



Great Lakes
Protection Fund

Impact Strategy: 2024 – 2028



Introduction

The Great Lakes Protection Fund is a permanent, private, not-for-profit corporation that launches innovative solutions to the threats to Great Lakes ecosystem health. The Fund's mission is to "identify, demonstrate and promote regional action to protect and restore the health of the Great Lakes basin ecosystem." Its permanence, focus on innovative catalytic solutions, state share program that returns annual dividends to member states, and its standing as a private, mutual-benefit membership corporation distinguish it from every other entity addressing Great Lakes issues.

The Fund is chartered to last in perpetuity. It must make responsible choices about the endowment, the Fund's programming, and its future. The endowment must generate returns for its mission while avoiding unnecessary financial risks. Programming must stay tied to the shared priorities of its member governors, be laser-focused on Great Lakes' impact, and take risks commensurate with the substantial returns anticipated. We build sustainable practices that create value not only for the ecosystem but also for those who live in, work in, and depend upon the waters of this region.

As we have throughout our near four-decade history, the Fund is accelerating the restoration and protection of Great Lakes' health. Over the next five years, we are launching new technologies, better management and operating strategies, and novel financing solutions. Our energies are focused on the governors' shared priorities for the basin, emphasizing efforts to manage the basin's water resources better, ensure healthy waters on working lands, and launch new sustainability strategies. The Fund is dedicating over \$20 million to these efforts. We are more deeply engaging our expanded advisory network, changing the mix of projects we support, and exploring new ways to drive impact.

The Fund network includes the Great Lakes community, our funding partners, the teams we support, and the innovation community. We are expanding that network for four reasons. First, to attract talented people—especially those with nontraditional backgrounds—with compelling ideas for improving Great Lakes ecosystem health. Second, to strengthen ambassadorship and advocacy for the Fund's work. Third, to accelerate adoption of the new solutions our supported teams pioneer. Fourth, to ensure that our work benefits all residents, independent of race, class, or historic discrimination, by including those voices. We are growing our presence in new and traditional media, better connecting with the communities in which we work (and hope to work), and helping our teams tell their stories and increase the impact of their innovations.

The Fund continues to strive for excellence in our operations and governance. We will continue to drive inclusivity, equity, and diversity in what we do. We are a unique corporation and govern ourselves in accord. We will maintain our excellence as fiduciaries, improve how we consider new ideas and strategies, and become a better partner with the basin community, our advisors, applicants, and funded teams.



The Fund

The Fund was conceived in a time of unprecedented cooperation among the states that share the Great Lakes. Together, the states:

- formed the Council of Great Lakes Governors as a gubernatorial forum on shared trade, economic development, and environmental issues (1982);
- created the Center for the Great Lakes—a regional think tank on Great Lakes issues (1983);
- adopted the Great Lakes Charter—a framework to manage significant new consumptive uses of Great Lakes water (1985); and
- adopted the Great Lakes Toxic Substances Control Agreement—to better identify and manage the risks of toxic pollutants (1986).

The Fund was created in 1989 to help advance the purpose of the Great Lakes Water Quality Agreement, namely, "to restore and maintain the physical, chemical, and biological integrity of the waters of the Great Lakes Basin ecosystem." The Fund identifies promising catalytic, transformational solutions to systemic threats to the health of the Lakes and financially supports teams that launch, refine, and expand the reach of those new strategies.

The states invested \$81 million of public funds in the Fund's endowment. Those public funds cannot be spent. The endowment generates income to operate the Fund and support two funding streams. Two-thirds of the endowment's net income finances regional efforts in pursuit of our mission. The remaining third is a dividend for member states to support their individual and more local Great Lakes priorities.

Because the Fund is not a charitable foundation, we use a variety of mechanisms to accomplish its mission that are not available to government or philanthropy. In pursuit of its mission, the Fund may:

- form or control for-profit and not-for-profit corporations;
- partner or participate in new for-profit or not-for-profit ventures;
- retain and/or profit from any inventions derived from Fund support; and
- may support private corporations and individuals—provided that it ensures that it does not cause private inurement (excess benefit).

