

**Approval Process Related to Natural
Area Conservation Plans and
Securement Activities**

Background / Rationale:

NCC's policies with respect to its core conservation activities (here meant to include science, securement and stewardship) were primarily drafted in the late 1990s and clearly reflected the organizational emphasis on land securement as the primary focus of conservation activity. Several key factors have changed since then, including the emergence of science and stewardship as essential program areas complementing securement, and increased staff capacity in same, that warrant a revisiting of NCC's conservation policies to bring them up to date with the current reality of the organization.

With this in mind, NCC's Board of Directors mandated the Conservation and Stewardship Committee to review existing policies and strategies with respect to science and with respect to the identification, securement and stewardship of NCC lands and conservation agreements, and to recommend Board policies on these matters. The Committee kept in mind a few key principles in approaching its task including the need to a) focus on governance and the establishment (and monitoring) of broad policies to ensure the integrity and appropriate management of the organization, b) enable efficiency through delegation of certain responsibilities to professional staff while ensuring governance and fiduciary responsibilities are met and c) integrate, NCC's core conservation activities of science, securement and stewardship and address cross-cutting issues where applicable.

In the fall of 2006, the Board approved the *Conservation Policy Framework* containing three policies in the areas of science and conservation planning, approval requirements for Natural Area Conservation Plans and securement activities, and stewardship and reporting obligations.

In 2008, an integrated approach for Board, management and business unit policies, procedures, guidelines and standards was adopted by management. It is now appropriate to reorganize the *Conservation Policy Framework* into its three constituent policies and to update them as necessary.

This policy provides assurance that the organization is focusing its activities on the highest priorities in a strategic manner and, at the same time, identifies and minimizes liability—whether contractual, fiduciary or other types of legal liability. NCC Regional and National Boards review and approve Natural Area Conservation Plans to guide NCC's work while still allowing for flexibility and property-specific approvals where warranted.

Scope: This policy applies to all NCC staff and Business Units (National departments and Regions).

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Definitions

For the purpose of this policy:

“Conservation Blueprints” mean the ecoregional assessments (or ecoregional plans) that NCC and its partners are completing for all the ecoregions in southern Canada. The Blueprints document the biological diversity present across natural regions, including native species and natural ecosystems, and identify the highest-priority areas for conservation.

“Conservation Project” means a specific Land transaction undertaken by NCC, commonly including purchase and/or donation of Land and/or financial contributions to third parties to support such transactions.

“Conservation Project Summary” is a document that provides detail conservation project information on property name and location; type of transaction; budget and sources of revenue; key natural features and biodiversity targets; threats; and stewardship goals, challenges and priority actions. Every conservation program summary is approved by the President and the Regional Board, and where necessary by the National Board.

“Land” means real property and any interest therein and includes conservation easements, leasehold interests, mortgage interests and other agreements with the owner(s) of real property.

“Land Value” is defined as the purchase price and/or donation value of a Land transaction as evidenced by a charitable receipt. For donations of land where a tax receipt is not required, the appraised value is used. For donations of land where a receipt is not required and there is no appraisal, a value of \$1 is used.

“National Board” means the National Board of Directors of the Nature Conservancy of Canada.

“National Board approval” means approval by the National Board or the Executive Committee of the National Board or any other person(s) delegated in writing by the National Board to provide approval under this policy on behalf of the National Board.

“President” means the President of NCC or any other person(s) delegated in writing by the President to perform a particular function under this policy on behalf of the President.

“Natural Area Conservation Plan” means a conservation plan for a defined geographic area (i.e. natural area) which has been identified by a Conservation Blueprint and assessment by an NCC Regional Board as a priority for conservation where there is an intersection of biological values, opportunity and threat. These are generally multi-property areas where ecologically functioning or restorable landscapes are conserved at scales appropriate to the features (species or ecosystems) to be conserved.

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“Regional Board” means a committee of the National Board so named in regard to the respective region in which it operates.

National Board Policy:

1) Natural Area Conservation Plan Approval

Natural Area Conservation Plans shall approved by the Regional Board and National Board on the President’s recommendation. Such approval shall be granted based on the assessment of a comprehensive conservation plan that addresses the science foundation, geographic focus, securement and stewardship strategies, strategic considerations and external influences, financial plan, communications plan, and proposed timeframe as described in Appendix 1. Conservation activities shall be delivered pursuant to approved Natural Area Conservation Plans.

2) Conservation Project Approval

- a) A Conservation Project within an approved Natural Area Conservation Plan is deemed to have National Board approval if it meets the criteria set out in Appendix 2 and provided it does not exceed a value (i.e., purchase price or appraised donation value of Land) of \$1.0 million. Otherwise, National Board approval is required.
- b) A Conservation Project not within an approved Natural Area Conservation Plan with a value exceeding \$250,000 requires National Board approval.
- c) All Conservation Projects require the approval of the President and the Regional Board.
- d) The Regional Board may approve multiple Conservation Projects within an approved Natural Area Conservation Plan for a term of up to one (1) year, provided full funding, including the required contribution to the Stewardship Endowment Fund, is in place at closing.

