



IVEY FOUNDATION
SIXTIETH ANNIVERSARY
ANNUAL REPORT 2007

IVEY FOUNDATION
Annual Report 2007

With PHOTOGRAPHS *by* THADDEUS HOLOWNIA

IVEY foundation

TORONTO ONTARIO CANADA 2008

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Peter Sibbald Brown

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Ivey Foundation
11 Church Street, Suite 400
Toronto, Ontario
M5E 1W1
Canada

Tel 416.867.9229

Fax 416.601.1689

www.ivey.org

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IVEY FOUNDATION

IVEY FOUNDATION is a private charitable foundation located in Toronto, Canada. It was incorporated as The Richard Ivey Foundation on 31 December 1947 by the late Richard G. Ivey, LL.D., Q.C., and his son Richard M. Ivey, C.C., LL.D., Q.C. The mission of the foundation is to improve the well-being of Canadians by focusing its energy and resources on selected issues of significance. Throughout its long and rich history, the foundation has maintained a focus on the pursuit and support of excellence and has embraced change as a necessary element in its evolution. Today, three-quarters of the foundation's grant dollars support environmental projects with a primary focus on forest conservation in Canada.

DIRECTORS AND OFFICERS

Rosamond Ivey	<i>Chair</i>
Suzanne Ivey Cook	<i>Vice-Chair</i>
Bruce Lourie	<i>President</i>
Richard W. Ivey	<i>Secretary/Treasurer</i>
Jennifer Ivey Bannock	
Rocco Rossi	

HONOURARY DIRECTORS

Beryl Ivey [1924–2007]
Richard M. Ivey

STAFF

Bruce Lourie	<i>President</i>
Tim Gray	<i>Program Director</i>
Riti Mandal	<i>Executive Assistant /Office Manager</i>
Lara Ellis	<i>Program Officer (Part-time)</i>

CONSERVING CANADA'S FORESTS PROGRAM

COMMITTEE MEMBERS

Suzanne Ivey Cook	<i>Committee Chair and Director, Ivey Foundation</i>
Jennifer Ivey Bannock	<i>Director, Ivey Foundation</i>
Tim Gray	<i>Program Director, Ivey Foundation</i>
Bruce Lourie	<i>President, Ivey Foundation</i>
David Love	<i>Executive Director, The Conservation Foundation of Greater Toronto</i>
Martin von Mirbach	<i>Vice-President, Forest Stewardship Council Canada</i>
Rocco Rossi	<i>Director, Ivey Foundation and Chief Executive Officer, Heart and Stroke Foundation of Ontario</i>

Ivey Foundation relies on peer reviews of proposals from a large list of anonymous experts across Canada. We thank them kindly for their outstanding voluntary contributions to our decision-making process.



MIRAMICHI RIVER BOREAL FOREST NEW BRUNSWICK THADDEUS HOLOWNIA 2002



CHAIR'S REPORT

This annual report is the foundation's fortieth, a record among private foundations in Canada, and one of which we are very proud. We hope the transparency, accountability and shared experience embodied in it will inspire others to join in on our approach to philanthropy.

—Rosamond Ivey

THE IVEY FOUNDATION celebrated 60 years of grant-making in 2007, having been incorporated on 31 December 1947 by my grandfather Richard G. and father Richard M. Ivey. The foundation marked the occasion with a celebratory dinner late last year amongst family, staff and former staff, as well as a number of long-time grantee friends. While the foundation has evolved over the years into a professionally managed organization, it remains at its core a family initiative, and so we were fortunate to have had both my father and mother, former long-serving directors of the foundation, in attendance. It was then a great shock to us all when my mother, Beryl Ivey, suddenly passed away on Christmas Day, so soon after this celebration. Her dedication to the causes and work of the foundation inspired us deeply, and we will never forget her many contributions as the next generation continues to harness its resources to make permanent change to the environmental landscape of this country.

In planning a theme for my remarks at the dinner, I turned to several sources. First was the very personal reflection written by my father and included in the foundation's 50th year annual report. It articulately tells the story of the early years and how the foundation's granting processes and vision evolved along with generational change into the proactive mandate it has today.

I THEN TURNED TO an outside source that would put the foundation's history in context. University of Western Ontario Professor Sam Martin's 1985 book, *An Essential Grace*, chronicles a three year study on the origins, nature and business of fundraising and charitable giving in Canada. It is an important contributor to the charitable sector in this country and reading it again was particularly meaningful for me because, as a business school student in 1981, I was a member of the author's research team. Twenty-six years later, the book remains a treasure trove of numbers and statistics through which we can learn much of Canada's philanthropic history.