Member governors elect a multi-sector, citizen board of directors to govern the Fund. Among other fiduciary duties, the board must ensure that the Fund does not lobby in any way (a more restrictive limitation that charitable foundations or typical not-for-profits face), does not set standards, levy fines, or engage in any activity the purpose of which is to regulate. These restrictions apply not only to day-to-day Fund operations but also to any activity we support.



Our Mission

Identify, demonstrate, and promote regional action to protect and restore the health of the Great Lakes basin ecosystem.

Our Vision

The Great Lakes, and the waters that feed them:

Are free of toxic substances and other materials that cause harm, nuisances, or otherwise limit their beneficial use,

Support self-sustaining populations of native and naturalized species, and are free of harmful invasive species, and

Have water at the right places, at the right times, and in the right amount to sustain natural and human needs.

Further, that a healthy Great Lakes basin ecosystem is sustained by:

Communities that are healthy, resilient, prosperous, and sustained by the Lakes,

A vibrant economy that uses and benefits the Lakes,

Governments that focus on Great Lakes health outcomes, and

People that value, protect, and enhance Great Lakes health.



Our Values

The Fund and its supported teams build new, ambitious solutions to complex, often intractable problems. Project teams are strongest when they include all interests affected by the solution being developed, including those not historically involved in "environmental" activities. This is challenging work, and we stand by these values in undertaking it.

The Fund's income is tied to the economy's health and the activity of capital markets. Market conditions will change, these values will not.

Mission First

We are deeply committed to improving the health of the Great Lakes ecosystem and pursuing that impact drives everything we do. A healthier ecosystem benefits people, communities, and the region's economy. We value diverse voices, experiences, and perspectives in carrying out that mission. We are here to make a difference.

Transformational Change

We take intelligent risks to advance new solutions and forge new paths in pursuit of ecosystem impact and the public benefits that flow from them. We look to drive significant change—impact measured in powers of ten, not in multiples of 2 or 3. These changes benefit all the region's people, regardless of race, ethnicity, income level, or other factors that have disadvantaged some.

Responsibility

We are responsible stewards of the permanent endowment, committed to our fiduciary duties, and accountable to our member governors, partners, and each other.

Openness to New Ideas

Catalytic solutions are our business, and we are open to all new ideas that drive significant ecosystem impact.

Respect and Integrity

We honor our commitments; we respect the time, effort, and abilities of applicants, volunteer experts, and advisors; we support our partners; and we seek diverse voices, experiences, and perspectives. We expect excellence—not perfection—in our work.



What Makes Us Different

In our three and a half decades of operating experience, the Fund has supported work involving thousands of people and has benefited millions of basin residents and businesses. We have learned what can work, what we do best, and what others do better.

The Fund uniquely combines the following differentiating traits. We are:

A Permanent, Region-wide Actor

We are a permanent endowment focused on regional actions—that states must do together—to improve the health of the Great Lakes basin ecosystem.

Whole-System Focused and Impact-Driven

We focus on protecting and restoring the entire Great Lakes basin ecosystem's physical, chemical, and biological integrity. We build projects that turn great ideas into practical, high-impact solutions at the whole-system scale.

A Risk-Taker and Game Changer

Our business is launching better ways to take care of the Great Lakes. We take intelligent risks— where others can't or won't—to drive progress. We emphasize transformational, systemic change.

A Collaborator

We bridge diverse interests to create disruptive and durable change. Our work is shaped by diverse voices, respects all parties, and succeeds because team members support one another when operating outside their comfort zones. We engage and fund across public, private, and not-for-profit sectors to advance our mission. We aim our work to operate at the intersection of a robust regional economy and a healthy ecosystem.

An Impact Multiplier

The innovations launched by our supported projects make the work done by the private sector, basin governments, and civil society more effective, less expensive, and yield impact more quickly.



How We Create Impact

The Great Lakes Region is ready for a new generation of water systems. As we have fashioned the land around us, we have changed the water systems of the Great Lakes. No part of the hydrologic cycle is unaffected by humans. Rain carries pollutants from distant places. Farm chemicals from Iowa pollute Lake Superior. Toxic air emissions from across North America contaminate Lake Ontario. Within our cities, natural water systems—wetlands, streams, and even groundwater—have been replaced with manufactured pipes, sewers, and storage basins. Even in places that seem natural, like rural areas, the patterns of water movements in streams are as altered as in urban areas. Rural areas, particularly those with extensive row crop agriculture, are drained by field tiles (and public drains) that replicate the function of storm sewers in urban areas—moving water away from the land as quickly as possible after the raindrops fall. Our coasts—facing the lakes and in our harbors and river-mouths—are threatened by increasingly rapid and less predictable changes in water levels, stronger storms, and outdated strategies to harden them against natural changes.

