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Policy Matters: Grantmaking foundations and public policy engagement

A preliminary discussion of the Canadian Landscape of grantmaking foundations and public policy engagement

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Policy Matters: Grant-Making foundations and public policy engagement

A Preliminary Exploration of the Canadian Landscape

By Peter R Elson and Sara Hall

How do Canadian foundations engage in policy and political activities?

Policy Matters

One can think of policy as the institutional acknowledgement and commitment to sustained action. In the context of foundations and societal change, policy is the difference between uncertainty that a change will take place and a collective commitment that it will. Foundations in Canada are in a unique position to impact societal change and foster social innovation. Unique because unlike most nonprofit and charitable organizations, foundations have an asset base, independent of government, that can be used, invested, or disbursed to support societal change through a variety of policy engagement tools. These policy engagement tools include direct action, legitimizing and supporting enabling strategies, and a range of funding and investment policies and practices. Funding practices can include grant-making, loans, loan guarantees, equity-type investments, and social impact bonds (Salamon, 2014).

The purpose of this discussion paper is to present a theoretical framework that can speak to a) the bigger question of the relationship between Canadian grant-making foundations (GMFs), social innovation, and societal change; b) profile the issues that Canadian GMFs engage in and the tools they utilize at each of five stages in the public policy change process – whether at the municipal, provincial or federal level; c) to provide some examples of Canadian foundations that

are engaged in these processes; and d) to make some very preliminary observations about the state of our collective knowledge about the scope and impact of these policy activities in order to identify a program for further research. To do this, we draw on academic literature, foundation websites, reports and informal conversations with foundation leaders.

Existing research literature reviewed to date has revealed few specific references to the Canadian context. As a result, at this time, the examples profiled in this discussion paper can only be considered anecdotal. The lack of any systematic exploration of Canadian Foundations in the policy process is itself revealing and certainly speaks to the potential value of this research partnership. There is, in our view, a chronic lack of information regarding either the collective or the individual impact of grant-making foundations on public policy.

As this discussion paper will outline, there is considerably more to the formulation and implementation of public policy than what reaches the front pages of newspapers or the back rooms of parliament. There is, we posit, a wide range of roles that grant-making foundations can play in the public policy process, from engaging or funding primary research to monitoring policy implementation and community impact. While the Canada Revenue Agency stipulates that as registered charities, 10 percent of a foundation's resources can be directed toward political activities, only a fraction of public policy activities can be considered political. We also strongly suspect that grant-making foundations are already engaged in some facet of public policy development or implementation, but that these activities have either not been well documented or widely shared.

We believe that there are initiatives that foundations undertake that have unintended policy consequences, particularly when independent third party organizations utilize survey or research data to support their advocacy efforts. We hope that this paper is a start to appreciate, acknowledge and document the important role that grant-making foundations play in the public policy process.

While program activities, both direct and indirect, naturally dominate the grant-making landscape, there is a growing realization by public and private foundations alike that downstream community issues are not isolated from upstream policy and regulatory practices. For example, there is little doubt that policies such as Medicare, the Registered Disability Savings Plan, carbon taxes (BC), provincial emission and employment standards, and municipal green space and progressive zoning by-laws and procurement policies have made a significant contribution to the quality of life of Canadians. This perspective is echoed by Alan Northcott, Vice-President of the Max Bell Foundation and sponsor of the Alberta-based Public Policy Training Institute (Northcott, 2014). At the same time, foundations have much more than financial resources at their disposal. Foundations have significant social capital, convening capacity, system overview expertise, reputational status, and investment discretion.

We want to know what activities Canadian grant-making foundations (GMFs) are engaged in, whether directly or indirectly, that impact public policy at the municipal, provincial/territorial, and/or federal level. Currently we know very little about what Canadian GMFs are doing to affect policy change. As a result of this information deficit, the contribution of grant-making foundations is likely significantly underappreciated and understated by foundations and the

general public alike. At the very least, we hope to work with grant-making foundations to gain a realistic picture of their public policy engagement.

> ..in order to meet [our] mandate of 'radical social change', a more pro-active approach to social justice and change, and a re-focusing of funding priorities was required. - Catherine Donnelly Foundation (2013).

Overview of Canadian Grant-Making Foundations

Legally, registered charitable foundations in Canada include private foundations (e.g. Chagnon Foundation, McConnell Foundation, Maytree Foundation, Suncor Foundation) and public foundations (e.g. United Ways, Community Foundations, Ontario Trillium Foundation).[1]   Both private and public foundations are established as a corporation or trust for exclusively charitable purposes, and their income must not be used to personally benefit its members, shareholders, or governing officials (CRA 2015). These two designations are split roughly 50-50 between the two categories and are distinguished from each other by their source of capital as well as the degree of independence that exists between foundation directors (Imagine Canada 2014, p. 2) (See Table 1). Apart from their status as public or private foundations, for analytical purposes foundations can be subdivided into several types. These types include family foundations, independent foundations, corporate foundations and community foundations. Our focus here is on both private and public foundations and their engagement in the public policy process.

