



Mining Shared Value

FUNDRAISING PROPECTUS – OCTOBER 2017



Executive summary

Ming Shared Value (MSV) creates positive impacts on host communities and countries where mineral extraction takes place by promoting and supporting increased local procurement of goods and services by mining companies. Through a systems change approach, MSV draws on the concept of shared value to align the interests of the mining sector and host countries to create significant benefits for both.

Incubated by Engineers Without Borders Canada in Toronto, MSV has achieved significant progress in raising attention for the issue of local procurement, and has grown to a place of credibility across the global mining system. Now working with global players including the World Bank, International Council on Mining and Metals (ICMM), and bilateral aid organisations including the German development agency, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, MSV has placed itself right at the heart of global debates on natural resource governance. It has been recognized to have positively influenced the behaviour of a wide variety of actors including mining companies, the Canadian government, and multilateral institutions.

Over the next five years, MSV is working to scale from existing as a series of impactful yet largely disconnected projects supported by restricted funds, to a full collective impact model supported by and steered by all mining sector stakeholders simultaneously. Its goal is to become the world's single most important hub and resource centre to empower the global mining system to increase local procurement. Importantly, this collective impact approach has a goal of consistent activity across all stakeholder groups to ensure actual *implementation* of best practices in local procurement management and governance. To achieve this goal, MSV has partnered with The Sector, an organisation with significant expertise in fundraising and strategic implementation of collective impact initiatives.

The purpose of this Fundraising Prospectus is to provide funders and key stakeholder groups an overview of MSV's current model and the need for it to scale through a collective impact approach. It provides an overview of a series of funds it is seeking support for to ensure that MSV can scale and sustainably continue its work, creating value for both host countries and the mining industry itself. This prospectus seeks a capital raise drawn from the key stakeholders who have a stake in a global increase in mining local procurement – mining companies and their industry organisations, foundations, international governments and agencies, international financial organisations, bilateral donors, as well as high net-worth individuals. Starting with a goal of seed funding for 2017-2018, the prospectus overviews a series of dedicated funds and estimates the resources needed to build the collective impact initiative over the next five years.

Thank you for considering this opportunity to contribute to the impact MSV seeks to create across the global mining system.

Introduction

Mining Shared Value (MSV), an initiative of Engineers Without Borders Canada, has partnered with The Sector to support the development and execution to transition the underlying model of MSV into a sustainable collective impact initiative. Collective impact is the commitment of a group of actors from different sectors to a common agenda for solving a specific social problem, using a structured form of collaboration. The collective impact approach is premised on the belief that no single policy, government department, organisation or program can tackle or solve the increasingly complex social, financial and environmental problems we face as a society. The approach calls for multiple organisations or entities from different sectors to align their agendas towards a common goal, shared measurement, and synchronization of effort.

Sustainable economic growth through mining approaches that develop local procurement is an especially appropriate application of collective impact thinking for the goal of sustainable and stable industry practices, which overcome siloed approaches to change that are limited through the constraints of each project.

Building on MSV's respected knowledge and influence related to how to effectively advance local procurement by the mining industry for increased economic and social benefit of host countries and communities, MSV is working with The Sector, with its significant expertise in fundraising and strategic implementation of collective impact initiatives. These organisations have joined forces to transform and unleash the potential of MSV through the design and implementation of a collective impact initiative to serve the needs of mining host countries, as well as the mining industry itself. Over the next five years, MSV's goal is to be the single most important hub empowering a system-wide increase in local procurement by the mining industry.

The key characteristics of MSV's collective impact initiative include:

- An Advisory Council to support the development and implementation of the MSV's collective impact initiative, including setting priorities, offering strategic advice to execute on the priorities, and monitoring and evaluating the effectiveness of the approaches to achieve the desired outcomes.
- A set of Funds which have been designed to reflect the different approaches and priorities that the collective organisations or entities invested in this common agenda to create sustained economic and social benefit through increased mining local procurement, including:
 - **General Fund:** covers the annual operating costs of MSV based on maintaining a staff compliment which possesses the capabilities to lead the international dialogue on mining local procurement allowing the organisation to maintain its thought-leadership position, successfully influencing companies and host country stakeholders toward shared value creation.
 - **Mining Industry Specific Fund:** focuses on supporting mining companies to increase local procurement through creating practical guidance and tools to support leading practices, and helping companies with implementation of those practices.
 - **Governance Capacity Fund:** focuses on building the capacity of natural resource governance bodies working to improve development outcomes by increasing local procurement by the mining industry.