Canada's oldest foundation was established by the Massey family in 1918. While the Massey Foundation was associated with the family company, it was really the forerunner of family foundations in Canada. The second and third foundations created were the Winnipeg Foundation, established by banker W.F. Alloway in 1921, and the J.W. McConnell Foundation, inaugurated in 1937 by Montreal industrialist John Wilson McConnell. It took 30 years before Canada had these three significant foundations in play, but within the span of the next 20 years—during the 1940s and '50s—about 20 more came to be, including the Ivey Foundation, incorporated as The Richard Ivey Foundation and taking its current name in 2006.

Today there are more than 8,400 registered foundations in Canada, although a more relevant number may be the 2,400 active ones, 84% of which are considered family foundations.

The Ivey Foundation was founded 60 years ago with a capitalization of \$27,500. Its growth since then has kept it among the 25 largest family foundations in Canada with assets at year-end 2007 of \$74 million.

Other numbers that help to paint a picture of the foundation's 60-year history: one family, two cities and three generations. There have been seven office addresses, four presidents and two executive directors. Today, our goals and strategy are developed by a board of five, refined by a committee that includes two dedicated outside advisors, and work is accomplished through the committed efforts of two full-time and one part-time staff under the president's leadership. Quite recently, the foundation received a prestigious international award for its outstanding commitment to the best practices of family philanthropy.

AND WHAT OF GRANT-MAKING? The foundation's first grant of \$1,000 was made in 1948 to the London Community Chest and Welfare Association (now the United Way of London and Middlesex). Since then, a total of 1,105 grants totaling \$67.8 million have been made, seven of them greater than \$1 million. Over the course of the last 15 years, we have developed four focused programs in three areas of interest, and today, within our single focused program Conserving Canada's Forests, we have 29 evaluation indicators that help guide and refine our grant-making.

This annual report is the foundation's fortieth, a record among private foundations in Canada, and one of which we are very proud. We hope the transparency, accountability and shared experience embodied in it will inspire others to join in on our approach to philanthropy.

For the past 20 years, our reporting style has been largely unchanged with an alphabetical listing of the year's grantees and a brief description of each grant's purpose. This simple arrangement belies the intensity of a very proactive grant-making process in allocating the foundation's financial resources. This year's report seeks to engage the reader in the thinking behind our strategy, approach and evaluation, and how they all tie together.

WHICH BRINGS ME BACK to the beginning. The Ivey Foundation was born with a mission to support its community of London and south-western Ontario. The life of the foundation since then has evolved immeasurably across the country to be one of pioneer, enabler, risk-taker, financier, communicator, supporter, teacher, partner, collaborator and leader. All of these roles have been afforded because of the visionary work of some of Canada's most accomplished NGOs: committed people working together across the country to achieve meaningful progress in the societal issues of the day. It is the privilege of 60 years of grant-making to further the ongoing mission of so many that is truly a reason to celebrate.

ROSAMOND IVEY

PRESIDENT'S REPORT

The foundation does not review grant proposals in isolation, rather in addition to meeting our published guidelines, grants are considered as part of focused collaborations seeking to make progress towards the foundation's program goals.

—Bruce Lourie

ONE OF THE MAIN OBJECTIVES of this annual report is to provide readers with a clearer understanding of the strategies and thought processes used by the foundation to make grants. The foundation does not review grant proposals in isolation, rather in addition to meeting our published guidelines, grants are considered as part of focused collaborations seeking to make progress towards the foundation's program goals. The following figure illustrates the grant allocation strategy used to achieve the foundation's Conserving Canada's Forests program goals.



EACH GRANT PROPOSAL is presented for approval as part of a larger regional, ecological and/or economic strategy. In any given year, the strategy in a region may shift to take advantage of a changing political or economic climate. Oftentimes, this collaborative approach is supported with signed Memoranda of Understanding between the working parties. In this

way, the foundation can help facilitate the deliberate and/or unintended intersections between the initiatives of different NGOs. Since our granting strategy goes a long way beyond a simple review of grant proposals in alphabetical order, individual grants are listed herein to reflect our decision-making process.