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[1] Note: the word foundation is not restricted in Canada and any organization can use the word foundation in their title. For example, a corporation could operate a foundation that has no relationship to a public or private foundation as defined by Revenue Canada. For the purposes of this research, only foundations designated as such by Revenue Canada will be studied.

Figure 1: Overview of the Foundation Sector
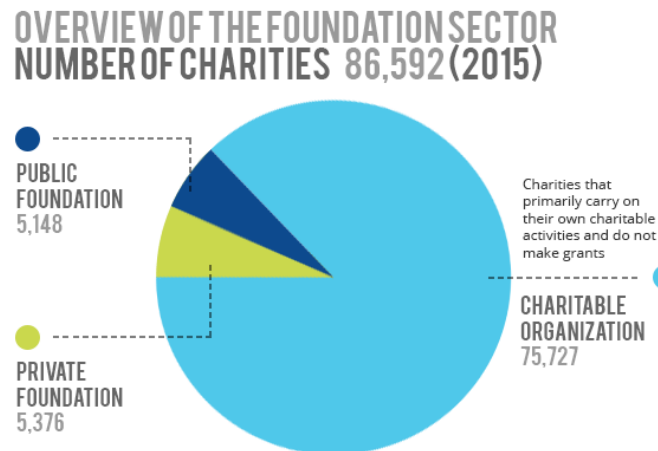
Source: (Canada Revenue Agency, 2015; Philanthropic Foundations Canada, 2015).

Table 1: Private and Public Foundations

Foundation	Activities	Governance	Funding
Private	Carries out its own charitable activities and/or disburses funds to qualified donees (e.g. registered charities) to a quota of at least 3.5% of assets	May have 50% or more of its governing officials at less than arm's length from one another	Generally receives the majority of its funding from a donor or group of donors that are not at arm's length
Public	May carry out its own charitable activities and/or disburse funds to qualified donees (e.g. registered charities) to a quota of at least 3.5% of assets	More than 50% of its governing officials must be at arm's length from one another	Generally receives the majority of its funding from a variety of arm's length donors

Source: (Canada Revenue Agency, 2015)

Our operational definition of policy builds on the work of Eugene Meehan (1985), namely that

"policy is an actor's (institutional or individual) guide to the conduct of action, particularly

collective action" (p. 293). Within this contextual definition, there is the expectation that the

actor has the capacity to produce change, to project future outcomes, to establish indicators of that change, to select a preferred outcome among available options, to initiate a plan of action, to establish a monitoring and feedback/ adjustment system, and that there is the capacity to operationalize the foregoing (Meehan, 1985).

Roles of Foundations – More than Money

Foundations are in a position to play a number of roles in the policy engagement process. These roles are not limited to any one stage in the policy engagement process, but could be exercised across the spectrum of policy engagement opportunities as circumstances and desired outcomes dictate. Foundations have considerable legitimacy, particularly if they are long-standing and actively engaged in focused charitable activities. This legitimacy can be used to broaden the acceptance of the importance of a particular cause, recruit other foundations, and to build a constituency of interests. This legitimacy is a reflection of the status of the foundation in their respective community or communities, and the social capital the foundation has acquired.

Convening capacity is another foundation asset. While certainly not exclusive to foundations, foundations are well placed to convene multi-sectoral actors, grantees, and the general public. An additional asset is a foundation's investment philosophy and strategy, which is often under appreciated. Some foundations, although not a great number to date, are using their investment portfolio to invest in change. That is, they are investing in market organizations that are manifesting the change they want to promote. Examples of such investments include recycling companies, employment assistance organizations or First Nations start-ups.

Public Policy Engagement

To frame this discussion paper we draw on, and blend two distinct models of policy analysis. The first is John Kingdon's "Three Stream" model of policy development and the second is Daniel Mazmanian and Paul Sabatier's *Advocacy Coalition Framework*, which focuses on policy implementation. In Figure 1, the first three columns reflect Kingdon's policy development framework, and the last two address phases in policy implementation.

While this model is based on different streams/stages in policy development, from initial issue identification to policy implementation and monitoring, these streams/stages overlap, and policy development is not a linear process. In addition, we expect to find that foundations are more involved in the first two stages of policy development. Finally, our goal here is to list examples from foundations for each of these different stages, but in many cases, a foundation's activities may fit into more than one of these policy stages (eg. policy research and implementation). Our goal here is not to provide a comprehensive analysis of a foundation's activities, but rather to provide a snapshot of how various Canadian grant-making foundations are engaged in different aspects of the policy process in order to "test" our analytical framework and identify areas for future research.