- **Module Fund:** focuses on investigating pressing cross-cutting issues that impact local procurement, beyond the mandates of both the *Mining Industry Specific Fund* and *Governance Capacity Fund*. Whereas the *Mining Industry Specific Fund* and *Governance Capacity Fund* both have very specific audiences that they are trying to support to increase local procurement, this fund prioritizes the topic first (rather than the audience), exploring how a better understanding and prioritization of a certain issue could increase local procurement.
- **Program and Organisation Development Fund:** invests in the growth of the MSV organisation including marketing, fundraising to support the mission and vision of the organisation.
- A shared monitoring and evaluation framework to measure and ensure fund performance in line with the execution of shared objectives.

A strong team has been assembled to achieve this agenda, including:



Jeff Geipel is Founder and Managing Director of MSV, and one of the world’s leading experts on mining local procurement. Under his leadership, MSV has become globally recognized as a resource and industry champion of best practices to advance local procurement in the mining industry.

Jeff is leading the initiative to develop and implement the MSV’s collective impact initiative.



Emily Nickerson is the Director of Programs at MSV. Her work includes leading partnerships to develop research on local procurement policies as well as the recently released *Mining Local Procurement Reporting Mechanism*.

In addition to strategic guidance on the development of the MSV’s collective impact initiative, Emily is focused on supporting the development of the funds and managing their performance.

Supporting the efforts of Jeff and Emily at MSV are an energetic team including Harry James and Eva Klimova.



MSV is drawing support from a team of experts from The Sector Inc., a social innovation and resource development consultancy specializing in aligning priorities of cross-sector teams, to unlock new capital and resources.



Bradford Turner is a Principal at The Sector Inc., and brings extensive expertise raising capital toward scaling social innovation initiatives across sectors.

Bradford leads overall project design and execution and spearheads the development of strategic partnerships and donor markets required to bring about the international systems-change and social impact MSV envisions.

Dr. Frederick Peters is a Principal at The Sector Inc. His work includes extensive experience in social and physical infrastructure finance and planning through community and business engagement.

Frederick ensures that all research and community engagement elements of the collective impact approach developing MSV's collective impact initiative are based in international best-practices.



Remon Fahim is a Principal at The Sector UK Ltd., based in London, UK. Bringing a depth of experience in international business and corporate finance, Remon advises on all aspect of the initiatives strategy development with a focus on development of MSV's collective impact initiative operations in the United Kingdom.

Haleigh King is a Senior Consultant at The Sector Inc. An established practitioner of social impact measurement and strategy, Haleigh provides the technical backbone supporting all impact modelling, measuring, reporting, and strategic development of the MSV's collective impact initiative.



MSV's story

MSV focuses on helping the mining sector and related stakeholders to maximize positive impact on local communities and host countries where mineral extraction takes place by increasing local procurement of goods and services. Local procurement epitomizes the positive role that the private sector can play in development. In host economies, purchases of local goods and services creates local jobs, promotes skills and technology transfers, and supports formalization of the local economy. It also helps mining companies have smoother operations through creating more benefits for host communities, and lowers procurement costs over the long term. In most cases, local procurement represents the *single largest economic impact* that a mining operation will make over its life cycle and in turn, the single largest potential lever for economic development.

Starting with a small amount of seed funding from Engineers Without Borders Canada, MSV has grown to place itself at the heart of the global mining sector when it comes to the issue of local procurement. Due to its credibility and integrity working to promote improved economic benefits through increasing local procurement, it has:

- Been contracted by the World Bank to manage its Extractives-led Local Economic Diversification Community of Practice (ELLED CoP), an online community bringing the world's leading extractive industry practitioners and experts to promote increased local content across the sector;
- Been commissioned by the German governmental agency Gesellschaft für Internationale Zusammenarbeit (GIZ) to create the Mining Local Procurement Reporting Mechanism (LPRM) to standardize how the global mining industry reports on the issue; and
- Influenced Canadian and global extractive industry governance and sustainability practices, including adding local procurement as an issue to the Canadian government's Corporate Social Responsibility (CSR) strategy for the extractive industries, as well as helping add the topic to OECD policy frameworks as part of its Policy Dialogue on Natural Resource-based Development.

MSV has carried out commissioned research and projects for institutions including:

- Government of Canada (Global Affairs Canada and Natural Resources Canada)
- Canadian International Resources and Development Institute (CIRDI)
- Mining companies (both through research supported by companies as well as direct fee-for-service consulting)
- International Institute for Sustainable Development (IISD)
- The World Bank Group
- GIZ (Commissioned by the German Federal Ministry for Economic Cooperation and Development)
- Queen's University, Kingston, Ontario, Canada.