Unfortunately we cannot describe everything we fund through a narrative. We have however chosen one important multi-year effort which is a story of perseverance, dedication and the ultimate pay-off that results from these traits. It is the story of the remarkable transformation of the Canadian forest sector and particularly the paper, printing and publishing sectors, in the adoption of the Forest Stewardship Council [FSC] certification standard.

I am hopeful that this annual report's new format is informative, thought provoking and enjoyable, and as always, we appreciate any and all of your feedback.

BRUCE LOURIE

CONSERVING CANADA'S FORESTS

THE MARKET PLACE AS CHANGE MECHANISM

A Case Study of Sustainable Forestry

THE MARKET PLACE, including consumers, retailers, manufacturers, primary resource industries and the financial sector, is where virtually all Canadians interact on a daily basis. They interact through their purchase practices, their employment and their investments. Young Canadians, for example, are now more in tune than ever before with the market place through internet-based commercial social networks. Yet the market place is one granting area that foundations in Canada tend to avoid. If the objective is to influence behaviour by enhancing public policies and private sector practices, as is the case with the Ivey Foundation, then the market place is the logical force to facilitate change. In fact, successful NGOs recognize that “market transformation” is an essential element of their work. So why is it that foundations have been slow to act in this critical and increasingly relevant space?

Following are a few brief points about a complex but successful market place strategy used for over a decade by dozens of Ivey Foundation grantees in a well-coordinated fashion. We hope this will shed light on the strategic importance of, and opportunities within, market place philanthropy.

WHILE THE FOUNDATION made several important grants focused on the market place prior to 2003, it was in that year that the foundation’s new Conserving Canada’s Forests [CF] program was developed and “markets” identified as one of three “clusters” through which grants would be allocated. The exciting opportunities to leverage efforts among several NGOs active in markets led to the foundation’s grant allocation strategy of 40 percent of annual CF program disbursements. Within markets, the primary focus is on the development and adoption of Forest Stewardship Council [FSC] standards across Canada.

The FSC standard is the only global sustainable forest standard supported by industry, Aboriginal groups, labour and conservation groups. Nothing comes closer to demonstrating true sustainability at a local and global scale. Despite this, financial support for the global FSC system has been difficult to come by, with a very small number of foundations in a handful of countries providing the majority of the sustained funding.

SINCE 2003, IVEY FOUNDATION GRANTS for FSC related markets work have totalled almost \$3 million. This includes over \$1 million in direct support of FSC Canada (in conjunction with its partner WWF Canada), and \$2 million to organizations that work directly or indirectly with forest and paper product companies and their customers to promote the environmental, economic and community benefits of the FSC system.

The foundation’s grant making strategy supports both market “pull” and market “push” strategies. Market “pull” strategies focus on supply chain relationships with the objective of educating large retail consumers in the benefits of sustainable forestry. Forest Ethics and Markets Initiative are two important grantees that deliver this approach. The foundation supports many organizations across the country that work closely with forest



MIRAMICHI RIVER BOREAL FOREST NEW BRUNSWICK THADDEUS HOLOWNIA 2003



companies on the market “push” side helping them achieve the rigorous conservation standards of FSC certification. These groups include, from east to west, Ecology Action Centre, Canadian Parks and Wilderness Society, Wildlands League, and Wildsight. Finally, there are several organizations that provide important services ranging from mapping and data analysis (Global Forest Watch Canada) to assistance in the business development side of FSC (Ecotrust, EcoImpact and Ecolumber Coop).

OF THE THREE PRIMARY forest certification systems in North America, only FSC delivers measurable monetary market benefits to certified companies. In fact, according to Tembec CEO, Jim Lopez, its commitment to FSC and the support it received from the conservation and business community related to FSC was largely responsible for saving the company as they emerged from a recent restructuring.

The Ivey Foundation is proud of the tremendous success our grantees have had in making Canada the leading jurisdiction in the world when it comes to FSC certification and sustainable forestry.

Following are a few numbers related to the growth of FSC in Canada over the past five years:

- 26 million* Total hectares certified to the FSC standard in Canada
- 766* Percent increase in number of hectares of FSC forest certified since 2003
- 1* Canada’s global position in terms of hectares of FSC certified forest
- 286* Number of FSC certified printers in Canada
- 6400* Percent growth in number of FSC certified paper products offered to consumers in Canada between 2003 and 2007
- 0* Percentage of major Canadian banks using FSC certified paper in 2003
- 100* Percentage of major Canadian banks using FSC certified paper in 2007

THESE NUMBERS WERE UNIMAGINABLE five years ago, yet the perseverance and hard work of many people in communities, conservation organizations and leading companies such as Tembec, Alberta-Pacific and Domtar have led to a critical market transformation. The challenges ahead are still daunting given economic pressures in the Canadian forest sector, continuing financial pressures within the FSC International system and the ecological threats associated with climate change. Yet market place grantmaking strategies have proven to be tremendously successful and FSC is in good standing to continue as a leader in authentic, global-scale sustainability.