> In 2009 we launched the Open Health Initiative with a simple objective: How can we work with others to transform access to life-saving medicines? –Mindset Foundation

Three Stage Model of Policy Development

John Kingdon's "multiple streams" or policy stages, approach to framing policy development provides a means to explore the interrelationship of three "largely independent stages": problems, policies and politics (see Figure 1). The dynamic associated with these three stages and the extent to which they are synergistically linked at a point when a policy window opens determines whether advocates or policy entrepreneurs are in a position to press their positions and to succeed in effecting change (Kingdon, 1995).

The Problem Stage

The problem stage addresses the issue of why and how particular problems come to occupy the policy agenda. Included here are focusing events such as crises and disasters, feedback from current program operations, and availability of indicator data.

Figure 2: The Problem Stage (adapted from Kingdon)

Problem / issue Stage	Engagement Stage	Political Stage	Implementation Stage	Impact Stage
Policy research and Issue Identification (Kingdon's problem stream)	Policy entrepreneurship and convening (Kingdon's policy stream)	Program advocacy and issue resolution, political action (Kingdon's political stream)	Policy implementation, monitoring, and reinforcement (policy output)	Policy evaluation, impact and renewal

Foundations have made a significant contribution in supporting community groups, academic researchers and others in identifying the nature, scope and extent of societal issues. Examples of such issues include child poverty, housing for single mothers, First Nations education, food security, income inequality (e.g. Atkinson Foundation), and environmental and climate change impact. Producing sound statistical evidence regarding the extent of a problem helps to

legitimize it as a "real" issue that warrants further attention by communities or policy makers, while human stories concerning the impact of such issues are equally important for balancing the statistical narrative. In some cases it takes years before research can provide the results to model or support a policy position. This was the case in the recent announcement of the results of a substantial investment in Aboriginal education by former Prime Minister Paul Martin's aboriginal education foundation (Brown, 2015). In this instance four years was needed to clearly demonstrate that a substantive and dedicated investment in a model First Nations education program was having concrete results (O'Sullivan, 2015).

Having the right data is only the first step, albeit an important one. It is the interpretation of this data, not the statistics themselves (Kendall, 2000), and their relationship to existing or pending policy and political developments, that will ultimately determine their policy impact (Kingdon, 1995). Another example is a series of opinion polls commissioned by the Muttart Foundation entitled "Talking About Charities" (Lasby & Barr, 2013; Muttart Foundation, 2004, 2006, 2008). These polls address topics such as public trust in charities, the importance of charities for quality of life, how charities should use donations, charities' engagement in commercial activities, and the monitoring of charitable activities and advocacy. With respect to the latter, the survey investigates the public legitimacy of advocacy issues, advocacy methods, and opinions on advocacy regulations (Lasby & Barr, 2013),

Examples of problem/ issue stream tools:

- Conduct or fund primary research or polling survey on an issue

- Conduct or fund reviews on existing research, policies and practices

- Conduct or fund the identification of "best practices"

- Conduct or fund the dissemination of research and review findings through social and mass media, reports, and deputations

- Conduct or fund a forum to discuss an issue and its policy and program implications

- Conduct or fund a forum to identify constituencies with a shared issue

The issue identification process may occur quite independently of a dedicated policy initiative . For example, the existence or extent of an issue, whether poverty, homelessness, or an environmental pollutant may be identified through foundation funded research, only to be pick-up by an advocacy group and used to support a case for policy change. In the same way, a policy analyst or policy assistant within government may be assigned the task of preparing a policy briefing note and use foundation-funded research in the process. On the other hand a foundation could fund a local food bank to determine the demographics of users in order to assess the need for a comprehensive homeless prevention or school breakfast policy.

The use of scientific and technical information can vary according to the degree of conflict associated with an issue. High conflict situations see a greater degree of protection of information, with less or no sharing of scientific and technical information among coalitions;

whereas this sharing does occur when the policy issue is less controversial and developed in a more collaborative policy climate (Weible, Sabatier, & McQueen, 2009).

Communities may suspect that there are toxins in their soil, an unacceptable level of homelessness, or poor high school leaving rates, but lack the resources to identify the key elements of these issues at a local level, and any potential causes and solutions. Foundations can play a crucial role in helping community organizations identify, verify an legitimize these issues either through funding research directly or funding a charity to undertake research activities, literature reviews, or best practice profiles, and by providing the means to support widespread dissemination of these research findings, as well as venues for discussing results.