MSV's Systems Change Approach

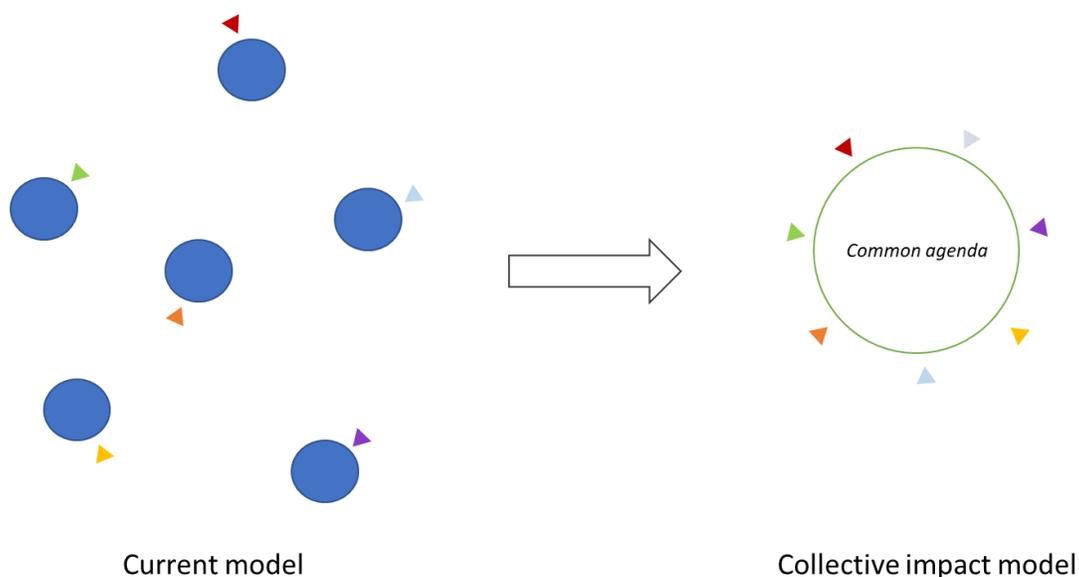
Inspired by the work of Donella Meadows and other interdisciplinary systems changes theorists, MSV always approaches its work by addressing the entire mining system as a whole, rather than trying to change just one of its components. This means ensuring any individual improvement in local procurement practice is locked into the mining system through disseminating it across the entire sector, codifying it into sustainability and governance frameworks, and helping the institutions with the most influence to promote behavioural change. Being an independent non-profit organisation, identifying and utilizing the most effective leverage points is the way that MSV is able to effect actors beyond those it directly engages with.

Importantly, real systems change thinkers are agnostic to what kind of treatment to use to improve performance – so long as it is the most effective. In this way MSV differs from a traditional service providing NGO, or a fee-for-service consulting firm that focuses one on particular intervention (eg. supplier development, research, etc). MSV's goal is to facilitate a process where the most effective means of increasing local procurement is carried out in any given system, rather than offering a specific service and advocating for it. In promoting the most effective interventions for local procurement – even when that does not offer a fee-for-service opportunity – MSV retains its integrity and credibility. It is through this approach and credibility that MSV has been able to create impact, and why untied or loosely tied funding is so vital for it to continue to grow its impact.

Why MSV's model needs to change to scale impact

Currently with a staff of five paid solely by restricted funds in the form of projects, MSV has reached a critical pivot point. Its current organisational structure as a research and advocacy group must grow to become truly sustainable and fulfil its vision of widespread practical implementation-focused strategies for a global mining industry. In turn, more economic benefits in host countries and communities can be created, allowing more socially, environmentally and financially stable operation of the mining industry.

Having achieved significant progress in raising the profile of local procurement as an issue of responsible mining, MSV now seeks to carry out an all-of-system approach that helps each actor implement programming to achieve their respective goals in increasing mining industry local procurement. In shifting from a series of projects supported only by restricted funds, to a sustained program based on collective impact with investment and steering from all key stakeholder groups at the same time, MSV will both be able to prevent siloing of stakeholder efforts, and help each stakeholder to harness each other's efforts to maximize the impact they are trying to create. MSV will continue to seek restricted funds for projects that align with the vision of collective impact, but being supported to make interventions across all of the stakeholder groups at once will ensure all restricted fund projects are incorporated into the wider vision.



Above, the figure illustrates the shortcomings of MSV carrying out a series of impactful yet disconnected projects which is contrasted with the collective impact model on the right. While currently carrying out individual projects for stakeholders such as the World Bank and GIZ is creating significant impact for both mining host countries and industry, by not having consistent programming across all stakeholder groups, there are significant lost opportunities for the maximization of impacts. Therefore, MSV is undertaking this process to generate the respective funds for this growth in tandem with industry experts and relevant organisations and intermediaries to build a coalition and raise the public, private, and philanthropic capital needed to scale MSV to its potential as an internationally-recognized action hub.

MSV's collective impact initiative over the next five years (2018-2022)

Over the next five years, MSV is scaling from a think tank and convener to an internationally recognized action-hub. MSV is in a unique position to push for an industry understanding where many of the principals of a Collective Impact approach – social, environmental as well as financial and sustainability goals – are integrated into the business cases and models promoted through local procurement recommendations. The objectives of this project to scale MSV will be accomplished through a collective impact initiative.