Basin residents have enjoyed and come to expect the benefits of our current, even if somewhat altered, water systems. These changes have made our land productive, our coasts valuable, our cities attractive, and our region appealing to water-intensive industries. Frequently, specialists and experts led and still lead these systems. There are established cultures, institutional relationships, rules of thumb, and ways of doing business that reinforce a status quo anchored mainly in the past.

The region's water systems are not ready for the new demands they are now beginning to face. Heavier rains—the face of a changing climate—are the "new normal," as are the runoff-related problems of harmful algae blooms, closed beaches, and degraded water quality. Some of our built water infrastructure—such as public water supplies in some older urban areas—is too large; other parts—like the drainage systems in those same urban areas—are too small. Our coasts are "armored" against the challenges of another era. Other parts of the water system, such as rural drainage networks, are struggling to move water off fields fast enough and are a pathway for nutrients and sediments to enter the Lakes. Sewer, water, and drainage rates cannot support the maintenance and new capital expenses many managers feel are necessary. Many citizens cannot afford the current rates, much less the new investments needed to meet these challenges.

The Great Lakes Region, which led the way in building the last generation of water systems, needs to lead again.

Changes to our current water systems must speak to, shape, and be shaped by the multiple values that water provides. Yet not all our water values are aligned. Presently, some of the norms that drive important water choices—engineering, cultural, and regulatory rules of thumb such as designing to "historic" precipitation patterns, farmers' preferences for high yields over high profits, a pollution-control-orientation in government programs (as opposed to biological and hydrological outcomes), and the general perception, especially among those in the water profession, that water services should be invisible—can limit how, and how quickly, our water systems adapt to new uses, new users and a changing climate.

The region, and the US more generally, are full of legacy water institutions dominated by cultures, strategies, and rules crafted for a different era. The top-down, command-and-control scheme in urban



and industrial settings has been matched by a top-down, negotiate-and-subsidize system in rural settings. Both schemes have delivered impressive results based on driving the adoption of approaches that are now well known. Institutions operate in silos. Water supplies are managed separately from wastewater treatment. Urban water is managed independently from the headwaters in rural areas. The people who benefit from them do not always understand the language (or culture) of water systems. Engineering and legal terms dominate this language, not the values of the region's citizens. Beyond language, we need to be sure that our water systems do not perpetuate injustice, harm disadvantaged populations, or otherwise increase inequity.

We have a once-in-a-generation opportunity to support new leaders, new ideas, and new operating models to create ecological wealth by harnessing—and accelerating—important changes underway. The water workforce is aging, and new leaders are emerging. New resources are starting to flow toward water systems, even though the investment need is great. New technologies make it easier and less expensive to operate infrastructure. Major players in the food system have signaled their interest in backing changes that drive soil, water, and climate health. New farmers are bringing new ideas to old operations. And the region is shifting its industrial mix, redeveloping its coasts, and attracting new industry.

The Fund will not drift from our mission—ecosystem health is our original and permanent focus. However, we will expand the means we use to achieve that end.

The Fund looks to support collaborative efforts that include new voices, new actors, and new ideas. Project teams will increasingly target multiple values in their work—including jobs in urban areas, "found revenue" in water operations, increasingly affordable water service, better quality of life, improved farm profitability, unlocking the regenerative economic uses of water, and expanding entrepreneurial opportunity tied closely to water will shape the actions in our portfolio. Ambition, patience, persistence, and repetition are needed to drive the basin's next generation of water systems.

Our Innovation Portfolio

The Fund will launch and sustain an innovation portfolio to speed this transition. Working in places, taking concrete action, and actually changing water systems (even if initially on a small scale) will be the core of this innovation ecosystem. On-the-ground and in-the-water work will be supplemented with support for this emerging community of practice: such as periodic workshops to exchange lessons, targeted support for marketing, outreach and storytelling, and other services. We will create the building blocks for a better future for our region.