Canadian examples of foundations-in-action:

- *Atkinson Foundation*: The Atkinson Foundation is a major funder of the [Canadian Index of Well-being](#) at the University of Waterloo, which aims to produce solid research in order to inform policymakers and the general public about issues affecting Canadians' well-being.

- *Laidlaw Foundation*: The Laidlaw Foundation's [Strategic Plan 2013-18](#) prioritizes direct research about issues facing young people in order to inform the foundation's policy position. In addition, their [Nathan Gilbert Youth Innovation Fellowship](#) supports projects that inform policy priorities, fill research gaps, support professional development, and ensure young people's involvement in the policy process.

- *Lawson Foundation*: Since 2007 the Lawson Foundation has provided funding for [Active Healthy Kids Canada](#) for producing and disseminating their [Annual Report Card on the Physical Activity of Children and Youth](#), which is used by policymakers across Canada. The Report Card has influenced several countries to produce similar reports, and led to the first ever [Global Summit on the Physical Activity of Children](#) in 2014.

- *Muttart Foundation* – Since 2000 the Muttart Foundation has conducted its "[Talking About Charities](#)" public opinion polls regarding the charitable sector and issues affecting charities.

- *Community Foundations of Canada*: The CFC has provided funding and leadership for the creation of the Lake Winnipeg Watershed Initiative – a regional collaboration between community and private foundations that aims to improve conditions in the Lake Winnipeg watershed.

The Policy Stage

The policy stage, in which policy alternatives are generated and championed by advocates, has been likened by Kingdon to a policy primordial soup in which a variety of combinations and permutations of ideas float around until the right combination of (1) technical feasibility, (2) congruence with community values, and (3) anticipation of future constraints, is reached (Kingdon, 1995). Some of these policy stages are predictable, such as budget consultations, a pending Throne Speech, or an election cycle, but they can also be triggered by media attention to an issue (e.g. outstanding health and support payments to thalidomide survivors (Chase & Peritz, 2015). Most policy analysts will concede that much of the work of putting viable policy options in front of decision makers is both an art and a science. The art is associated with hitting the right note at the right time with the right person. This requires well tuned human relations skills and an appreciation for the agency inherent in decision makers. Broadly speaking, the science is the study of policy legacies, constituencies, and platforms, combined with the capacity to frame a given issue and policy option in the context that is most relevant to those in power.

Figure 3: the Policy Stage

Problem / issue Stage	Policy Stage	Political Stage	Implementation Stage	Impact Stage
Policy research and Issue Identification (problem stream)	**Policy entrepreneurship and convening (policy stream)**	Program advocacy and issue resolution, political action (political stream)	Policy implementation, monitoring and reinforcement (policy output)	Policy evaluation, impact and renewal

This stage often features the work of "policy entrepreneurs": those who work to propose a particular policy option and advocate for its adoption. A proposed carbon tax, zoning by-law changes, the preservation of green space, equitable and affordable access to sports, housing, and healthy foods are a few areas where several policy options, incremental or otherwise, can be under consideration at any given time. For example, the Muttart Foundation and other nonprofit sector leaders played a significant role in proposing the federal Voluntary Sector Initiative (2000-2005) as well as the Voluntary Sector Accord (Elson, 2011) to strengthen the relationship between the voluntary sector and the federal government. In addition the Muttart Foundation played a key role in organizing opposition to the Alberta Lobbyist Act (Shakleford, 2010). Any policy option, or steps to support its development, including convening groups, are considered charitable activities as long as the position is reasoned and takes alternative options into account. If the decision makers are also considering alternative solutions, then analyzing the alternatives is an important contribution to any debate.

> Systemic poverty is an unjustifiable burden to millions of people, which results in paralyzing costs to society. It perpetuates a vicious cycle by limiting opportunity and repressing the human spirit. The correlation between poverty and most serious social problems is a stunning indictment of society's continuing toleration of poverty – Maytree Foundation

Examples of policy entrepreneurship and convening:

- Conduct or fund a policy "think tank"

- Conduct or fund analyses and/or pilot projects on policy options

- Conduct or fund the targeted dissemination of policy research

- Conduct or fund a legal challenge to existing policies that contravene the Charter of Rights and freedoms

- Build or fund a network of common policy interests

- Make deputations to MPP, MP, Standing Committees etc.

- Conduct or fund social and mass media access to policy researchers, advocates, and polling data.

Foundations can exert their influence as well as their pocketbook. Jason Franklin (2014), researching the role of foundations in public policy in the USA reports that foundations can help to "channel" support for an issue by giving the issue priority within their own funding portfolio and providing the means for these resources to be leveraged by others to build even more support.