CONSERVING CANADA'S FORESTS

MARKETS GRANTS

Increasing FSC Use in Construction Projects

EcoImpact, Toronto, \$30,000

Encouraging use of FSC products in the construction of low-rise residences and commercial buildings by identifying barriers in the wood supply chain.

Continuing Development of the FSC System in Northern and Central Ontario

Muskoka Heritage Foundation (Westwind Forest Stewardship), Bracebridge, \$20,000

Clarifying technical aspects of the various FSC standards for forest managers who are considering certification.

Boreal Campaign

Sage Foundation (Forest Ethics), Vancouver, \$100,000

Achieving conservation gains in Ontario's Boreal forest and building public awareness of forest issues in Québec.

Greening North America's Newspapers

Sage Foundation (Markets Initiative), Vancouver, \$180,000 (over two years)

Reducing the environmental impacts of newspaper publishing and newsprint, the largest segment of paper produced from Canada's Boreal forest.

Leveraging FSC "On the Ground" in British Columbia

West Coast Environmental Law Research Foundation, Vancouver, \$120,000

Collaboration among conservation groups and First Nations to advance FSC certification.

Boreal Forest Program

Wildlands League, Toronto, \$80,000

Working towards sustainable forest management, comprehensive land use planning for the northern boreal forest, and promoting FSC certification.

Achieving Permanent Protection for Canada's Forests

World Wildlife Fund Canada, Toronto, \$50,000

Advancing FSC certification efforts by working with industry to increase the amount of certified forest and with governments to permanently protect deferred areas of high conservation value.

CONSERVING CANADA'S FORESTS

POLICY & LAW GRANTS

CANADA is one of only three countries in the world with large, intact (i.e., un-developed) forests. Russia and Brazil are the other two. That leaves Canada with an important global obligation to protect fundamental, ecological functions within forests at scale. Two critical ecological functions are providing habitat for endangered woodland caribou and serving as a globally significant carbon reservoir, helping mitigate the effects of climate change. In 2007 over \$600,000 was granted to nine organizations working to achieve gains in protected areas in Canada, including four important regional collaborations.

Woodland Caribou & Carbon Project

Canadian Parks and Wilderness Society, Ottawa, \$100,000

Working with governments and industry to increase forest conservation as a strategy to adapt to global warming and as a means of saving Canada's endangered woodland caribou.

Colin Stewart Forest Forum

Canadian Parks and Wilderness Society, Halifax, \$40,000

Collaborating with the forest industry and government to establish protected areas in Nova Scotia.

Promoting an Ecosystem Vision for Québec Forestry

Canadian Parks and Wilderness Society, Montréal, \$50,000

Encouraging sustainable forest management and the completion of the protected area network.

Campaign to Save the Acadian Forest

Conservation Council of New Brunswick, Fredericton, \$147,000 (over two years)

Ensuring that New Brunswick's new forest management policy for crown land is based on a conservation-first approach to planning that will maintain and restore the diversity and character of the Acadian forest.

Protecting Canada's Boreal Ecosystems through Legal Action

Ecojustice Canada, Toronto, \$100,000

Protecting Ontario's boreal forests by working towards comprehensive land-use planning for Ontario's northern ecosystems and the application of the law to mitigate unsustainable industrial development.

Implementation of a Communications Strategy

Nature Conservancy of Canada "Two Countries/One Forest," Montréal, \$35,000

Strengthening the network of partner organizations working to conserve, restore and reconnect the Northern Appalachian/Acadian ecoregion.

Shifting to Sustainable Management of the Boreal Forest

☞ Protecting Key Wild Areas in Québec

Nature Québec (Aux Arbres Citoyens), Québec, \$70,000

Completing the provincial protected areas network and encouraging sustainable forest management.

Boreal Forest Forum II: Climate Change and Canadian Forests

Ducks Unlimited, Edmonton, \$30,000

Increasing science and policy literacy and identifying policy measures related to forest conservation and climate change.