In addition, a central goal of this capital raise is to allow MSV to open a presence in London, at first through being hosted by a partner organisation. To date MSV has harnessed the location of Toronto with its significant mining company presence and base for the world largest mining event each year (the PDAC Convention) to achieve significant influence on the industry. To expand this impact London offers the ideal location, both due to it being home of the ICMM and the world's largest mining companies, but also its location of the most important intersection of mining and international development. Being home to a multitude of development institutions which influence the governance of mining, as well as the home of the Department of International Development, UK's development agency, and the most important international development academia, it offers a base for influence, fundraising, and a large pool of talent. It also offers more affordable and faster travel to the European institutions (eg. Organisation for Economic Co-operation and Development (OECD) in Paris, Global Reporting Initiative in Amsterdam, United Nations in Geneva), as well as the African continent.

MSV Business Life Cycle Curve – 4 Phases



Financial sustainability for MSV is integral for its continuance. A clear and definitive product offering will be critical to attracting both current and future projects and funding. After beginning with the raising of seed funding for this expanded collective impact model, MSV proposes to have a steady and reliable financial resources to continue to help all actors, through a series of **funds** that will ensure a systemic approach for each stakeholder group to lock-in best practices and support implementation. This will allow MSV to support the mining industry to implement best practices in local procurement at the same time as it supports bilateral aid organisations in ensuring their private sector support programs best understand how to approach mining industry buyers and also governments to support design and implementation of responsible regulation. The table below summarizes the most relevant stakeholder groups of the global mining system for the issue of local procurement, as well as the impact they seek to invest in through achieving an increase in local procurement.

Stakeholder Group (Investor)	What is being “purchased” in investing in MSV’s collective impact initiative
Mining company / site	Improved social license to operate, lower supply chain costs in long run
Government	Increased growth, employment, tax revenue – and in turn citizen support
Mining supplier association / chamber of commerce	Increased market share and opportunities for their members
Mining industry association	Better practices for their members
Bilateral aid funder	Increased economic and social development in target country of ODA
Finance institution	De-risk, better returns in long run

To further illustrate this point, below are two examples of the stakeholder groups expanded to provide further detail on how an increase in local procurement provides the value they seek.

Mining Companies

- a. Lowers procurement costs: By tapping into local labour markets that have lower wages, and reducing shipping distances, a company’s costs for many goods and services will fall in the long run as they use more local suppliers.
- b. Improves supply chain efficiency: Shorter lead times for deliveries and an increased number of reliable suppliers can help companies improve their supply chain efficiency.
- c. Strengthens relationships with the communities: The positive socio-economic impacts from local procurement give companies in the mining sector an opportunity to meet the rising expectations of host country populations for international companies to create jobs and other benefits.

Bilateral aid providers

- a. Magnifies the effects of their support for the private sector in host countries, including capacity-building for small and medium enterprises (SMEs), by helping ensure markets for their goods;
- b. Helps SMEs supported by aid to formalize by increasing the supplying opportunities to formal multinational corporations who require businesses to be registered and pay taxes; and
- c. Contributes to the overall economic health of donor recipient countries, helping to create economic and political stability, which supports both the geopolitical and global trade goals of bilateral aid providers.

MSV collective impact initiative fundraising strategy – This is an ask.

MSV will be funded by a blend of earned revenue from contractual engagements as well as philanthropic funding from development banks, foundations, governments, and mining companies. Fundraising efforts will be supported by the members of the Advisory Council (described later in the document) and The Sector Inc., as well as in-house fundraising personal to be acquired in 2019 toward meeting annual targets (rounds) described below in elaborated tables.

The following summarizes the fundraising projection tables from pages 18 onwards:

1. **2017, Seed.** The Initiative requires capital to launch. Our targets are three, three-year agreements with foundations, two mining companies and two individual philanthropists. These actors can provide early-stage venture funding and provide the time and oversight needed to crowd in additional funders. We will raise \$150,000 from foundations, \$50,000 from mining companies and \$100,000 from government and individual philanthropists respectively, **a total of \$300,000.**
2. **2018, Foundation Round 1.** 2nd year of foundation agreements providing \$150,000, this round will aim to raise an additional \$79,300 from development banks, \$178,500 from mining companies, \$242,400 from foundations, \$56,300 from government, and \$222,700 from individual philanthropists for **a total of \$779,200.**
3. **2019, Foundation Round 2.** 3rd year of foundation agreements providing \$150,000, this round has targets to raise an additional \$107,000 from development banks, \$216,900 from mining companies, \$282,800 from foundations, \$56,300 from government, and \$329,900 from individual philanthropists for **a total of \$992,900.**
4. **2020, Series A.** Having reached maturity and hired internal fundraising personnel, this round seeks to raise \$145,200 from development banks, \$265,000 from mining companies, \$329,700 from foundations, \$70,300 from government, and \$437,400 from individual philanthropists for **a total of \$1,247,600.**
5. **2021, Series B.** Fundraising in both Canada and The United Kingdom, this round targets \$213,700 from development banks, \$341,500 from mining companies, \$400,500 from foundations, 87,900 from government, and \$559,300 from individual philanthropists for **a total of 1,602,900.**
6. **2022, Series C.** Completing the funding requirements of the next five-year life cycle of MSV, this round aims to raise \$284,300 from development banks, \$416,600 from mining companies, \$462,900 from foundations, 109,900 from governments, and \$699,100 from individual philanthropists for **a total of \$1,972,700.**