Similarly, foundations can provide not only financial support, but their own credibility and reputation to the public policy process (Franklin, 2014). The community standing or social capital of a public or private foundation, whether separately or acting in concert, is an important dimension of building credibility around an issue that would otherwise be ignored or minimized.

Third, foundations build new connections or strengthen existing connections between advocates: through convening meetings which are highly attended because of advocate desires to build relationships with funders, but which subsequently build relationships between advocates; through directly funded partnerships or collaborations; through simple identification of one another as fellow grantees, combined with the role of grantors as advocates (Franklin, 2014).

Fourth, foundations can (but often don't) bring an array of other resources to their grantees beyond funding for policy work, credibility, and connections. These include opportunities for leadership development or added resources for infrastructure development. Long-term these other capacity building effects strengthen individual actors and entire sectors or coalitions to better achieve their policy goals (Franklin, 2014).

Fifth, the decision by a major foundation to enter into a policy arena and begin funding can have an accelerating effect on policy movement as new resources enable increased work by existing actors. This momentum creation is often experienced alongside other foundation influences as described above – for example, the development of a women's rights movement was already long underway in the USA before the Ford Foundation began actively funding to support it, but its engagement offered both new networking opportunities and capacity building as well as a more general push to speed up efforts to secure equal rights (Franklin, 2014).

Our current strategic priority is to support projects which educate Canadians about public policy and practice alternatives – Max Bell Foundation

While these tools for policy engagement are applicable as a public policy initiative gets underway, they can be equally valuable in the political stage and the implementation and impact stages. Susan Phillips, recently studying the place-based leadership role of Canadian community foundations, came to the conclusion that Canadian community foundations are not embracing their role as change makers as much as their asset base would predict. Other key informant observes that the same could be said of private foundations (Personnel communication, April 7, 2015). Phillips saw no evidence of engagement by community foundations in public policy, reporting that community foundations prefer to leave this to others, not wishing to get on 'the wrong side' of a complex issue and lose donors (Phillips, 2014). This lack of engagement could be due to a lack of risk tolerance, but a clearer view of the continuum of public policy engagement is also warranted in our view.

Canadian examples of foundations-in-action

- *Graham Boeckh Foundation*: The Graham Boeckh Foundation's TRAM initiative promotes the formation of a pan-Canadian network that brings together patients, family representatives, policy makers, service providers and community organizations in applying evidence-based research to improving services for youth with mental illness.

- *Max Bell Foundation*: Since 2008, the Max Bell Foundation has organized a Public Policy Training Institute, training charity leaders on how to impact public policy; they also hosted a 2011 conference on the voluntary sector's contributions to public policy. Additionally, they have funded organizations engaged in research aimed at policy reform, such as the CD Howe Institute and the Pembina Foundation for Environmental Research & Education (see also below).

- *Maytree Foundation*: The Maytree Foundation directly funds the Caledon Institute of Social Policy, a policy "think tank" that conducts primary research on policy issues and engages in policy monitoring and other activities. Additionally, their 2012-13 Building Blocks Program – How Government Works – trained community leaders on how they can impact government decisions.

- *Tides Canada*: The Tides Foundation has provided funding for numerous organizations engaged in policy research and advocacy, including the [Canadian Centre for Policy Alternatives, Dying with Dignity, and Ecojustice, and has initiated the policy-oriented collaborative project Organizing for Change.](#)

- *United Way of the Lower Mainland*: Since 2011, the United Way of the Lower Mainland has held a [Public Policy Institute](#) in order to educate leaders from BC's non-profit sector on how they can impact public policy.

The Political Stage

The political stage, independent of problem recognition or policy proposals, flows with its own dynamics and rules. Pending retirements, leadership changes, provincial and/or federal elections, and external socio-economic pressures can all foster a political climate that is conducive to change or retrenchment (Kingdon, 1995). However, in a broader context, most of the factors that structure relationships in civil society are, and will likely continue to be, determined by historical and socio-cultural factors and the political dynamic within individual countries (Deakin, 2001).

Given current political activity reporting requirements, combined with the 10 per-cent rule, inherent CRA bureaucratic secrecy, and the discretion afforded organizations that advocate on behalf of issues favourable to government policy, it's of little surprise that the current situation has been described as an "advocacy chill" for charities and foundations engaged in legal dissent and social justice issues (Carter & Rains, 2015; Harvey, 2002).