3) Mortgages, liens, external loans

Mortgages, liens, external loans or other such external encumbrances associated with the financing of a Conservation Project are subject to National Board approval.

4) Dispositions of Land

Unless already approved within either a Natural Area Conservation Plan or a Conservation Project Summary, dispositions of Land are subject to the approval of the President and the Regional Board, with those involving Land valued at over \$250,000 also subject to National Board approval.

5) Third Party Conservation Partnership or Program Agreements

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Partnership or program agreements with third parties (i.e., governments, government agencies, other conservation organizations) that require NCC to invest at least \$250,000 per year are subject to the approval of the Regional Board, with those requiring investment of at least \$1.0 million per year also subject to National Board approval. All partnership or program agreements are subject to the approval of the President.

6) Reports to Regional and National Boards

Written reports on the implementation of activities identified in Natural Area Conservation Plans shall be provided to Regional Boards on an annual basis with significant variances being reviewed by the National Board. Where warranted, the Regional Board and/or National Board may require modifications for further approval. See Appendix 3 for an outline of information required in an annual report.

Appendix 1: Required elements to address in a Natural Area Conservation Plan.

- Science foundation or ecological case for conservation;
- Geographical area of interest for securement (i.e., the “take line”) including the targeted acreage and anticipated prioritized individual property transactions, estimates of proposed techniques to secure land (i.e., fee-simple ownership by NCC, fee-simple ownership by other partners, conservation easements, other mechanisms);
- Environmental and socioeconomic threats to the area;
- Municipal/regional planning and zoning considerations;
- Other strategic considerations that could impact upon delivery and chances of success (i.e., key lands that must be secured, external influences that could affect success, etc.);
- Real or potential conflicts of interest;
- Short and long-term stewardship plans including justification or rationale for any significant restoration efforts and/or “high input” on-the-ground management activities;
- Anticipated human uses of the area;
- Communications plan;
- Financial plan (i.e., budget) that estimates the total anticipated cost to deliver the proposed program including securement costs, associated costs (legal fees, surveys, etc.), short and long-term stewardship costs (including both annual needs and Stewardship Endowment Fund contribution), staff costs (all staff involved) and provides a strategy for raising such funds;
- Proposed milestones and measures of success.

Appendix 2: Criteria for a Conservation Project to be deemed approved by the National Board.

- Located within the area of securement interest identified in the approved Natural Area Conservation Plan;

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- Property-specific biodiversity values and/or strategic importance of property securement to Natural Area Conservation Plan delivery are sufficiently described and supported;
- Purchase price does not exceed appraised value as determined by AACI-accredited appraisal by more than 5% or is less than 80% of appraised value for split-receipt purposes;
- Value of land/easement donation for charitable receipt purposes is determined by AACI-appraisal and approval of Environment Canada's Appraisal Review Panel for Ecogifts where applicable;
- There are no real or perceived conflicts of interest involving NCC staff, National or Regional Board members or other volunteers;
- Title is clear or subject to encumbrances previously approved by the Board;
- There are no known litigation risks (i.e., existing disputes) affecting the property;
- There are no unique or unusual financing features associated with the transaction (i.e., payments over time etc.);
- Clause is present in the purchase agreement, in favour of NCC, indicating that transaction is conditional upon NCC having funding in place by a certain date;
- The property does not require any particularly "high-input" or costly management or restoration activities;
- The Stewardship Endowment Fund contribution is in place at closing and a measurable plan is in place to ensure immediate and longer-term stewardship funding needs are met;
- Project has been reviewed and approved by President (or delegate) and Regional Board where applicable.

Appendix 3: Required areas to address in progress reports on Natural Area Conservation Plan implementation

- Land securement progress – overview of properties secured, location, size, value / price, ecological and/or strategic significance, and how they contribute to the overall conservation goal;
- Stewardship progress – overview of stewardship plan development and implementation of on-the-ground activities;
- Partner and community engagement;
- Communications activities;
- Fundraising progress – towards all elements of the plan with specific detail around stewardship fundraising;
- Budget to actual comparison – all main expense categories;
- Anticipated timeframe to completion;
- Description of key variances.

Key Words: National Board, Regional Board, Science, Conservation Project, Conservation Project Summary, Securement, Natural Area Conservation Plan, Land Value, Approval, Mortgages, Liens, External Loan, Ted Boswell Land Conservation Fund, Disposition, Third Party Conservation Partnership, Program Agreement, Stewardship

BOARD POLICY

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Responsible Business Unit / person / job title:	Vice President Conservation
Authorized By:	National Board
Date Authorized:	15 May 2009
Next Review date:	31 December 2012
Associated Documents:	<i>Conservation Policy Framework, 29 September 2008</i>
Associated Forms:	<i>NACP Annotated Template Conservation Project Summary Form: Annotated</i>