Our Strategy: How we work. Over the next five years, the Fund expects to invest over \$20 million in new team-driven innovation, better engage critical audiences, and drive excellence in how we govern and manage the corporation. The new technologies, practices, and financing mechanisms that emerge from this programming will reduce nutrient and toxic pollution, restore more natural flow and sediment regimes, improve groundwater and surface water interaction, and advance our ecosystem's health and resilience. People living, working in, and depending on our region will benefit from a healthier ecosystem.



We build and maintain a portfolio of team-based projects that launch new catalytic solutions. We emphasize new approaches that drive increasing impact over time. Successful solutions attract new resources provided by an expanding set of users by opening up new markets, shifting policy, and attracting other entrepreneurs who improve on what our teams pioneer. We are not in the clean-up business but in the business of making new solutions so that actions to protect and restore the Lakes are more straightforward, faster, and less expensive.

We focus on projects that:

- can make a significant, transformative impact by taking concrete action,
- launch genuinely new, plausible, and catalytic solutions,
- are designed and executed by a team of collaborators involving all interests in the new solution,
- address a market—even if latent, policy opportunity or other tipping point that can be activated and pull these solutions to a scale that impacts the Lakes, and
- allow the Fund and our partners to build portfolio synergies, track progress, and adapt along the way.

We take on a sizeable risk in return for the promise of dramatic ecosystem improvements. We look to launch new solutions that are ten, one hundred, or a thousand times more effective than the approaches they replace. We are impatient for leading indicators of impact and patient for system change. While our unique niche may limit a team's ability to attract matching funds in the early stages of supported work, we expect the strategies we launch to attract new resources as they grow, mature, and are broadly adopted.

We will not dilute the unique traits of the Fund by using our limited resources to support philanthropic or government programs, except when clearly aligned with our unique traits, mission, and niche. Others provide substantial resources for problem description, policy analysis, local clean-up activity, and operating support for basin institutions. Others also already fund advocacy campaigns, lawsuits, and strategies that might exacerbate disagreements among member states—we cannot and will not. We will also avoid mature strategy spaces where our support is not likely to make a substantial difference.

Our innovation portfolio will likely include approximately 20 individual projects at any time. This portfolio will consist of a range of project "sizes." We maintain a mix of exploration, design, implementation, and amplification investments. While the bulk of the portfolio will focus on the real-world applications of new approaches, we will continue to supplement those by experimenting with awards, fellowships, and impact investments. The portfolio will be actively managed. We will work to spot pivots our teams can make, identify where work might be curtailed, and spot where additional resources can make an outsized impact.

Our Priorities: We will focus our activities on three priority areas:

Priority: Reimagine Urban Water Systems

Background: The governors have identified a priority to "ensure the sustainable use of our water resources while confirming that the states retain authority over water use and diversions of Great Lakes waters." The states, provinces, and the federal government have made excellent progress in ensuring state control over water use and diversion decisions through the adoption of the Great Lakes St.



Lawrence River Basin Water Resources Compact (prohibiting out-of-basin diversions of Great Lakes water by requiring that any water used outside of the basin is returned).

Other progress, however, has been more limited. Water infrastructure remains underfunded, even in the face of recently expanded federal support. A changing climate and the larger and more frequent storms that result require new investment and new ways of managing increased and increasingly variable precipitation. Affordable ways to manage those new events and new contaminants—microplastics, forever chemicals, and others—remain elusive. If we can better control how water moves across and through the landscape, we will see benefits not only to our neighborhoods but also to help solve nutrient pollution sedimentation, reduce pathogen contamination of beaches, and improve biological conditions in receiving waters. New technologies, new operating models, and better use of natural solutions are also needed.

The Great Lakes Commission estimates that identified needs in the region's drinking water, wastewater treatment, and stormwater management infrastructure exceed \$178 billion. These estimates are likely low as they are incomplete and derived from engineering estimates that rely on outdated assumptions about precipitation. Investment in this infrastructure is necessary to improve the health of, or protect high quality, coastal ecosystems; restore the health of the basin's rivers, harbors, and lake waters; safeguard the health of basin residents; and promote sustainable uses of the basin's waters. However, this level of investment challenges our citizens' ability to afford service, and our past approaches are likely to fail to meet all of their needs. We seek to reduce the basin's water infrastructure costs and improve its effectiveness.

