

How to Accelerate Canada's Transition to a Green Economy and the Role for Philanthropy

An Analysis Commissioned by the Canadian Environmental Grantmakers' Network (CEGN)

This is one in a series of Building Bridges papers that addresses the need to forge new and more powerful partnerships to arrive at comprehensive solutions. The purpose of this series is to inform and stimulate strategic thinking, discussion and debate among environmental grantmakers and to build linkages to the economic, health and social justice sectors that is essential to the resolution of many of the environmental concerns with which we are engaged.

The Canadian Environmental Grantmakers' Network (CEGN) brings together members who provide support for the broad range of environmental activities in Canada.

CEGN's mission is to expand the scope and effectiveness of grantmaking in support of the Canadian environment. One of our current strategies for delivering on that mission is to help build linkages between environment and economic, health, and social justice priorities. Doing so, we believe, is one way to help environmental grantmakers more effectively respond to many of today's environmental concerns.

Alignment between the economy and the environment has been a key concern for CEGN over the past two years. We

have hosted a workshop on green infrastructure spending, and a briefing on the role for philanthropy in sparking the green economy. These events were supported by several members, including the Friends of the Greenbelt Foundation, the Ivey Foundation, the Ontario Trillium Foundation, the Vancouver Foundation, and Tides Canada. They were attended by many more.

Interest in Canada's prospects for a green economy has not waned among CEGN members, and indeed seems to be growing in a number of key conversations now taking place across the country.

As our next step, CEGN commissioned two briefs. The following brief has been authored by Tyler Hamilton and is entitled *How to Accelerate Canada's*

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Transition to a Green Economy and the Role for Philanthropy. This brief is based on interviews with a range of Canadian opinion leaders.

The second companion document is by Alexander Wood of Sustainable Prosperity. This brief provides a better understanding of what a green economy means in the Canadian context. It also showcases a sample of existing philanthropic work in this area and identifies opportunities for further philanthropic investment.

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Allan Northcott
Chair
CEGN



Pegi Dover
Executive Director
CEGN

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Introduction

As part of an ongoing effort to enhance the scope and effectiveness of environmental grantmaking, CEGN is looking at how the philanthropic community can support the development of a green economy in Canada. CEGN's members include private, community, corporate and government funders, referred to generally throughout this document as "funders".

To date there has been relatively little public engagement and discourse around the issue of building a green economy for Canada when compared to activities in other G8 countries. As venture capitalist Andrew Heintzman writes in his new book *The New Entrepreneurs*, "In short, Canada is lacking a coherent national strategy on the most important economic questions of our time – questions that will define our future competitiveness, productivity, and prosperity."

Funders recognize this void, and they are asking: What steps must be taken to get Canada on the right path? What are the opportunities? What are the challenges? Finally, how can we help?

Next steps: Searching for answers

To complement this effort CEGN interviewed 11 Canadian "thought leaders" for their views on the subject. Specifically, they were asked what should be done to accelerate the transition to a green economy in Canada, and what role the philanthropic community should play to support the transition. From these interviews emerged key themes that form the basis of the CEGN analysis.

The interviews were conducted between mid-May and mid-June of 2010. The thought leaders were selected from across Canada. They represent a variety of sectors or interest groups, including government, financial, corporate, academic, labour and non-profit. Individuals interviewed are listed below.

Canadian Thought Leaders

- Shawn Atleo, National Chief of the Assembly of First Nations (B.C.)
- Michael Brown, Chairman of Chrysalix Energy Venture Capital (B.C.)
- Michael de Pencier, Chair of Key Publishers/Co-founder of Investeco (Ontario)
- Don Drummond, former Chief Economist of TD Bank Financial Group (Ontario)
- Johanne Gélinas, Partner at Deloitte/ former federal Commissioner of the Environment and Sustainable Development (Quebec)
- David Keith, Professor of Chemical and Petroleum Engineering at the University of Calgary (Alberta)
- Jacques Lamarre, former President and CEO of SNC-Lavalin Group Inc. (Quebec)
- Preston Manning, Founder, President and CEO of the Manning Centre for Building Democracy (Alberta)
- Marlo Reynolds, Executive Director of The Pembina Institute (Alberta)
- Don Roberts, Vice-Chairman of Renewable Energy and Clean Technology at CIBC World Markets (Ontario)
- Jim Stanford, Economist with Canadian Auto Workers union (Ontario)

Executive Summary

Canadian thought leaders who participated in this CEGN exercise identified a number of opportunities associated with the green economy. However, they were not blind to the many obstacles that must be overcome before the envisioned benefits can be delivered. They saw tremendous potential for green job creation, but also for long-term economic growth as a result of enhanced productivity and global competitiveness. They appreciated that the greening of Canada's economy would mean more sustainable management of the country's natural resources and a cleaner, healthier environment for generations of future Canadians. Canada would also be seen as doing its role to stabilize human-caused climate change. The effort – the process of greening the economy – would also bring healthy returns on investment to the financial community. The local nature of many green initiatives would bring the country's communities and First Nations groups closer together by encouraging greater collaboration and partnering at the local level.