Figure 4: The Political Stage (Kingdon)

Problem / issue Stage	Policy Stage	Political Stage	Implementation Stage	Impact Stage
Policy research and Issue Identification (problem stream)	Policy entrepreneurship and convening (policy stream)	**Program advocacy and issue resolution, political action (political stream)**	Policy implementation, monitoring and reinforcement (policy output)	Policy evaluation, impact and renewal

According to Kingdon, policy changes occur when two circumstances converge. The first circumstance is when the political system provides a consolidated base of authority for policy action (Tuohy, 1999), such as a policy mandate from the electorate. The second is when substantial change to a particular policy has a high priority within the broader policy agenda of those who command the levers of authority (Tuohy, 1999), such as a perceived security risk or an economic crisis; so that a commitment to policy change must be elevated and sustained by key political actors (Brock, 2002; Johnston & Stapleton, 2010).

While the political stage is only one of five policy development and implementation stages outlined here, it is no doubt the most contentious. Political activity issues arise because a foundation or charity can be challenged not only for what they say, but also how they say it and how much they say. As outlined by charity lawyer Terry Carter in a recent paper on separating fact from fiction regarding political activity by charities:

> It is important to differentiate between the political maneuverings of those who created the current climate and those tasked with undertaking the administration and enforcement of the Budget 2012 initiatives. As well, CRA itself is effectively absent from the debate, due in large part to the confidentiality provisions of the ITA, which prevent CRA officials from disclosing taxpayer information except in certain circumstances.

Despite the stated importance of charities needing to be part of public policy debate in Canada, the federal government's unjustified allegations in recent years about charities purportedly misusing their statutory right to participate in political activities, fewer charities are prepared to enter the risky arena of political activities. This is a regrettable development notwithstanding recent efforts at providing educational resources about what registered charities can do with regard to political activities (Carter & Rains, 2015 pp. 8).

Examples of operating or funding political activity (assuming the 10% limit resource allocation)

- *Explicitly* communicate a call to political action (e.g. encourage the public to contact an elected representative or public official and urge them to retain, oppose, or change a law, or policy).
- *Explicitly* communicate to the public that the law, policy, or decision should be retained (if the retention of the law, policy, or decision is being reconsidered by a government), opposed, or changed;
- *Explicitly* indicate in materials (whether internal or external) that the intention of the activity is to incite, or organize to put pressure on, an elected representative or public official to retain, oppose, or change the law, policy, or decision of any level of government in Canada.

Source: Canada Revenue Agency

Engagement in political activities is absolutely legal and necessary at points in the public policy process. That's not to diminish the advocacy "chill" that has descended on foundations since the 2012 federal budget. Yet foundations, more than any other registered charity, are independent of government favours and funding. As noted above, foundations, within their 10 percent allowance, are able to engage in political activities. We would be as bold as to state that not only are foundations able to engage in political activities, but it is important to people and communities in need and other registered charities that they do so. A detailed analysis of political advocacy and the role of grant-making foundations is found in a sister document to this discussion paper by Adam Parachin.

Canadian examples of foundations-in-action

- *Catherine Donnelly Foundation*: The [Catherine Donnelly Foundation](#) is funding [Ecojustice](#) to pursue an environmental rights agenda for Canadians through precedent-setting legislation, strategic law reform, and outreach and public engagement. It also funds organizations like [Environmental Defence](#), which is calling on the public to take action on issues such as toxins, microbeads, and clean energy by contacting government officials. Other initiatives they support address core issues in housing (e.g. youth homelessness) and adult education.

- *Collective Action*: On March 11, 2015 an unprecedented open letter was published in *Le Devoir* (en français), entitled "[*The Risks of Fiscal Discipline*](#)" (Fondation Béati et al., 2015). Signed by nine of Quebec's largest foundations, the open letter was a call for the provincial government to take into account the impact of their proposed fiscal restraint on the lives of individuals, families, communities and society at large.

- *Maytree Foundation*: The Maytree Foundation has published open letters to the [Government of Ontario](#) and [Prime Minister](#) making concrete recommendations for the economic integration of immigrants.

- *Schad Foundation*: The [Schad Foundation](#) was instrumental in convincing the Ontario government to ban the spring grizzly bear hunt; however, it has since stopped its political advocacy activities due to the controversy that ensued, which led to [CRA audits of the foundation's activities](#).

- *Representative Action*: Private foundations, as do community foundations, contribute to their representative organizations, the Philanthropic Foundations Canada and the Community Foundations of Canada respectively. This funding has helped Philanthropic Foundations Canada advocate for changes in the capital gains exemption for donations to private foundations. This change appeared in the 2007 federal budget.