Prior Fund-supported work, expert advice, and a growing body of literature show that next-generation information technology and control systems can vastly reduce the capital expenditure needed to protect and restore the quality of our waters. Better integrating nature-based solutions can do the same. Further, our systems need to be aligned, integrated, and—where possible—consolidated to improve performance and reduce costs. Last, our approach to financing the capital expenditures needs to be more creative to ensure that the investments perform, that our citizens pay for successful efforts, and that the risks are shared.

Impact Target:

- Reduce nutrient, toxic, and pathogen loads to basin waters.
- Reduce flow alterations in basin tributaries.
- Improve river, coastal, and lake water quality.

Our Approach:

- Engage an expanded set of expert advisors, including community members, municipal and utility leaders, civil and electrical engineers, technologists, consulting engineers, and others, to identify specific opportunities; create measures of success; and shape programming.
- Launch a series of demonstration efforts to validate and package strategies for improved water system management, operation, and governance. Emphasize catalytic actions that solve water quality problems, prevent degradation of high-quality waters, repurpose existing infrastructure and/or minimize the need for expanded grey infrastructure, integrate natural solutions with built



infrastructure, apply new information technology, attack basin-wide problems, significantly decrease capital costs, better finance and pay for those actions, and involve teams that will work with other supported efforts to maximize learning, impact, and catalytic change.

- Support a growing community of practice involving supported teams, and other leaders such as the Green Infrastructure Leadership Exchange, the Great Lake St. Lawrence Cities Initiative, the Urban Sustainability Directors' Network, and the growing water innovation ecosystem (including the Water Council, Current, Cleveland Water Alliance, Imagine h2O, XPV Capital, Impact Engine, S2G Ventures/Builder's Initiative) in the basin and beyond. Work with partners to drive adoption, commercialization, and expanded/new markets for these strategies. Use smaller, targeted investments to follow up on the initial successes of supported efforts, engage communities, and shift the systems that hold back progress.
- Evaluate the success and early impact of this work.

We Expect:

- To reduce capital outlays for water infrastructure in basin cities.
- To expand use of information technology and integration of nature-based solutions to improve performance, reduce costs, and better meet citizen needs.
- To expand use of performance-based finance, impact bonds, and other strategies to link market rewards to environmental success.
- To build and support an emerging community of leaders who are shifting the scope and scale of water operations to deliver ecological and community value more effectively.
- To improve the performance of basin water systems while lowering costs.

Priority: Create Healthy Waters in Working Landscapes

Background: The health of the Lakes depends upon the health of the waters that feed them. The health of those waters, in turn, is shaped by what happens on the lands they drain. Agriculture dominates the landscape in the southern portion of the Great Lakes region. Forests dominate the northern parts of the basin. These working landscapes provide food, fiber, habitat, natural resources, and economic value. They also capture rainfall, feed groundwater, return water to the atmosphere, and regulate how water enters our streams, rivers, and lakes. Past economic decisions have changed the relationship of those lands to the basin's water resources. Future changes in climate, precipitation, and economic uses of these lands will likely expand the scale and scope of those changes. We will explore how to shape those changes to benefit the basin's waters.

Our states report that the top impairments to waters that feed the Great Lakes are altered water flows (hydromodification), sedimentation, and poor oxygen content. Altered drainage, land uses, structural changes to streams and riparian corridors, and other modifications that change how water enters and moves within rivers and streams drive these impairments. These changes conspire to release and transport a large share of the nutrients and sediments that cause algae and other problems. A changing climate, overuse of groundwater, and other activities that largely escape regulation worsen these problems.



Excess nutrients, mainly dissolved reactive phosphorus, lead to algae outbreaks in the basin's rivers, bays, and Lakes—even Lake Superior. Algae blooms rob waters of oxygen (when they die and decay), limit the use of beaches (when algae mats cover them), and release potent toxic compounds that can harm humans, wildlife, and other animals. The vast majority of phosphorus entering the Lakes is from agricultural activities. We will continue to work to solve the impacts of existing agriculture but increasingly shift our focus to preventing future problems across working lands because of climate change.