To ensure making an investment in MSV’s growth aligns with the strategic priorities of funders, the organisations revenue model has been structured into five internally restricted funds, each providing different and specific partnership opportunities to participate in the social impact outcomes of the organisation most beneficial to forwarding their own mission and priorities. These funds, their objectives, and the resources needed, are detailed in the next section.

MSV’s collective impact initiative fund overview and objectives

The following table outlines the different funds, their primary objectives, and the requisite resources needed.

Fund type	Description	Objectives (2018 – 2022)	Resources needed
<i>General Fund</i>	This fund covers the annual operating costs of MSV based on maintaining a staff compliment which possesses the capabilities to lead the international dialogue on mining local procurement allowing the organisation to maintain its thought-leadership position, successfully influencing companies toward shared value creation.	<ol style="list-style-type: none"> 1. Provide necessary staff and operations support to ensure successful execution of other fund objectives. 2. Maintain MSV’s global thought-leadership position within the mining industry. 	<p><i>Staff</i></p> <ul style="list-style-type: none"> • Team / Initiative Leader • Finance and Operations <p><i>Operations Expenses</i></p> <ul style="list-style-type: none"> • Strategy and team planning, office supplies, rent, personal and professional development • Global presence at industry conferences and meetings (PDAC, IGF, Indaba, OECD, etc.)
<i>Operating Reserve Fund</i>	9 months operating expenses ensuring the organisation is not at risk of insolvency in light of unforeseen financial events and that the work is not jeopardized.	Ensure that MSV does not risk insolvency and that the work is not jeopardized	9 months reserve
<i>Mining Industry Specific Fund</i>	This fund focuses on supporting mining companies to increase local procurement through creating practical guidance and tools to support leading practices, and helping companies with implementation of those practices. To do this MSV acts as a resource, convener, and champion by developing resources where needed, by bringing and connecting companies to best practices, guidance, and training support, and working to integrate local procurement into existing systems such as sustainability frameworks of mining associations. Additionally, this is done by actively supporting mining companies to implement best practices in local procurement, especially at sites, with the goal of helping	<ol style="list-style-type: none"> 1. Provide tailored guidance on using the Mining Local Procurement Reporting Mechanism, and case studies of how this data can support mining companies’ decision-making. 2. Increase mining company local procurement reporting and use of the Mining Local Procurement Reporting Mechanism (LPRM) through creation of modules and guidance to 	<p><i>Staff</i></p> <ul style="list-style-type: none"> • Programs Manager • Research / Advocacy Manager • Program Coordinator <p><i>Program Operations</i></p> <ul style="list-style-type: none"> • Research: 1 unrestricted research project to either consolidate research or address a research gap • Dissemination of research