The Implementation Stage

The policy implementation stage is the extension of the "Three Stages" model into the Advocacy

Coalition Framework (ACF) first introduced by Paul Sabatier and Daniel Mazmanian in 1979

(Sabatier & Mazmanian, 1979). While beyond the scope of this paper, the ACF provides the

opportunity to address the following four policy implementation issues: 1) the extent to which the actions of implementing officials and target groups are consistent with the objectives and procedures outlined in the policy decision; 2) the extent to which policy objectives were attained; 3) the principal factors affecting policy outcomes and impacts; and 4) how the policy was, or was not, reformulated. In addition, the ACF provides a conceptual framework to address policy implementation issues within a broader socio-economic context.

According to Mazmanian and Sabatier, the crucial role of implementation analysis is to identify the variables that affect the achievement of the policy objectives throughout the entire process. These variables can be divided into three broad categories: 1) the *material* variables associated with the problem(s) being addressed; 2) the *structural* dimensions which influence the implementation process; and 3) the net effect of a variety of *contextual* variables to support the policy [my emphasis]. These three independent variables are applied by Mazmanian and Sabatier to five stages of policy implementation. They have been consolidated across two stages in this expanded policy stage model, namely policy implementation or output and policy impact.

Figure 5: The Implementation stage (Sabatier and Mazmanian)

Problem / issue stage	Policy stage	Political stage	Implementation stage	Impact stage
Policy research and Issue Identification (problem stream)	Policy entrepreneurship and convening (policy stream)	Program advocacy and issue resolution, political action (political stream)	**Policy implementation, monitoring, and reinforcement (policy output)**	Policy evaluation, impact and renewal (policy impact)

Material Variables

Material variables apply to the core intent of the policy. Small and well defined policy changes are easier to support, politically, and have a greater chance of achieving success (Mazmanian and Sabatier, 1983). On the other hand, significant and complex changes require less focused regulations and much greater discretion on the part for implementing officials.

Structural Variables

There are seven structural variables which influence policy implementation: 1) clear and consistent objectives; 2) incorporation of an adequate causal theory; 3) hierarchical integration within and among implementing institutions; 4) decision rules of implementing agencies; 5) recruitment of implementing agencies; 6) formal access by outsiders; and 7) the initial allocation of financial resources (Mazmanian and Sabatier, 1983).

Contextual Variables

Legislators provide support to policy implementation by controlling: 1) the amount and direction of oversight; 2) financial resources; and 3) the introduction of new, and possibly conflicting, policies (Mazmanian and Sabatier, 1983).

One key variable which directly affects policy output is the recruitment of leaders for the implementing agencies. These leaders need to possess substantial managerial and political skill and be committed to the policy goals. These policy 'fixers' go beyond what would normally be expected of their position and available resources, to ensure that as much policy implementation as possible takes place.

Examples of policy implementation, monitoring and reinforcement:

- Conduct or fund an ongoing policy implementation and monitoring process

- Conduct or fund monitoring and assessment of the implementation of policy

  regulations and governance structures

Canadian examples of foundations-in-action

- *Lucie and André Chagnon Foundation*: the Chagnon Foundation has partnered with the Quebec government to promote early childhood development, healthy lifestyle habits, and student retention as in the Québec en Forme project.

- *Friends of the Greenbelt Foundation*: Founded in 2005, following the Ontario Government's establishment of a provincial greenbelt, the Greenbelt Foundation provides support to projects that aim to preserve the greenbelt area. The foundation received a one-time $25 million grant from the Ontario government to support grant-making and operations (2006 Annual Report).

- *Maytree Foundation*: Funded by the Maytree Foundation, the Caledon Institute of Social Policy launched its Policy Monitor in 2008, which monitors government policies at the federal, provincial/ territorial, and municipal levels.

The Impact Stage

Beyond the material and structural aspect of policy implementation, a policy needs a periodic political boost to maintain its visibility and relevance in a changing socioeconomic climate. Policy objectives should not be undermined by the emergence of conflicting public policies (Mazmanian and Sabatier, 1983). Further, changes in the resources and attitudes of external stakeholders play a role (Mazmanian and Sabatier, 1983). Strong intermediary organizations need the membership, resources, and expertise to position themselves as legitimate and

necessary participants in the policy implementation process.

There are five stages of policy implementation presented by Sabatier and Mazmanian: 1) policy outputs (decisions) of departments; 2) compliance of internal and external target groups with those decisions; 3) actual impact of agency decisions; 4) perceived impact of those decisions and 5) the political system's revision of the original policy (Mazmanian and Sabatier, 1983). This process can be broken down into two stages: the first three steps address policy output; and the latter two address the long-term political system's relationship to the policy, or policy impact.

