

# Watershed Security Fund

Annual Report 2023 – 2024



First Nations  
Fisheries Council  
of British Columbia



*“We aim to collaboratively develop a foundation and structure for a long-lasting watershed fund that upholds reconciliation, collaborative stewardship, and healthy relationships.*

*Our approach will be holistic and whole-of-watershed, acknowledging water as a sacred and vital source fundamental to healthy communities, environments, and economies. As such, our watershed investments will reflect their value to all living things.”*

*Lydia Hwitsum, Co-Commissioner,  
First Nations Water Caucus, and member  
of the Watershed Security Fund Joint Executive*



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# Letter from Co-Chairs

In March 2023, the Province of BC announced a commitment of \$100 million to launch the formation of the Watershed Security Fund – a durable, growing base of permanent funding support that would be co-developed and co-governed with First Nations rights holders, and in partnership with multi-interest stakeholders from across BC.

This past year, the Real Estate Foundation of BC (REFBC) and the First Nations Water Caucus (Water Caucus) – with the First Nations Fisheries Council (FNFC) as Secretariat to the Water Caucus and the Province of BC as advisors – have been honoured to be working closely together to create the relationships and effective systems of collaboration that will enable long-term, permanent contributions and impacts of the Fund.

Water is life, and remains the most important, environmental, cultural, economic, and spiritual well-spring we share. In an era of record-breaking droughts and wildfires, stressed salmon stocks, and struggling crops, the brutal impacts of climate change have only amplified the need to prioritize the defense and resilience of our watersheds in ways that support the ongoing work of communities and organizations and uphold the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) commitments. The Fund will help provide capacity and resourcing to safeguard their health for generations to come by investing in projects that prioritize reconciliation, ecosystem restoration, climate resilience and watershed governance.

On behalf of all those whose vision, relationships, and efforts contribute to the development of the Watershed Security Fund, we are pleased to submit our first Annual Report to the Water Caucus and the Province of BC. The Report highlights our progress, achievements, and learnings in the first year of the Fund's co-development process and points to how we will work together in respectful, meaningful ways to support its aspirations.

A big thank-you to the staff, advisors, and community partners who play an integral role and have invested a tremendous amount of energy and thoughtful collaboration into this work.

We are excited to see what the future holds as we continue this inspiring, impactful, and healing journey together.



**Jordan Point**  
Executive Director,  
First Nations Fisheries Council



**Mark Gifford**  
Chief Executive Officer,  
Real Estate Foundation of BC



# Overview

On March 6, 2023, the Province of B.C. announced an initial \$100 million provincial investment to kick-start the creation of an independent Watershed Security Fund (the Fund or WSF). The Fund and the long-term entity that will hold the fund, is to be co-developed and co-governed with First Nations to create a growing, permanent stream of funding to support watershed projects and initiatives across British Columbia.

The Fund offers a shared opportunity to build relationships with and support for communities and organizations doing important work to advance watershed security. The Fund will build on outcomes and learnings from prior investments in B.C. watersheds, which underscore the value of investing in the health of watersheds in ways that uphold UNDRIP commitments, and provide enduring, predictable funding sources to support this critical work.

This includes a focus on overcoming barriers and exploring innovative approaches to supporting First Nations involvement in the implementation, co-development, and co-governance of the Fund. It also recognizes communities' shared reliance and need to care for the natural world and the water we all depend upon, by enabling diverse interests to work together to support and strengthen watershed security now and for future generations.

The Real Estate Foundation of BC (REFBC) and the First Nations Water Caucus (Water Caucus) – with the First Nations Fisheries Council (FNFC) as secretariat to the Water Caucus – are working together to provide interim Fund stewardship, and to support co-development of a permanent, co-governed entity to oversee and manage the Fund over the long term. A shared Commitment to Action between the Water Caucus, FNFC and REFBC provides an organizational structure, oversight, and joint decision-making process for moving forward initially.