Fund type	Description	Objectives (2018 – 2022)	Resources needed
	<p>corporate offices turn company-wide strategies into site level implementation).</p> <p>In particular, MSV focuses on partnering with:</p> <ul style="list-style-type: none"> • Mining companies • Mining associations <p>Priority areas:</p> <ul style="list-style-type: none"> • <i>Addressing the data gaps</i> – investing in mining company capacity to measure and report on local procurement in an effort to support increased local procurement and attract additional resources from supporting organisations to the issue. Key activities include: developing tools and guidance, conducting research, and providing education and training. • <i>Bridging research and practice</i> – investing in bridging leading research and programmes to mining companies through tailored guidance, webinars, and forums. Key activities: maintain social media presence, regular engagement on key platforms and forums (emphasis on aggregating existing resources), developing tools and guidance, and conducting research. 	<p>support integration of the LPRM into key mining sustainability frameworks such as Global Reporting Initiative, Towards Sustainability Mining, and ICMM Sustainability Framework.</p> <p>3. Produce and consolidate leading research on key issues to support increased local procurement such as research on the top goods that mining companies are procuring locally, and how they overcame barriers to sourcing these products or synthesized research on the trends in mining local procurement policies or synthesized research on artisanal mining and local procurement.</p>	
<p><i>Governance Capacity Fund</i></p>	<p>This fund focuses on building the capacity of bodies working to improve development outcomes by increasing local procurement by the mining industry. To do this MSV acts as a resource, convener, and champion by developing resources where needed, by bringing and connecting actors to best practices, guidance, and training support, and working to integrate local procurement into existing systems from programmes to support supplier development to policies.</p> <p>In particular, MSV focuses on partnering with:</p> <ul style="list-style-type: none"> • Governments • Associations including Chambers of Commerce • Civil society organisations • Bilaterals and multi-laterals • Investors 	<ol style="list-style-type: none"> 1. Build capacity of 3 - 5 priority partner groups per year to use local procurement reporting to inform investment, programme decision, and policy development; partner groups could include supplier development organisations, chambers of commerce, or government. 2. Become recognized as thought leader on local procurement and looked to as key institution to turn to on the issue. 	<p><i>Staff</i></p> <ul style="list-style-type: none"> • Programs Manager • Research / Advocacy Manager • Program Coordinator <p><i>Program Operations</i></p> <ul style="list-style-type: none"> • Research: 1 unrestricted research project to either consolidate research or address a research gap • Dissemination of research

Fund type	Description	Objectives (2018 – 2022)	Resources needed
	<p>Priority areas:</p> <ul style="list-style-type: none"> • <i>Addressing the data gaps</i> – investing in building capacity of all partners to encourage and use local procurement reporting by mining companies to inform investment, programme decision, and policy development in an effort to increase coordination and data driven decision-making. Key activities include: developing tools and guidance, conducting research, and providing education and training. • <i>Increasing collaboration and coordination</i> – investing in key platforms and forums that bring together key partners in an effort to reduce the transaction time spent finding key resources and tools related to local procurement as well as working to reduce redundancy and inefficiency in the ecosystem when actors work in isolation. Key activities: maintain social media presence, and regular engagement on key platforms and forums (emphasis on aggregating existing resources). 	<p>3. Collaborate in 1-3 partnerships to research or provide guidance on key issues related to local procurement governance capacity. An example of research could include investigating regional coordination between governments and how this can support countries to identify goods that can be produced locally and have a viable market over time.</p>	
Module funds	<p>The Module fund is focused on investigating pressing cross-cutting issues that impact local procurement, beyond the mandates of the Mining industry specific fund and the Governance capacity fund. Whereas the Mining industry specific fund and Governance capacity fund both have very specific audiences that they are trying to support to increase local procurement, this fund prioritizes the topic first (rather than the audience), exploring how a better understanding and prioritization of a certain issue could increase local procurement.</p> <p>Priority areas:</p> <ul style="list-style-type: none"> • Gender: Exploring the gender dimensions of local procurement – addressing the significant knowledge gaps that exist through research on women and local procurement, including exploring barriers to women’s participation in the mining 	<ul style="list-style-type: none"> • Produce leading research in the partnership with key organisations on cross-cutting issues that impact local procurement. • Build capacity of organisations to address the cross-cutting issues through develop of guidance and tools, regular engagement in key platforms and forums, and provision of training. 	<p>Varies based on scope and investment but likely 1 Program Manager per priority area + program funds. Additional Program Coordinator and Research Manager as needed</p>

Fund type	Description	Objectives (2018 – 2022)	Resources needed
	<p>company procurement process, support programmes that offer business training and support, and access to finance. Key activities include: developing tools and guidance, conducting research, and providing education and training.</p> <ul style="list-style-type: none"> • Youth: Working to support young people with training and mentorship around entrepreneurial efforts in support of local procurement. • Environment: Exploring the environmental impact of local procurement – addressing the significant knowledge gaps that exist through research on the impacts of local procurement on the environment, such as exploring the potential carbon savings that can be realized through local procurement. Key activities include: developing tools and guidance, conducting research, and providing education and training. 		
<i>Program and organisation development fund</i>	<p>This fund invests in the growth of the MSV organisation: marketing, fundraising to support the mission and vision of the organisation.</p>	<p>This fund supports a communications campaign aimed at building bridges between complex stakeholders in industry and among strategic partners; for building partnerships and raising capital for building MSV capacities and activities. The campaign will communicate objectives and strategies for the fulfilment of the mission of the organisation through a combination of web and social media support for events aimed at outreach to stakeholders.</p>	<p><i>Staff</i></p> <ul style="list-style-type: none"> • Campaign Coordinator <p><i>Fundraising campaign</i></p> <ul style="list-style-type: none"> • Website - knowledge mobilization and PR functions • Contact management • Print Materials & Collateral & Postage • Third Party Consultation • Marketing

The backbone to the MSV’s collective impact initiative, including the specific funds described above, is an Advisory Council which will support the development and implementation of the initiative, including setting priorities, offering strategic advice to execute on the priorities, and monitoring and evaluating the effectiveness of the approaches to achieve the desired outcomes. Specifics of the Advisory Council are detailed below.