But much must be done before the many benefits of a green economy can be realized. Our thought leaders were quick to highlight the lack of a national vision and leadership from a federal government seen as vital to leading the charge. Part of this is the result of regional sensitivities, grounded in historical tensions, which have poisoned the discussion and dampened the political will to pursue serious national dialogue. Inaction from the United States, and a desire to follow our largest trading partner, combined with post-recession fiscal restraint, are all working to undermine progress. What little incentives available to business and industry have been cut back; not increased. Resource-

based industries with tremendous lobby power continue to protect their vested interests from progressive green policies. The public, meanwhile, has poor access to credible information and far too easy access to misinformation, creating confusion, uncertainty and doubt about the choices that lie ahead.

Our interviewees were full of ideas on how to overcome the resulting inertia. It was considered essential to kick-start an honest and frank national dialogue that would try to reconcile regional and political differences and attempt to find common ground between key stakeholders. The goal would be to build a national vision for a green economy that would show how short-term sacrifices are far outweighed by long-term economic and environmental benefits. Many agreed that a green economy is more than about battling climate change and reducing greenhouse gas emissions, but brings many other environmental, social and economic benefits that should be emphasized. It was also felt that an effort was needed to identify political and business leaders that could champion the cause of a green economy, perhaps part of an enhanced effort to engage and educate a public suffering from "green fatigue" and decision makers who still failed to see the economy and environment as not mutually exclusive. Engaging younger Canadians was seen as key, and it was suggested that the Internet be leveraged to encourage information gathering and greater public participation. Support for Canadian green innovation was also considered crucial, though some argued the government should get more creative with how it funds R&D, development, demonstration and deployment of technologies, as well as share more risk with the private sector to encourage greater domestic and foreign investment in Canadian innovations.

What would be the role of the philanthropic community? There was consensus that funders should do more to fund the gathering, analysis and communication of information considered crucial for public education and engagement. A number of research projects or initiatives were suggested, but the general sense was that better information was needed to support a national dialogue and the pursuit of a green economic vision for Canada. Our thought leaders also felt that philanthropic resources could be used to help build an effective messaging campaign and support targeted outreach programs that bring political clout to a green economy message that today can be ignored by government leaders without consequence. Finally, several of our interviewees suggested philanthropic dollars could also help support technology demonstration projects or be used to invest directly in green technology companies of tomorrow. It was recognized, however, that such grants and investments would have to be targeted. Funding an “X Prize-type¹” contest and award aimed at showcasing Canadian innovation was another suggestion.

Green Economy: Opportunities

The thought leaders we interviewed were all in general agreement that Canada can benefit greatly by greening its economy. For them, this means designing more sustainable communities, broadly deploying renewable energy, making our industries and businesses more energy efficient, and embracing technologies that reduce waste, lower greenhouse gas emissions, and encourage conservation and more sustainable management of our water,

fossil fuel, forest and mined resources. “It’s not just about creating alternative industries; it’s an alternative way of building industries,” said **Jim Stanford**, Economist with the Canadian Auto Workers. The creation of green jobs is an obvious opportunity, but Stanford made clear that we have to think of the term “green jobs” in a broad sense. “The idea of displaced autoworkers getting new jobs in wind manufacturing... we’ve got to be careful, because the number of windmill jobs will be puny by comparison.” Developing greener products and services in traditional industries, such as automotive, and helping those industries operate more sustainably present a potentially greater job-creation opportunity, he said.

Preston Manning, President of the Manning Centre for Building Democracy, acknowledged the potential of green job creation but emphasized that the discussion needs to be an honest one. “Environmentalists never talk about the jobs that new technology kills,” he said. “They may create new opportunities but they stop old ones. The guy in the street that has to make change and may be affected, he instinctively picks up on the other side of this.”

The transition to a green economy will be more difficult for some and will need to be carefully managed, but much of Canada is already well positioned to move ahead and establish early leadership on the world stage, said Deloitte’s **Johanne Gélinas**. “In Canada, we talk too much about Alberta and the oil sands,” she said. “We should also think of Manitoba, B.C., and Quebec, which rely mostly on low-carbon electricity.” There’s no reason many of the prod-

¹The California-based X Prize Foundation, which holds contests – backed by multimillion-dollar prizes – aims at showcasing groundbreaking innovation. So far, X Prize contests have been created for private space flight, low-emission automobiles and advances in genomics.

