

EVALUATION OF THE COASTAL RESTORATION FUND

ABOUT THE EVALUATION

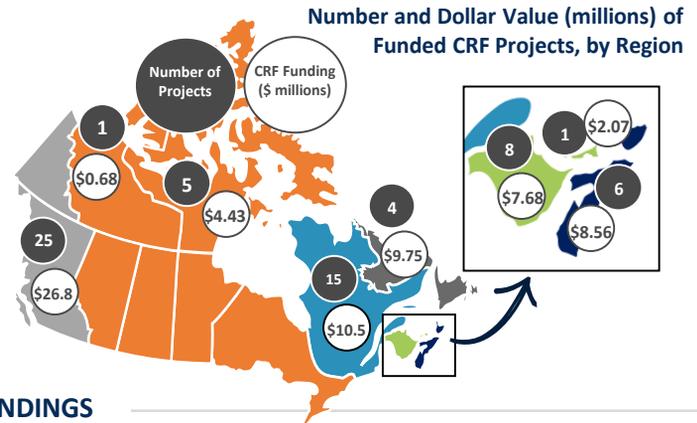
The evaluation was conducted between September 2019 and March 2020 in accordance with the Treasury Board's Policy on Results (2016) and requirements of the *Financial Administration Act*.

The scope of the evaluation covered 2017-18 to 2019-20 and used multiple lines of evidence, including interviews, data analysis, field observations, a recipient workshop and document/file review.

ABOUT THE PROGRAM

The Coastal Restoration Fund (CRF) is a five-year program that was established in 2017-18 and is set to end in 2021-22. The CRF is a grants and contributions program, funded through the Oceans Protection Plan (OPP). The program was implemented with \$84 million in funding, \$75 million of which was for Gs&Cs, over five years for projects that help restore coastal aquatic habitats, with a focus on:

- addressing the impacts of historical development;
- mitigating the results of increased marine shipping;
- contributing to the recovery of species that are considered threatened, endangered or at risk; and
- building local capacity to restore and maintain coastal habitats.



KEY FINDINGS

Need for Coastal Restoration and National and Regional Priorities

The Coastal Restoration Fund responds to an identified need to address threats to aquatic ecosystems and marine biodiversity loss along Canada's coastlines. The program was designed using national priorities identified as part of the OPP and by working with stakeholders to identify regional priorities. The identified priorities were considered when assessing project proposals. As a result, the CRF has provided funding for large-scale, multi-year restoration projects that are aligned with national and regional priorities such as improving fish passage and restoring historical coastline modifications.



Fyke net sampling in the Fraser River, British Columbia

A CRF project is working to re-connect habitat through dike breaches and improvements to water control structures. While it is early in the restoration process, juvenile Chinook salmon are already starting to move into the breached areas.

Impact of the Coastal Restoration Fund

Through eligible funding, CRF recipients were able to develop studies and strategic plans prior to undertaking projects, which allowed them to prioritize needs and determine appropriate measures to effectively restore the selected sites. Additionally, recipients are required to implement monitoring and maintenance of the restored sites. Both of these activities are viewed as important to understand the long-term benefits of the projects.

As the program is still in its implementation phase, it is too early to see the full impact of the CRF projects; however, there are indications that the funded projects are contributing to restoring coastal areas, including:

- improving fish passage for migration through habitat restoration (e.g., restoring salt marshes);
- mitigating human-imposed barriers (e.g., replacing impassable culverts); and
- conducting studies on the landscape to determine restoration needs (e.g., environmental improvements and needs assessments).

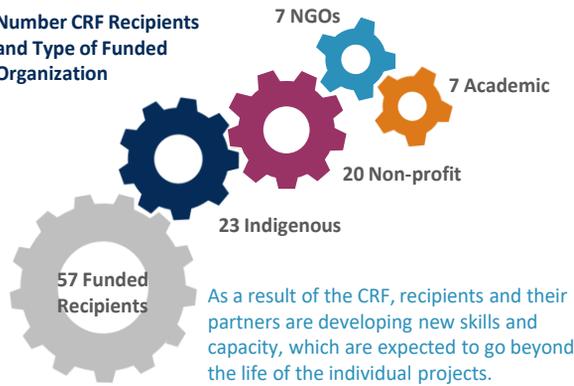
CRF projects are also expected to have a positive impact on endangered and threatened species (e.g., increasing fish populations that serve as prey for the Southern Resident Killer Whales).



Wheatley River, Prince Edward Island

CRF-funding allowed for the replacement of impassable culverts with bridges, box culverts, or fish passages. This work allows for free passage of many species to travel upstream to spawn in the freshwater systems.