Advisory Council

The ultimate objective of the Advisory Council is to guide the direction and growth of MSV. The Advisory Council will be comprised of representatives from the mining sector, government, civil society, philanthropy, multilateral institutions, and other supporting organisations.

Role of the Advisory Council

The Advisory Council's role is to provide advice, and guide achievement of project outcomes. This will include tasks such as:

- Providing input to the development of the project, including the evaluation strategy;
- Identifying the priorities in the project and where the most energy should be directed;
- Defining and helping to achieve the project outcomes;
- Providing advice on budgets;
- Building MSV's network for more impact including potential funders as well as strategic partners;
- Identifying potential risks and monitoring them; and

One member of the Advisory Council – not a representative of MSV – will be appointed Chair, to ensure that meetings run smoothly and achieve their objectives.

While the Advisory Council provides critical advice and guidance to MSV to strengthen delivery on project objectives and outcomes, MSV is ultimately responsible to set and deliver on the project's strategy, targets, and outcomes as well as evaluating and adjusting the approach as needed.

Roles of individual members

Individual Advisory Councilmembers are not directly responsible for managing project activities, but for providing support and guidance. So, individually, Advisory Councilmembers will:

- Meet quarterly;
- Understand the aim, strategy and intended outcomes of MSV's work; knowledge hub;
- Appreciate the significance of the project for their own organisation and clients;
- Be genuinely interested in the project and the outcomes that are intended;
- Be an advocate for the project by doing what they can to promote its outputs; and
- Have a broad understanding of project management issues.

Furthermore, they will:

- Ensure the strategy that is planned matches the aim of the project;
- Draw upon their networks for fundraising leads;
- Consider how they will know if the aim of the project has been achieved;
- Review the progress of the project against the milestones set;
- Consider ideas and issues raised;
- Provide guidance to the project team;

- Help balance conflicting priorities and resources;
- Foster positive communication outside of the council regarding the project’s progress;
- Actively promote the outputs of the project;
- Contribute to the impact evaluation of the project, both the process of developing and implementing the project.

This council will evolve its formal structure such as to that of a board of directors depending on the eventual legal form into which MSV evolves.

MSV’s collective impact initiative financial estimates

The following revenue projections provide a numerical illustration of both the overall revenue required to fund MSV’s strategic growth, grouped by the aforementioned internally restricted funds. Also provided is a breakdown of each fund to illustrate how the various donor segments fit into the funding model in line with their anticipated fund of interest.

MSV no longer receives financial support from Engineers Without Borders Canada but is based out of its office in Toronto, and is provided administrative support by the organisation. Currently Engineers Without Borders acts as the fiduciary entity for which MSV runs revenue, expenses, and payroll through. In the long run MSV is seeking a more permanent base in a host organisation, both in Canada and in London, which is another reason a collective impact capital raise is necessary.

MSV’s collective impact initiative fund summary

The summary of the funds provided below is a total of projected earned revenue from contracts as well as the funds to be raised to allow for the strategic growth of the organisation.

	2018	2019	2020	2021	2022
Contracts	300,000	375,000	468,800	585,900	732,400
General Fund	225,000	281,300	351,600	439,500	549,300
Operating Reserve Fund (9 months of Operating Budget)	168,800	210,900	263,700	329,600	412,000
Mining Industry Specific Activity Fund	131,300	164,100	205,100	256,400	320,400
Governance Capacity Fund	131,300	164,100	205,100	256,400	320,400
Module Pilot Funds	75,000	75,000	75,000	125,000	125,000
Communications Campaign Development Fund	50,000	100,000	150,000	200,000	250,000
Total Fundraise	781,300	995,300	1,250,400	1,606,700	1,977,200
Total Revenue	1,081,300	1,370,300	1,719,100	2,192,700	2,709,600

MSV's collective impact initiative fund breakdown

Seed capital to support set-up of MSV's collective impact initiative

The seed capital round, raised in 2017, totalling \$300,000 is strategically targeted at first securing \$150,000 of foundation funding for this year, part of a larger gift agreements to see the same amount invested for the next two years. Foundation capital is often meant to start an organisation in the early stage of the organisations life-cycle as capacity is developed to engage in additional channels of revenue generation as the organisation matures.

	2017 & 2018	
Seed Round	Balance	%
Development Banks	0	0%
Mining Companies	50,000	17%
Philanthropic Foundations	150,000	50%
Government	50,000	17%
Individual Philanthropists	50,000	17%
Total Fundraise	300,000	

The General Fund

The General Fund is structured with a heavy weighting on foundation funding initially, intentionally decreasing the percentage of foundations over the cycle as individual philanthropists and development banks become more involved in strategic partnerships and funding. To ensure that the collective impact approach to stakeholder engagement is supported by the financial structuring of the organisation it is necessary that mining companies and government also participate in capitalizing the general fund.