> The Foundation's grantmaking is intended to foster a more resilient Canada: not to involve, but to engage; not to recreate, but to innovate, not to solve, but to transform systems.
> – McConnell Foundation

Figure 6: The Impact stage (Sabatier and Mazmanian)

Problem / issue stage	Policy stage	Political stage	Implementation stage	Impact stage
Policy research and Issue Identification (problem stream)	Policy entrepreneurship and convening (policy stream)	Program advocacy and issue resolution, political action (political stream)	Policy implementation, monitoring and reinforcement (policy output)	**Policy evaluation, impact and renewal (policy impact)**

Careful and on-going monitoring of policy impact is critical to ensuring that policies are implemented as intended, unforeseen consequences are identified and addressed, and policy modifications are made in line with contextual changes to ensure on-going compliance and implementation. Foundations can play an important role in supporting the independent and on-going monitoring of successful policy indicators. These indicators in turn can be an important

barometer for adequate funding levels, statutory compliance, bureaucratic consistency, political support and sustained problem resolution.

Examples of policy evaluation, impact and renewal

- Conduct or fund an ongoing policy implementation and monitoring process

- Conduct or fund monitoring and assessment of the implementation of policy regulations and governance structures.

- Conduct or fund longitudinal research on the societal impact of policy changes

- Conduct or fund a mid-term policy impact review

Canadian examples of foundations-in-action

- *Neptis Foundation:* the Neptis Foundation conducts and disseminates research on the subject of urban and regional planning in Canadian cities. Among other initiatives, the foundation produces policy evaluations related to urban development in the Greater Toronto Area, such as their 2013 report on the implementation of the Ontario government's Growth Plan for the Greater Golden Horseshoe.

- *Sharp Foundation* and *Metcalf Foundation*: both the Sharp and Metcalf foundations have provided support for Keep the Promise, a 2-year campaign that aims to reignite the Canadian government's commitment to ending child poverty.

Figure 7: The Public Policy Stage Framework

Problem / issue Stage	Policy Stage	Political Stage	Implementation Stage	Impact Stage
Policy research and Issue Identification (problem stream)	Policy entrepreneurship and convening (policy stream)	Program advocacy and issue resolution, political action (political stream)	Policy implementation, monitoring and reinforcement (policy output)	Policy evaluation, impact and renewal

Discussion

This paper was developed to initiate a discussion between academic researchers and grant making foundations across Canada regarding engagement in public policy. The schematic presented here presents a wide range of interventions and process elements associated with public policy development and implementation. Above all, notwithstanding the cyclical nature of policy development, we hope we have put the political stages associated with policy development in its appropriate context.

From our initial and preliminary analysis of the engagement of grant making foundations in public policy, we are of the view that this is a rich area for further investigation. First, there is no evidence of any systematic Canadian-based research on the full scope of public policy engagement by foundations, from issue identification to impact assessment and policy renewal. It is telling that literature from the USA is a primary source of information regarding public policy engagement by foundations. Obviously, foundations in the USA are larger and more numerous, but this doesn't account for the lack of engagement analysis in Canada. There is also an active foundation public policy community in the UK, particularly the Joseph Rowntree Foundation, which is dedicated to "Inspiring social change" and the Baring Foundation and their work in sustaining the independence of the voluntary sector. The UK also hosts a sister foundation to Community Foundations of Canada, the UK Community Foundations and Philanthropic Foundations Canada, the Association for Charitable Foundations.

Second, there appears to be a wide variance in the degree of understanding and level of comfort with assisting, engaging, and funding public policy activities, although this is yet to be confirmed. The highly charged and sometimes volatile arena of political activity, particularly in an election year, is only one of many legitimate charitable activities in which a foundation can become engaged. We do not know the extent to which foundations engage in the range of legitimate, charitable activities that support policy development and implementation.

Third, foundations have several tools at their disposal to provide support to public policy activities, of which only one is funding. As important as funding is, direct operational investments, social capital (e.g. reputation and legitimacy), and convening capacity are also important tools.

As Alan Northcott outlined in his preface to the 2014 special issue of the Philanthropist on public policy, foundations have at least three reasons to engage in public policy. The first is to act to sustain and defend, if necessary, democratic values; second, foundations and charities alike have sound policy advice to give policy makers; and third, governments at all levels need good advice (Northcott, 2014).

Feedback:

We would like to propose three questions for further consideration:

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1. Does this policy stage analysis framework have the potential to capture grant making foundation's public policy activities?

2. How engaged are Canadian grant making foundations in the public policy process?

3. What is the relationship between Canadian grant making foundations, societal change, social innovation, and public policy engagement?

Next Steps:

1. Conduct webinars on policy engagement sponsored by CFC and PFC to gain feedback on this discussion paper.

2. Conduct an analysis of T3010 data related to public policy (political) engagement.

3. Identify foundations to engage in a series of case study interviews pertaining to their role in each of the five policy stages.

4. Conduct a broader survey of foundations pertaining to their public policy engagement.

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