Implementing Ecosystem-Based Forest Management in Québec's Wildlife Reserves

Nature Québec, Québec, \$100,000

Working towards a new sustainable forestry plan for the Laurentides Wildlife Reserve, as a provincial pilot project for Québec's wildlife reserve system.

STRATEGIC OPPORTUNITIES

THE FOUNDATION recognizes the importance of providing strategic, time-sensitive grants to support organizational development, convening colleagues, and enhancing institutional capacity in the environmental and philanthropic sectors. Climate change has emerged as perhaps the single greatest threat facing ecological and human systems. Forests in Canada are already experiencing the devastating effects of climate change, with the mountain pine beetle infestation destroying 80 percent of B.C.'s interior forests. The foundation has taken a lead in convening conservation and climate organizations to address the complex science and policy issues related to forests and climate change.

Policy Forum and Sustaining Member

Canadian Environmental Grantmakers' Network, Toronto, \$10,000

Forests and Carbon Scientists' Workshop

Ducks Unlimited, Edmonton, \$5,000

Preventing Pollution:

Achieving an Effective Canadian Environmental Protection Act (CEPA) II

Environmental Defence Canada, Toronto, \$30,000

Land Use Vision for Alberta

Miistakis Institute of the Rockies, Calgary, \$10,000

Organizational Development

Nature Canada, Ottawa, \$5,000

S.O.S. Coalition: Linking Endangered Species and Boreal Campaigns

Ontario Nature, Toronto, \$21,000

Organizational Development

Pembina Foundation, Drayton Valley, \$10,000

2007 Membership

Philanthropic Foundations Canada, Montréal, \$10,900

Maintaining Momentum Beyond CEPA Review

Pollution Probe Foundation, Toronto, \$25,000

Organizational Development

Sage Foundation (ForestEthics), Vancouver, \$10,000

Paper Cut

Sierra Club of Canada Foundation (Sierra Youth Coalition), Ottawa, \$12,400

Increasing Investment in Research into Market-oriented Approaches to Environmental Conservation

Southern Alberta Land Trust Society (Manning Centre for Building Democracy), High River, \$20,000

Capacity Building in Atlantic Canada and 10TH Anniversary

Sustainability Network, Toronto, \$30,000

Ontario Environmental Priorities 2007

Tides Canada Foundation, Vancouver, \$20,000

FSC Market Study

University of Alberta, Edmonton, \$5,000

A Global Vision of Forestry in the 21ST Century

University of Toronto, Faculty of Forestry, Toronto, \$10,000

FSC–IINDEX Event

World Wildlife Fund Canada (FSC Canada), Toronto, \$5,000

DIRECTOR-INITIATED

No. 9 Contemporary Art and the Environment

Evergreen Foundation, Toronto, \$50,000 (over two years)

Chase McEachern Tribute Fund

Heart and Stroke Foundation of Ontario, Toronto, \$15,000

Sustainability Initiative

Lester B. Pearson College of the Pacific, Victoria, \$75,000 (over two years)

PAYMENTS ON PREVIOUS GRANT COMMITMENTS

CONSERVING CANADA'S FORESTS

Ecology Action Society, Halifax, \$70,000

Environmental Defence Canada, Toronto, \$50,000

The Federation of Alberta Naturalists (Global Forest Watch), Edmonton, \$145,000

Ontario Nature, Toronto, \$100,000

Wildlife Conservation Society Canada, Toronto, \$80,000

World Wildlife Fund Canada (Forest Stewardship Council Canada), Toronto, \$250,000