	2018		2019		2020		2021		2022	
General Fund	Balance	%	Balance	%	Balance		Balance		Balance	%
Development Banks	11,300	5%	28,100	10%	52,700	15%	87,900	20%	137,300	25%
Mining Companies	22,500	10%	28,100	10%	35,200	10%	44,000	10%	54,900	10%
Philanthropic Foundations	90,000	40%	98,400	35%	105,500	30%	109,900	25%	109,900	20%
Government	56,300	25%	56,300	20%	70,300	20%	87,900	20%	109,900	20%
Individual Philanthropists	45,000	20%	70,300	25%	87,900	25%	109,900	25%	137,300	25%
Total Fundraise	225,000		281,300		351,600		439,500		549,300	

Operating Reserve Fund

The operating reserve fund maintains a nine-month reserve to mitigate liquidity and solvency risk. It is targeted toward capital from philanthropic foundations and individual philanthropists. These two donor classes are the most likely to invest in and actively oversee this kind of capital and relationship.

Operating Reserve Fund	2018		2019		2020		2021		2022	
	Balance	%	Balance	%	Balance		Balance		Balance	%
Development Banks		0%		0%		0%		0%		0%
Mining Companies		0%		0%		0%		0%		0%
Philanthropic Foundations	84,400	50%	105,500	50%	131,800	50%	164,800	50%	206,000	50%
Government Individual Philanthropists		0%		0%		0%		0%		0%
Philanthropists	84,400	50%	105,500	50%	131,800	50%	164,800	50%	206,000	50%
Total Fundraise	168,800		210,900		263,700		329,600		412,000	

Mining Industry Specific Fund

Capitalization of the Mining Industry Specific Fund is structured to facilitate participation from mining companies and mining associations exclusively.

Mining Industry	2018		2019		2020		2021		2022	
	Balance	%	Balance	%	Balance		Balance		Balance	%
Development Banks		0%		0%		0%		0%		0%
Mining Companies	131,300	100%	164,100	100%	205,100	100%	256,400	100%	320,400	100%
Philanthropic Foundations		0%		0%		0%		0%		0%
Government Individual Philanthropists		0%		0%		0%		0%		0%
Philanthropists		0%		0%		0%		0%		0%
Total Fundraise	131,300		164,100		205,100		256,300		320,400	

Governance Capacity Fund

The Governance Capacity Fund encourages collaboration between development banks, foundations, and individual philanthropists. It is structured to weight investment from each respective donor base equally.

	2018		2019		2020		2021		2022	
Governance Capacity	Balance	%								
Development Banks	43,300	33%	54,100	33%	67,700	33%	84,600	33%	105,700	33%
Mining Companies		0%		0%		0%		0%		0%
Philanthropic Foundations	43,300	33%	54,100	33%	67,700	33%	84,600	33%	105,700	33%
Government Individual Philanthropists		0%		0%		0%		0%		0%
Philanthropists	43,300	33%	54,100	33%	67,700	33%	84,600	33%	105,700	33%
Total Fundraise	131,300		164,100		205,100		256,300		320,400	

Module Fund

The Module Fund will design modules involving development banks, mining companies, and foundations and weighs investment from each respective donor class equally.

	2018		2019		2020		2021		2022	
Module	Balance	%								
Development Banks	24,800	33%	24,800	33%	24,800	33%	41,300	33%	41,300	55%
Mining Companies	24,800	33%	24,800	33%	24,800	33%	41,300	33%	41,300	55%
Philanthropic Foundations	24,800	33%	24,800	33%	24,800	33%	41,300	33%	41,300	55%
Government Individual Philanthropists		0%		0%		0%		0%		0%
Philanthropists		0%		0%		0%		0%		0%
Total Fundraise	75,000		75,000		75,000		125,000		125,000	

Program and Organisation Development Fund

The program development fund provides discretionary spend for strategic investment in the growth of MSV in areas such as fundraising, marketing, and other business development related activities. This fund is weighted 100% to the participation of individual philanthropists.

	2018		2019		2020		2021		2022	
Corporate Development	Balance	%								
Development Banks		0%		0%		0%		0%		0%
Mining Companies		0%		0%		0%		0%		0%
Philanthropic Foundations		0%		0%		0%		0%		0%
Government Individual Philanthropists		0%		0%		0%		0%		0%
	50,000	100%	100,000	100%	150,000	100%	200,000	100%	250,000	100%
Total Fundraise	50,000		100,000		150,000		200,000		250,000	