While the region debates what governments might do to control these problems, the Fund will continue to look for market-driven solutions. We will engage with landowners, producers, firms that sell inputs, advisors, customers, financing entities, and others in the food/fiber-system value chain to ensure that agriculture and other land uses are economically sounder and friendlier to the rivers and lakes of the basin. We will explore how changes in cropping and forestry systems, improved land uses, and improved operation of dams and other structures can reduce the "flashiness" of stream flow, reduce sediment loads, and reduce the nutrients entering the Lakes.

Impact Target:

- Reduce loads of phosphorus, nitrogen, and sediment entering the Lakes.
- Restore more natural flow regimes to basin tributaries.
- Reduce the occurrence of harmful algae blooms.

Our Approach:

- We will gather expert advice about how land uses, natural communities, and related economic activity will shift in response to a changing climate and identify interventions to reduce the impact of those shifts. Engage experts to understand the changing agriculture and silviculture value chains, producer economics, and the opportunities to reshape farm and forest finance, value chain agreements, and cropping systems. We will seek advice on what structural and operational changes can eliminate the top impairments to water quality and what regional strategies can drive those changes.
- Launch a focused set of actions to test, validate, and drive transitions to new crops and cropping systems, new ways to manage other land and uses (including structures in and near streams) to create ecological, economic, and other benefits in the face of a changing climate. We expect to focus initially on more water-friendly practices such as agroforestry, rotational grazing, and regenerative approaches to increase soil and landscape health, decrease runoff, and otherwise directly contribute to reducing nutrient-driven algae outbreaks.
- Drive adoption of these services by supporting the creation of operating models, promoting them, and identifying investment opportunities. Build and support a growing community of practitioners of these new practices—catalyzing cross-state collaboration among leaders and early adopters.
- Evaluate the impact of the work by creating and tracking success metrics for individual service offerings, businesses that deploy them at scale, and adoption by end users. Engage with other funders, impact investors, and governments to grow adoption. Pivot as needed based on what we learn about the role of regional strategies in making transformational change.



We Expect:

- To increase the acres of food and fiber production using regenerative and/or integrated cropping systems.
- To restore soil and groundwater health and reduce the release to, and transport of, nutrients and sediments in surface waters.
- To increase the resilience of food and fiber production processes to a changing climate.
- To create a community of leaders helping one another better manage working lands to reduce runoff, restore groundwater, increase climate resilience, and become healthier economically.

Priority: Expand Sustainable and Regenerative Uses of Great Lakes Water Resources

Background: Over the next decade, several critical economic transitions will be underway in our region, many of them climate-driven. Our energy mix is changing—shifting toward a more distributed mix of generation. Our states are working to attract industries of the future—such as battery technology and electric vehicle manufacturing, biotechnology, carbon storage, hydrogen energy development, and information technology. The region's coasts are also expected to see increased investment, both because of a changing climate and because those areas can be further developed and offer a high quality of life. All of these shifts can impact the health of the ecosystem in positive ways or in negative ways. The Fund will launch efforts that make positive outcomes more likely.

As the region invests in its future, we must ensure our water governance regime is robust and that our water and waterfronts are put to work creating ecological and economic wealth. Our region can lead in showing how water can be put to work in ecologically beneficial ways. As our governments work to attract new business to the region, we will explore how the next generation of industry will benefit the ecosystem. We will work to shift water stewardship from focusing on doing less damage to doing more good.

Increasing water scarcity and the desire to use more water—in the basin and elsewhere—may stress our water governance regime. Large-scale, out-of-basin diversions of water—and the impact on ecological resources—are well controlled by the Great Lakes St. Lawrence River Basin Water Resources Compact. But we should expect those rules to be tested by increased economic activity involving water. Further, our states follow fundamentally different groundwater management regimes. What is common is that the ecosystem impact of groundwater choices is often not considered in management choices. As use grows, we will explore how to stand up practical examples of how groundwater and surface water can be better jointly managed for ecological impact.

