pause" being a net positive for the environment; it's not. While pollution levels may have in fact decreased as a result of less activity, the short term impact doesn't justify the long term shifts that need to occur. I think this is a narrative the environmental sector needs to be careful about."

"I feel that the environmental sector - and particularly those tied to building a new, green economy - need to be given more thought in the recovery."

"There seems to be a more keen appreciation for nature, since so many people have been cooped up inside. Being outside in nature/use of trails in city and wilderness areas are likely to be used more."

"Land trusts with their protected landscapes and experiences for people to get out in nature will hopefully be discovered by, and supported by, more people."