Number CRF Recipients and Type of Funded Organization



KEY FINDINGS

Target Groups, Collaboration and Networks

The CRF targeted large-scale projects suited for high capacity organizations. The program reached its intended target groups and is resulting in increased collaboration, as all funded recipients have partnered with at least one organization to implement their projects. Almost all funded projects include an Indigenous group in a variety of roles and in some cases, this involvement is leading to improved relationships with the Indigenous groups. In addition, the CRF program allocated salary and operations and maintenance funding to provide opportunities (e.g., training, workshops) for recipients and their partners to network and share expertise with each other.

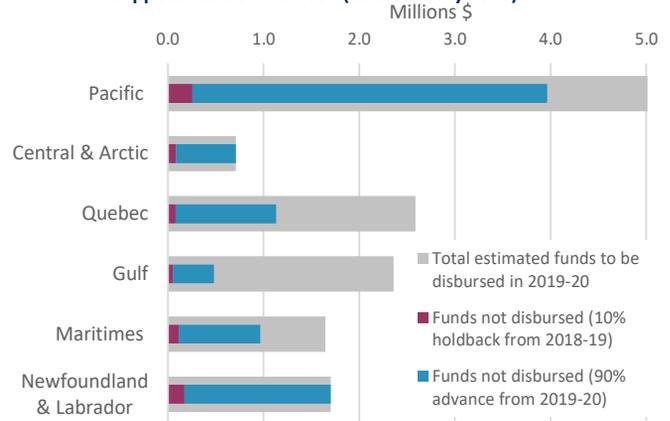
Delivery of Grants and Contributions Programming

Despite limited standardized tools and processes for the management of grants and contributions at the outset of the program, the CRF used good practices in the design of the program. Improvements were made throughout the implementation of the program (e.g., developing a checklist for year-end reporting).

One of the biggest challenges regarding the delivery of the CRF program is related to the lengthy year-end report review process, which is having an impact on the disbursement of funds to recipients. The CRF currently releases a 90% advance payment to recipients in their first year, with a 10% hold back of the remaining annual funding. The 10% holdback and the next 90% advance payment is released upon approval of a recipient year-end report for the first year.¹

As of January 2020, 59% of payments due in 2019-20 had not been disbursed for projects—a value of \$8.3M. The delay is attributable to delays in approving year-end the reports that recipients are required to submit.

Funds Not Disbursed in 2019-20, Compared to What was Supposed to be Disbursed (as of January 2020)



A number of factors contributed to delays in approving the year-end reports, which had an impact on the disbursement of payments including: a lengthy year-end report review process, competing priorities within the department, a lack of service standards for the approval of the year-end reports, low risk tolerance, low level of flexibility to move funds between fiscal years and funded activities, and the 2019-20 federal election.²

LESSONS LEARNED

NEED FOR COASTAL RESTORATION AND ALIGNMENT WITH PRIORITIES

- Clearly identifying national and regional coastal restoration priorities during the design and early implementation phase of the Coastal Restoration Fund program ensured that funded projects aligned with identified priorities.

IMPACT OF THE COASTAL RESTORATION FUND

- The funding of studies and planning, as part of Coastal Restoration Fund projects, enhanced the effectiveness and efficiency of projects by allowing recipients to prioritize needs and determine appropriate measures to restore sites and will help ensure their long-term sustainability.
- The requirement for monitoring and maintaining the long-term sustainability of projects, as part of the Coastal Restoration Fund, will increase the understanding of the long-term benefits of the funded projects.

TARGET GROUPS, COLLABORATIONS AND NETWORKS

- Networking and skills sharing events, both at the national and regional level, provided recipients and their partners with the opportunity to meet, share expertise, and learn about each other's projects.

DELIVERY OF GRANTS AND CONTRIBUTIONS PROGRAMMING

- Given the increase in grants and contributions programs within DFO, it is important for the department to have standardized tools and guidance for the management of grants and contributions for program managers at the outset of the program, including ongoing training to ensure consistent application of the tools and guidance across the department.
- To ensure that there are no delays with the disbursement of funds, it is important to have service standards in place for key points in the process prior to program implementation.
- To support efficient program delivery it is important that the reporting process be designed to ensure compliance with the obligations of the funding agreement but also be reflective of the level of risk specific to the program.

¹The program is required to comply with the Directive on Transfer Payments regarding the disbursement of funding.

²The 2019-20 Federal election also had an impact on the review of year-end reports, particularly due to the Caretaker Convention, which places restrictions on departmental activities (<https://www.canada.ca/en/privy-council/services/publications/guidelines-conduct-ministers-state-exempt-staff-public-servants-election.html>).