Our region is also reorienting to our waterfronts as we clean up legacy pollution. Those harbors, riverfronts, and coastlines will be a source of increasing economic and ecological value. New development can not only attract people and businesses but also soften shorelines, remove brownfields, and restore habitat. As government agencies explore coastal resilience planning, management strategies, and development programs, the Fund will look for projects that move those efforts from "resilience" or recovery-oriented to more regenerative strategies. We will emphasize new approaches that replace legacy activities like harbor dredging with nature-based processes and embed ecosystem health in development activities.



There is much activity around resilience, coastal protection, economic development, and groundwater issues, so we expect our work in this priority will mainly be opportunity driven. As government initiatives are drafted and redrafted, we will look for the chance to launch new actions while staying out of the regulatory and spending debates.

Impact Targets:

- Improve physical and biological conditions in rivers, harbors, and coastlines.
- Reduce flow disruptions, chemical pollution, and nutrient impacts of new economic development.
- Improve the security of the basin's water and water-dependent natural resources.

Our Approach:

- Engage experts to identify where ecological and economic value can be unlocked in development activities and where threats to the region's ability to govern its water resources might exist. Explore which economic development initiatives are likely and how they can be shaped to protect and restore the ecosystem. Assess where current water stewardship, eco-labeling programs, and innovation initiatives might be targeted at ecosystem improvements. Identify where and how integrated nature-based solutions can supplant or enhance traditional management practices.
- Work with member states, basin stakeholders, and experts to identify opportunistic investments in new management strategies, new partnerships, and other tools. Identify and, where possible, address any gaps in our regional water governance system.
- Support focused initiatives that deploy new, ecologically beneficial practices that show how development and economic activity can be successful in the face of a changing climate.
- Evaluate the impact of early work and assess the opportunities for expanded investment.

We Expect:

- To expand the scope of current water stewardship, labeling, and other systems that evaluate and reward superior water performance in economic activities.
- To expand nature-based solutions in coastal, harbor, and riparian development.
- To increase the security of basin water resources and natural resources that depend on those waters.



Beyond the Priorities: The Unexpected

In addition to our key priorities, the Fund will remain open to new ideas/solutions. The governors' shared priorities to reduce toxic compounds, stop the introduction and spread of invasive species, protect and restore habitat, and protect human health are particularly important. We will not close the door to any opportunity for transformational solutions to basin problems. Such openness has been a hallmark of the Fund and will continue to be. We will invite discussion, ideas, and proposals.

A portion of our portfolio will remain focused on opportunities beyond the "core" priorities above. A part of our annual commitments will be dedicated to new ideas and new strategies (including innovative financing). We will balance our openness to the new and different with the reality that such efforts will likely be a smaller portion of what we do and not consume a significant fraction of staff and applicant time.

Engagement

Over the next five years, the Fund will more deeply engage with the Great Lakes community, fellow funders, and the innovation community. We will build on the brand identity we have created, our growing and increasingly diverse network of advisors and team members, and the partners we have engaged to support our expanded communications efforts. Our primary goals are two-fold: to be sure that the Fund and our work are well known, understood, and accessible by critical audiences and to increase the quality, diversity, and impact of the network we depend upon to spot innovative solutions, staff the teams that put those innovations to work, and help us vet those project ideas.

Telling Our Story

We will continue to communicate in simple, direct language. Our emphasis will be to show what/who the Fund is by sharing what we're doing—showcasing impact, ambition, innovation, and thought leadership. Digital media, mainly our blog, email campaigns, and social media, will be our preferred and dominant channels. We will work with our partners—funded teams, advisors, and consultants—to keep a rhythm of fresh content circulating on our work.

We will also target regional, national, and international media to increase their awareness of the Fund's work, our team's impact, and the promise of the innovations we launch. We expect to increase our earned media coverage as a result.

The Fund will engage in funders' collaboratives, regional innovation initiatives, and other collectives to be sure we are aware of emerging issues, understand how philanthropy and others can complement what we undertake, and look to maximize the impact of our shared work. We will look to participate in relevant events and bring our teams with us as appropriate.

We will monitor our progress via our routine external evaluations—which will identify how our messages have penetrated, how well our priorities are known, and how well key audiences understand our portfolio and its impact, engagement metrics on social media and email campaigns, and the frequency and types of earned media coverage.