The Water Caucus has a key role providing oversight and direction for planning and implementing the Fund co-development process. The Water Caucus is comprised of First Nation regional and technical delegates from major watersheds across BC to discuss and identify shared strategic priorities and interests related to fresh water. These delegates participate at the joint B.C.-



First Nations Water Table (Water Table). The Water Table addresses water and watershed security issues of concern between First Nations in B.C. and the Province through co-development and consensus. The Water Caucus was first convened by FNFC in June 2022 and has worked with the Province at the Water Table over the past two years to co-develop a prospective Watershed Security Strategy for B.C.

The Fund is one of several tools and resources needed to support actions identified in the upcoming Watershed Security Strategy. The Province and First Nations continue to co-lead the development of the Watershed Security Strategy through the Water Table.

## How much grant funding is available for watershed projects?

An early goal is to begin flowing funds to support watershed security projects and initiatives in 2024, while preserving the initial investment as an endowment and continuing to seek opportunities to grow an enduring fund.

The \$100 million provincial contribution will seed a permanent endowment fund, generating earnings and dividends that provide a dependable flow of annual funding for grants, programs, and operational investments. The initial contribution includes up to \$5 million to support the co-development process and related engagement, capacity, and partnership-building efforts over the next several years.

In the early years, the initial contribution of \$100 million will generate a \$3-5 million annual baseline budget for grants and programs. Partners will seek additional provincial, federal, industry and philanthropic contributions to help grow the Fund, with a long-term goal of creating a \$1 Billion Fund.

## What outcomes will the Fund help achieve?

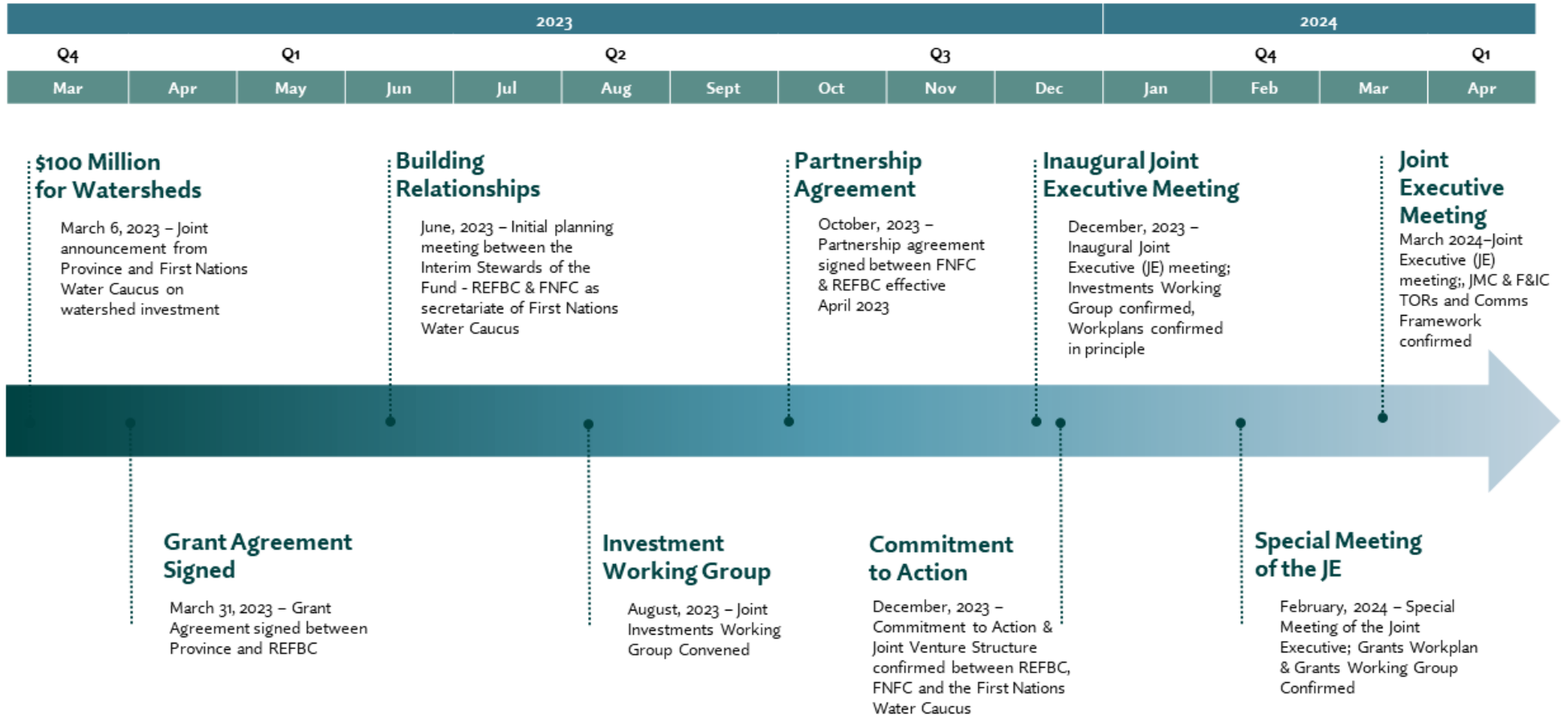
Details on funding priorities, process and decision making will be confirmed through the co-development process. Initially, overarching outcomes are intended to address urgent and long-term watershed needs by funding projects and initiatives which support:

- Reconciliation and advancing the United Nations Declaration on the Rights of Indigenous Peoples
- Restoring and maintaining ecosystem services and watershed health
- Climate resiliency
- Local watershed governance, planning & monitoring initiatives
- Job creation and economic stimulus
- Learning and relationship-building between Indigenous and non-Indigenous communities



# Timeline

March 2023 - March 2024



# Milestones & Progress

In 2023, REFBC, FNFC and the Water Caucus Co-Commissioners confirmed the WSF Commitment to Action Agreement (C2A). In addition to confirming guiding principles to guide co-development in all areas of work, the C2A provides important oversight and a decision-making structure for the partners to move forward in this work together.

Alongside this foundational work, there has been focused planning underway for time sensitive aspects of the WSF, including the investment strategy, financial framework, initial grants program and communications.

In the first quarter of 2024, we've enjoyed moving forward on the WSF with a foundation of governance, processes and relationship building taking shape. We've held three Joint Executive meetings and confirmed workplans for 6 areas of work: operations, communications, investment strategy, financial management, grants program, and fund growth. Terms of References, deliverables, and key actions have been developed and are being implemented for the Joint Executive, Joint Management Committee, as well as within the workplans above.

Delegates of the Water Caucus provide leadership and direction for this work through their participation on the Joint Executive, Finance & Investment Committee and Grants Working Group. FNFC also shares progress and materials with the Water Caucus, which provides important direction back to staff and Joint Executive that is guiding our work and timelines.

We are very grateful to have the following members of the Joint Executive guide this work:

- Lydia Hwitsum, Co-Commissioner, First Nations Water Caucus
- Hugh Braker, Co-Commissioner, First Nations Water Caucus
- Mavis Underwood, REFBC Governor
- Leslie Dickie, REFBC Governor
- Mark Gifford, CEO, REFBC

- Jordan Point, Executive Director, FNFC
- BC representatives (ADM or Director) from the Ministry of Water Lands and Resource Stewardship (advisory role only)

## Areas of Work

The Watershed Security Fund Workplans provide a road map to creating a solid foundation for the permanent Watershed Security Fund. Six areas of work have been identified and workplans have been confirmed for each area with their respective outcomes, objectives, and deliverables.

1. Operations of Joint Executive
2. Financial Management
3. Investment Strategy & Management
4. Grants Program
5. Communications
6. Fund Growth

An additional two areas of work have been identified and workplans will be developed early in 2024/25 or as part of an anticipated strategic planning process in Spring 2024:

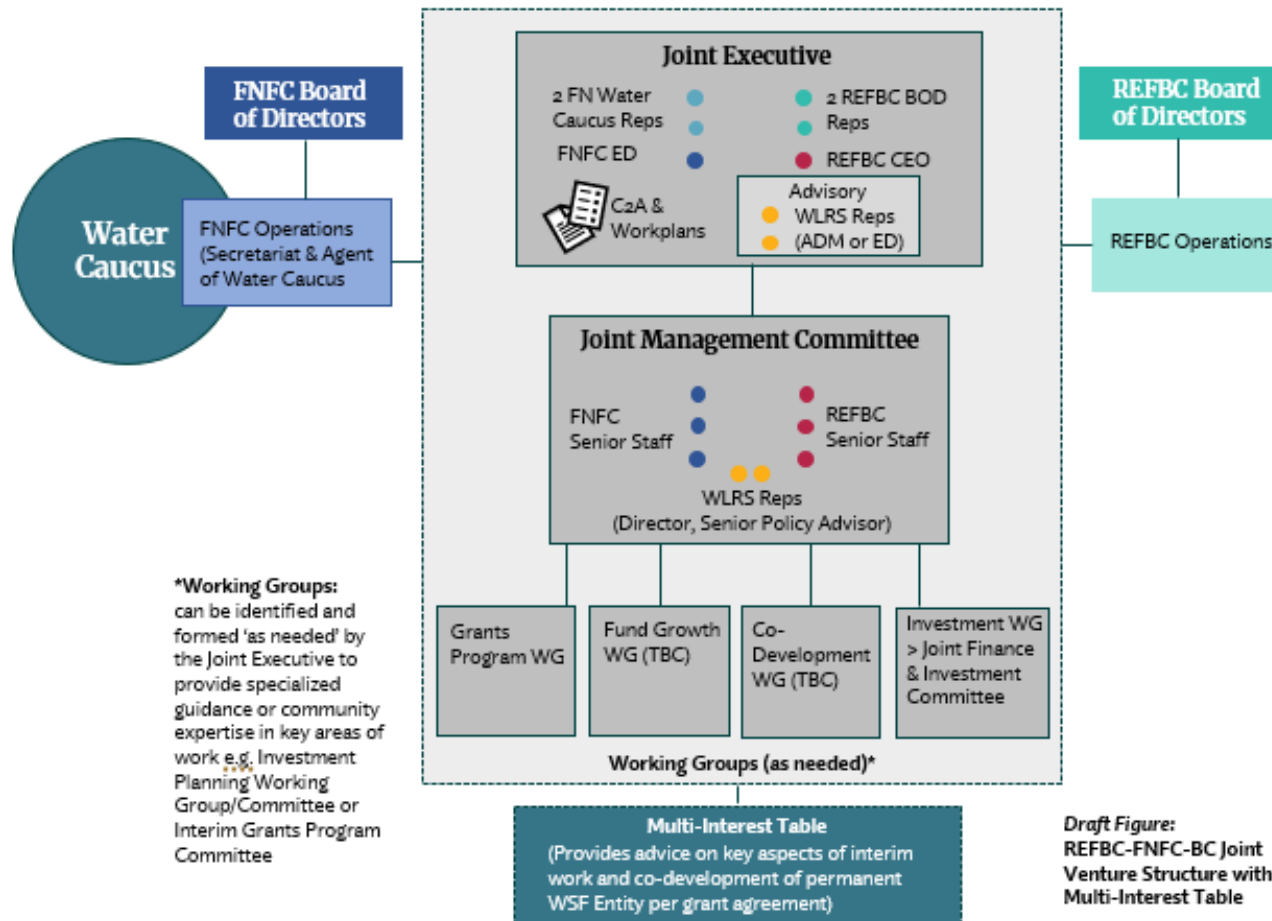
7. Evaluation & Learning
8. Co-development of the Permanent Entity

While each area is being developed under the joint leadership of the joint venture structure, the partners are working to identify and confirm core roles in driving the planning and implementation of each area of work.



# Key Milestones & Deliverables 2023-2024

## Joint Venture Structure



**Draft Figure:**  
REFBC-FNFC-BC Joint Venture Structure with Multi-Interest Table

- REFBC & FNFC Partnership Agreement signed effective April 1, 2023
- Commitment to Action & Joint Venture Structure between the First Nations Water Caucus, REFBC, and FNFC signed effective December 15, 2023
- Workplans: 8 Areas of work confirmed & 6 work plans confirmed
- Investments Working Group Terms of Reference confirmed, 5 meetings held (Sep, Oct, Nov, Jan, Feb) & recommended Asset Mix Allocation confirmed
- Joint Executive Terms of Reference & 3 Meetings (Dec, Feb, March)
- Joint Management Terms of Reference & 2 Meetings (Jan & Feb)
- Finance & Investment Committee Terms of Reference confirmed
- Grants Working Group formed, Water Caucus delegates confirmed & Draft Terms of Reference confirmed
- Communications Backgrounder, temporary website launch, and brand development with Indigenous Marketing Solutions
- Communications Strategy & Framework confirmed

## Financial Management

REFBC and FNFC staff continue to review and refine the Fund reporting and accounting approach together.