STRATEGIC OPPORTUNITIES

Nature Canada (Green Budget Coalition), Ottawa, \$25,000

DIRECTOR-INITIATED

Canadian Institute for Advanced Research, Toronto, \$100,000

Richard Ivey School of Business, London, \$140,000

Sick Kids Foundation, Toronto, \$75,000

Toronto International Film Festival Group, Toronto, \$100,000



PINWARE RIVER BOREAL FOREST LABRADOR THADDEUS HOLOWNIA 2003



TREASURER'S REPORT

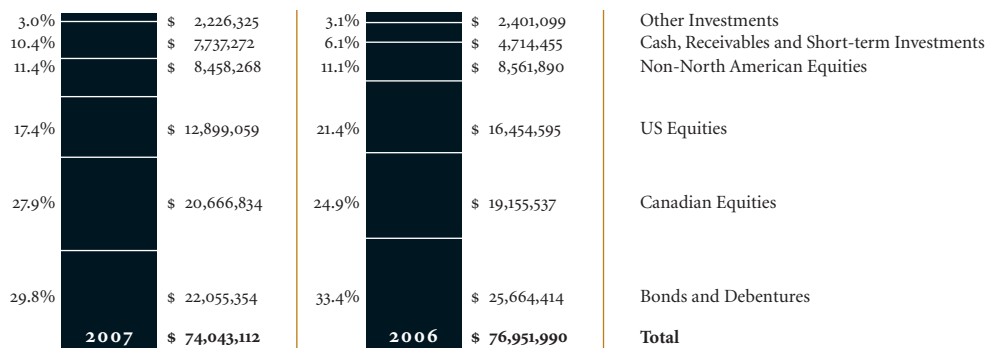
Growth in the foundation's investment portfolio stalled in 2007 resulting in an overall asset decline after expenses and grants. While this scenario is not unprecedented in the foundation's history, it will require the portfolio to achieve above-average equity returns in the medium term in order to restore its granting power.

Once again, asset allocation played a very significant role in performance, although manager style was a negative contributor in 2007. The combination of a low-interest rate environment, continued strengthening of the Canadian dollar, a major exposure to non Canadian dollar-based assets, and a Canadian equity portfolio which does not reflect the dominant position that the energy and commodity sectors hold in Canada's equity markets, defined the investment loss of one percent in the portfolio. A relatively minor Canadian dollar hedging program helped stem foreign exchange translation losses to some degree, and the move to a larger portfolio of income trusts contributed positively. As the foundation continues its tradition of granting the historical 4.5% disbursement quota, the value of the foundation's total assets fell 2.7% after payment of grants and expenses.

As we move through the first quarter of 2008 and experience the unraveling of North American credit markets and drastically slowing North American economies, the outlook for achieving above-average long term equity returns this year is somewhat bleak. As such, we have made some adjustments to asset allocation, continued to assess our manager selection and as always, remind ourselves that our long-term investment horizon and fundamental belief in asset, geographical and style diversification are the keys to investment prosperity in the long haul.

RICHARD W. IVEY

COMPARATIVE MARKET VALUES AND ASSET MIX PERCENTAGES



SUMMARY OF GRANTS

1948–2007

	Environment & Conservation	Teletriage in Health Care	General/Director- Initiated	Total Grants Approved	Total Grants Paid
1948–2006	\$ 18,500,318	\$ 2,650,278	\$ 45,034,435	\$ 66,185,031	\$ 64,510,031
2007	\$ 1,491,300	—	\$ 140,000	\$ 1,631,300	\$ 2,440,300
	\$ 19,991,618	\$ 2,650,278	\$ 45,174,435	\$ 67,816,331	\$ 66,950,331

AUDITORS' REPORT

ON CONDENSED FINANCIAL STATEMENTS

March 19, 2008

To the Members of Ivey Foundation

The accompanying condensed financial statement of financial position and condensed statement of operations are derived from the complete financial statements of Ivey Foundation as at December 31, 2007 and for the year then ended on which we expressed an opinion without reservation in our report dated March 19, 2008. The fair summarization of the complete financial statements is the responsibility of the Foundation's management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, these accompanying condensed financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the guideline referred to above.

These condensed financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the Foundation's financial position, results of operations and changes in net assets, reference should be made to the related complete financial statements.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

IVEY FOUNDATION
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2007

	2007	2006
ASSETS		
Cash and cash equivalents	\$ 7,383,959	\$ 3,961,554
Accrued interest and amounts receivable	353,316	752,901
Marketable securities, at market	64,079,512	69,836,436
Other investments and sundry assets	2,226,325	2,401,099
	74,043,112	76,951,990
LIABILITIES		
Accounts payable and accrued charges	116,618	115,598
Unpaid grants	866,000	1,675,000
	982,618	1,790,598
NET ASSETS		
Restricted	3,660,694	3,018,564
Unrestricted	69,399,800	72,142,828
	73,060,494	75,161,392
	74,043,112	76,951,990

CONDENSED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
REVENUE		
Investment income	\$ 4,736,407	\$ 3,128,503
Donations	500,218	—
Realized gain on sale of marketable securities	755,490	1,265,541
Net increase (decrease) in market value of securities	(5,279,114)	3,351,015
	713,001	7,745,059
EXPENSES		
Investment management, custodial and audit fees	386,065	345,993
Other expenses	653,009	604,343
	1,021,074	950,336
	(308,073)	6,794,723
APPROVED PROGRAM GRANTS		
Conserving Canada's Forests	1,252,000	2,430,402
Director-Initiated	140,000	535,000
Strategic Opportunities	239,300	237,940
	1,631,300	3,203,342
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES AND GRANTS	(1,939,373)	3,591,381

PROGRAM GUIDELINES

CONSERVING CANADA'S FORESTS PROGRAM

Forests and other natural features symbolize Canada.