Deepening, Broadening, and Diversifying Our Network

The Fund's network includes hundreds of people working on our supported projects, dozens of experts who help the staff and the project teams build better work plans, and many dozens more folks who provide strategic, technical, and other advice to shape our programming that leads to those projects. We sincerely appreciate their work, whether compensated or volunteer. For many years, that network reflected the environmental, water, conservation, and innovation fields—typically white, predominately male, and increasingly older.

In response to our last external evaluation, we began expanding and diversifying those voices, especially (but not only!) the advisors who help shape our programming. While we have made progress, there is still work to do, and we're doing it. We aim to add younger folks to our network and increase the mix of genders, races, and ethnicities. This is long-term work and permanent commitment.

We will continue to increase the frequency with which we seek advice and depend less on meetings that require travel—balancing schedules and other commitments—to participate. We will spend more time on listening tours and "brown bags," discussing what we do and gathering input more informally. We will remain active at regional events, conferences, and gatherings to spot opportunities, meet new people, and support our colleagues.

Excellence in What We Do

The Fund will strive for excellence in our operations and governance to accomplish the ambitious agenda above. The Fund is not a commission, a coordinating body, nor are we a charitable donor or a government funding program. We are a unique corporation and govern ourselves in accord.

Excellence in Governance

Over the next five years, we will build on and strengthen our tradition of fiduciary excellence. To support the Fund's directors and officers, we will continue to schedule routine, recurring educational sessions on the fiduciary duties of care, loyalty, and obedience to the mission. We will continue to review and, where necessary, update our bylaws, committee charters, and policies. We will continuously become more efficient, more explicit about our processes, and more effective at recruiting and onboarding new directors.

We also continue our practice of generative governance—dedicating board time to explore new topics, strategies, and corporate opportunities. These "pre-strategic" conversations sharpen our view of what the Fund must evolve toward, identify new opportunities to explore, and improve how we set strategy to get there.

Excellence in Operations

The Fund will relentlessly focus our energies on the mission and our core charge to improve the ecological health of the Great Lakes. To support that mission, we will invest the endowment to both produce sufficient income to support mission-related activity and preserve its buying power in perpetuity.



We will keep our investment costs below average for a fund of our size, our internal administrative expenses low (less than 1% of endowment value), and our back-office processes lean.

The Fund will continue to be a workplace that attracts and retains superior talent. The Fund's staff is a crucial resource, and professional development will remain a priority. We will maintain an inclusive culture that values high performance, is supportive, and brings out the best in the entire team.

As we look for new team members and manage our vendors and suppliers, we will continue to prioritize diversity, equity, and inclusion. We will continue to use our expanded search process to expand our efforts to recruit from historically disadvantaged communities and ensure our vendor partners have similar programs.

This plan will continue to drive our annual planning, budgeting, and accountability systems. In this process, we make the trade-offs and hard choices in where we apply our limited resources. We will look for ways to use the balance sheet to pursue mission objectives and implement our current impact investing strategy more intentionally, considering changes as we learn more.



Acknowledgments

This strategy has its roots in the feedback from the 43 interviews and 47 survey respondents that informed the Fund's last external evaluation. We sincerely thank those who offered their time, perspectives, and advice. We were encouraged to stay committed to innovation and large-scale ecological impact; advised to expand the set of people whose opinions we sought; pay more attention to diversity, equity, and inclusion; and remain committed to our efforts to be more outwardly focused.

Thanks also to our supported teams, expert reviewers, and technical advisors—literally hundreds of individuals—who helped us see new opportunities and learn from missteps that we (not they) have made. Special thanks go to the 37 individuals who spent time with us in small groups or individually who helped us formulate this strategy and the priority areas we describe. We were encouraged to own our mission, aggressively pursue it, and think (and act) big! We sincerely appreciate you sharing your insight!

The Fund's staff and board spent many hours digesting this input and formulating this strategy. We have worked to better include people—as beneficiaries and as implementers—in our values and priorities. We have thought about how our unique focus on ecosystem health can contribute to a better future for everyone who works in, lives in, or otherwise benefits from our basin. And we accept the challenge to be bold in doing our work.

Adopted: December 8, 2023