To support ongoing oversight, monitoring, guidance and policy recommendations on financial and investment matters, staff brought forward a Terms of Reference for a Joint Finance and Investment Committee to the Joint Executive in March, with members from FNFC, Water Caucus and REFBC, along with external members who can provide specialized expertise and support. Recommendations from the Joint Finance and Investment Committee will flow through the Joint Management Committee to the Joint Executive.

### Watershed Security Fund Summary

Opening Market Value (as at April 2, 2023)	\$100,000,000
Investment earnings	\$5,518,829
Contributions	\$0
Grants Approved	\$0
Admin and program costs	-\$553,997
Co-development costs	-\$639,100
Closing Market Value (as at March 31, 2024)	\$104,325,732

*Notes: FNFC/REFBC partnership agreement, effective April 1, 2023, committed \$639,100.00 to FNFC for the 2023/24 fiscal year for co-development of the WSF as per the stipulations of the Grant Agreement. FNFC unspent funds of \$425,537 will be carried forward to offset 2024/25 FNFC co-development budget expenses.*

## Looking Ahead

In 2024-25, REFBC and FNFC will continue to build upon the foundational work of the past year to further co-develop and implement the 8 areas of work planning identified over the past year. Key activities anticipated in 2024-25 include:

- Operations of Joint Executive - The JE will meet quarterly in June, September, December, and March with special meetings as required. Staff will continue to implement systems and infrastructure to support co-development of the WSF in all areas of work.
- Grants Program - The Grants Working Group will be convened to develop the Grants Program Framework and timeline with initial grants anticipated in 2024.
- Communications - Initial public communications, branding, and website development
- Investment Working Group - Once the Investment Working Group wraps up its work later this spring, investment guidance and monitoring will be supported through the Joint Finance & Investment Committee.
- Finance & Investment Committee - Ongoing oversight of investments, budgets, and financial reporting.

The Water Caucus, REFBC, and FNFC are also currently exploring options for strategic planning session(s) to establish the vision for the Fund to guide the work and priorities and to support the development of the two additional workplans: Co-development of Permanent Entity and Evaluation & Learning.

The work to co-develop the Fund is new and innovative. As we move ahead in good ways, we are learning as we go and taking the time to build the relationships, systems, and structures required for an enduring permanent fund.



*“Water is so important to us as Indigenous People and all people – it is healing, energy, cleansing.*

*We envision a future where the flourishing of watersheds and the unimpeded flow of water are of utmost importance and where water is highly valued and nourished as the sacred source of life.*

*Together, we will work towards supporting and strengthening watersheds for generations to come.”*

#### **Design & Photo Credits**

**Design and Layout:** Cheyenne Bergenhenegouwen

**Content:** Compiled and drafted by REFBC and FNFC staff

**Cover Photo:** Elfin Lakes, Josh Neufeld

**Page 3:** Chinook at Moricetown Canyon, provided by FNFC

**Page 5:** B.C. Wildlife Federation’s Fraser River clean-up, provided by Healthy Watersheds Initiative/BCWF

**Page 6:** ARocha water monitoring work at Boundary Bay, provided by Healthy Watersheds Initiative/ARocha

**Page 11:** The confluence of the Tahltan and Stikine rivers, by Stephen Hui/REFBC

*Leslie Dickie, Governor, Real Estate Foundation of BC Board, and member of the Watershed Security Fund Joint Executive*



**First Nations  
Fisheries Council**  
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OF BC

*The Real Estate Foundation of BC (REFBC) and the First Nations Water Caucus (Water Caucus) – with the First Nations Fisheries Council (FNFC) – are honoured to collaborate as partners in this inspiring, impactful, and healing work. Together we provide interim stewardship and support the co-development of a permanent entity for the Fund.*

**Learn More**

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