From the earliest times, the inhabitants of this land have relied heavily on the forest. Covering nearly half the Canadian landscape, some 418 million hectares, forests are integral to our environment, our economy, our culture and our history. They are instrumental in the realization of our aspirations as a society and as a nation.

—National Forest Strategy 1998 – 2003

PROGRAM RATIONALE

TWO IMPORTANT GOALS guide the foundation's approach to conserving forests and forest values in Canada: protection and sustainable use. First, there needs to be an adequate amount of protected forest, including representative and intact ecosystems, at a scale that maintains ecological integrity over time. Second, recognizing the importance of forest resources to the social and economic well-being of Canadians, the foundation wishes to support the development of best-practices for sustainable forest management in Canada.

In the first instance, given our land base, population density, and remaining intact forest, there is no reason why Canada cannot be a world leader in forest protection and land conservation. With respect to the second issue, given our wealth, expertise and industry leadership, there is no reason why Canada cannot achieve international prominence as a leader in sustainable forest practices.

Yet protection efforts and sustainable forest management have failed to keep pace with the pressures of industrial and economic expansion. Canada's National Round Table on the Environment and the Economy identified several key barriers to conservation on the ground in Canada, including:

- ✧ limited political will and accountability by governments, including the lack of a national vision for conservation in Canada;
- ✧ lack of conservation planning at a landscape or ecosystem level, leading to uncoordinated approaches both within and between governments;
- ✧ limited engagement of key actors, including industry, Aboriginal peoples and communities;
- ✧ lack of benefits and incentives for key stewards of Canada's lands and waters;
- ✧ limited tools to support decision making, including scientific, technical and socio-economic information and resources;
- ✧ limited financial resources to support conservation and partnerships; and,



RESTIGOUCHE RIVER BOREAL FOREST QUÉBEC THADDEUS HOLOWNIA 2003



- ✧ failure to integrate the true costs and benefits of nature into decision-making at all levels, which has led to the perception that conservation is bad for jobs and the economy.

These observations, combined with additional analysis and consultation, confirmed the importance of supporting both an increase in the extent of protected forest ecosystems, and an expansion in the adoption of sustainable forest practices in Canada.

PROGRAM GOALS

Developing concrete, measurable conservation goals is challenging for any organization. It is even more difficult when one provides financial support to third-party organizations which are typically working to effect large and complex societal and institutional change. Our successes are, for the most part, defined by the successes of our NGO partners working in the field. For this reason, we have consulted with our grantee community in an attempt to identify goals and program priorities for the foundation consistent, and compatible with the broader conservation themes identified for Canada.

The primary goals of the foundation's Conserving Canada's Forests program are two-fold:

- ✧ Increasing the amount of protected forest ecosystem in Canada.
- ✧ Expanding the adoption of sustainable forest practices in Canada.

The foundation has also observed that over the last several years, a broadly-supported forest conservation vision has emerged for Canada's largest forest ecosystem, the boreal forest. This vision, which has been developed by leading industry, First Nations and conservation organizations, is termed the Boreal Forest Conservation Framework. It calls on Canadians to work toward a future where at least 50% of the boreal forest is protected from industrial activity and the balance is managed to meet globally-leading standards of sustainable resource use. The emergence of this vision, and the global conservation opportunity that it represents, has led the Foundation to focus its grant making on initiatives that will achieve change in markets or policy that directly supports conservation outcomes in Canada's boreal forest.

PROGRAM APPROACH

"Approach" is an often neglected aspect of strategic philanthropy. A foundation's approach should be a reflection of the values and perspectives held by its directors. In the case of the Ivey Foundation, excellence, leadership and accountability are the core values within which the foundation's approach is rooted.

Ivey Foundation supports a comprehensive and collaborative approach to environmental philanthropy based on six components of change:

- ✧ Engaging a range of stakeholders and non-traditional allies in a forest conservation vision for Canada that involves both protection and sustainable use.
- ✧ Basing decisions on credible, unbiased, scientific information; recognizing that a lack of scientific certainty does not preclude action.
- ✧ Establishing policy and legal frameworks that set out clear, measurable targets and standards.
- ✧ Engaging stakeholders in a compelling forest conservation vision by linking forest values with a range of broader community, cultural, and environmental, spiritual and Canadian public values.
- ✧ Supporting the capacity of organizations to be effective by providing meaningful, multi-year support, where warranted.
- ✧ Tracking and reporting on accountability at three levels: government accountability to the public regarding the fulfillment of commitments and obligations toward sustainable forest management; organizational accountability of grantees to the foundation regarding achievement of their stated goals; and the foundation's accountability to the public with respect to the responsible and effective deployment of its resources.

PROGRAM AREAS

The foundation has identified three primary areas where it believes its grant-making efforts will help to achieve its program goals. These are Policy and Law, Applied Science & Markets.

POLICY AND LAW Securing conservation-first land-use outcomes in land-use planning processes. Improving land-use and policy decision-making processes regarding forest protection and practices. Improving processes for bringing new and traditional knowledge and ideas to policy development and decision-making. Supporting the responsible implementation of legal protections for wildlife, protected areas and sustainable resource use.

APPLIED SCIENCE Innovative science that directly supports land-use or management practice outcomes. These are conservation mapping, ecosystem science and wildlife biology projects that are precedent-setting or produce broadly applicable outcomes and are made readily available to support the foundation's efforts in policy, law and markets.

Applied Science projects must demonstrate that:

- ✧ the ecological value or problem under investigation has relevance to traceable, practical conservation outcomes;
- ✧ a clear link exists between chosen indicators and threats/issues being studied;

- ☞ a methodology that can measure a change in the indicators during the time frame of the project;
- ☞ the existence of a mechanism for information resulting from the project to influence conservation policy or land-use planning decisions; and,
- ☞ a plan to produce a research product that is credible and accessible to a wide range of audiences.

MARKETS Assisting with building a sustainable business model for the Forest Stewardship Council forest certification in Canada, and assisting with the development of markets for sustainable forest products. Supporting organizations that are working to engage consumers and retailers in programs that encourage the purchase of sustainably-produced forest products.

FUNDING PARAMETERS

Ivey Foundation typically provides support to national or provincial charitable environmental organizations with a demonstrated capacity and capability to effect change. Funding may be for a period of up to three years. Grantees are expected to work closely with staff in the development of project proposals.

PROPOSAL REQUIREMENTS

The foundation has a two-stage application process. Letters of Inquiry are due early in the first quarter of the year. Proposals are invited for submission following a review of the Letters of Inquiry. Please visit www.ivey.org for annual submission deadlines, and detailed proposal and reporting guidelines.

A schedule for reporting will be provided once a grant has been approved. All grantees whose grant is greater than \$150,000 must schedule an interview with the foundation. Ivey Foundation appreciates recognition in materials produced with the foundation's support. Please contact the foundation to receive digital files of our wordmark for this purpose. While we appreciate your acknowledgments, please do not send plaques or posters.

SUBMISSIONS

Please submit Letters of Inquiry to: Bruce Lourie, President, Ivey Foundation, 11 Church Street, Suite 400, Toronto, Ontario M5E 1W1 Website: www.ivey.org E-mail: info@ivey.org

EXTERNAL REVIEW

All proposals in the Conserving Canada's Forests program over \$20,000 are reviewed by at least one independent peer-reviewer and vetted by a committee comprising Ivey Foundation Directors and external members.

STRATEGIC OPPORTUNITIES PROGRAM

☞ THE FOUNDATION NORMALLY will make grants under this program that are strategic to the primary program areas, but do not otherwise qualify for funding. Preference is given to projects that address timely environmental public policy issues, reflect a short-term need, and/or explore strategic opportunities for environmental protection. Grants range in size from \$5,000 to \$50,000 with an average of \$10,000. Proposals are by invitation only and support is generally in the form of one-time, one-year grants. Preference will be given to activities and/or organizations based in Ontario.

DIRECTOR-INITIATED PROGRAM

☞ THIS PROGRAM SUPPORTS projects primarily in the health, education, environmental and cultural communities in Toronto. The program, being director-initiated, does not consider unsolicited applications.

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