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OPPORTUNITIES

- Green jobs
- Boost to national productivity
- Enhanced global competitiveness
- More sustainable management of resources
- Cleaner, healthier environment
- Stabilized climate
- Greater collaboration with First Nations, local communities
- Potentially significant returns on investment

ucts and services coming out of Canada couldn't already be marketed to the world as "green" and sustainable, giving many of our existing industries a competitive edge. "We could already position ourselves better than most countries," she added. "But we're looking at our problems and trying to downplay these problems instead of looking at the opportunity."

Marlo Reynolds, Executive Director of The Pembina Institute, worries that Canada won't move quickly enough to embrace these opportunities and Canadians will wake up one day realizing they've fallen behind the rest of the world. "There are these huge opportunities that have massive economic benefits. But I'm concerned about that year 2050. We could wake up mid-century and see there was no point in developing the oil sands," he said. What if, he asked, electric cars are owned by 80 per cent of the population by 2050 and oil is so prohibitively expensive that nobody wants dirty oil from the oil sands? "We end up building an economy around a golden goose that stops laying the golden eggs," he said. "For me, the fear is what we'd be leaving on the table. Right now we're just playing at the edges of the green economy."

The benefits go far beyond job creation and global competitiveness, said **Shawn Atleo**, National Chief of the Assembly of First Nations. Greening the economy is also an opportunity to reconnect individuals to the environment, empower local communities and collaborate more closely – as well as mend past relations – with Canada's aboriginal peoples, particularly youth. "I see real potential on the innovation side to involve our young people in the technology. We really need to tap into that," Atleo said. "We also need to

support local people to become more involved in shaping their local economy. I'm convinced we'll arrive at something much more sustainable." Green energy projects, for example, tend to be more distributed in nature than the large centralized nuclear and fossil fuel facilities that can serve an entire region from one location. Small clean energy projects designed to serve a single community encourage local investment, local job creation and citizen participation.

There is also a tremendous opportunity for Canada's investment community, which to date has been reluctant to embrace the trend despite demonstrated success in Europe and rising interest in U.S. money markets, said **Michael de Pencier**, Chair of Key Publishers. Worldwide investment in clean technologies, green infrastructure and renewable/low-carbon energy projects is growing dramatically, but Canadian investors are generally perceived as laggards. "Even if you don't care about carbon emission and climate change, this is a way to make money," he said. "But Bay Street hasn't been persuaded yet. We need to get the money people excited."

Perhaps the biggest benefit of moving to a low-carbon economy has to do with the avoidance of out-of-control climate change and the dramatic environmental and economic consequences likely to be experienced within the century if nothing is done or we act too late. "I'm not an environmentalist, but I am a person extremely concerned about the social and economic impacts of climate change," said **Michael Brown**, Chairman of Chrysalix Energy. Professor **David Keith** at the University of Calgary said talk of green jobs may make economic decisions more palatable, but the core reason for decisive action is ul-

timately about softening the impact of climate change. “We have a really serious problem with carbon emissions,” he said. “If we want to have a stable climate we have to eliminate these emissions within the lifetime of our children.”

Green Economy: Obstacles

Is Canada on the right path? Not according to the thought leaders we interviewed. This is consistent with other findings: A recent survey conducted by McAllister Opinion Research and commissioned by The Pembina Institute found, for example, that 75 per cent of Canadian thought leaders (nearly 4,300 respondents) rated Canada’s effort at developing a green economy as “poor” or “very poor.”

Most of our 11 thought leaders identified a lack of political leadership – particularly within the federal government – as one of the biggest barriers to developing a green economy in Canada. “They have no strategy whatsoever,” said **Gélinas**. “They’re not even at the beginning of thinking what a strategy would look like.” She said provinces such as Quebec, Ontario and B.C. have made strong progress, but their efforts are undermined by the lack of federal effort. “The federal government is the public face vis-à-vis other countries, so if Canada is not seen as a leading country with respect to a green economy the impact on what the provinces are doing will be minimized. We need to speak with one voice.”

Jacques Lamarre, former CEO of SNC-Lavalin, echoed that concern as it relates to energy policy. “We lack a national strategy, but worse than that, we are divided.” He said a rift has grown between Alberta and Saskatchewan, which see fossil-fuel

development and power generation as the key to their long-term economic growth, and provinces such as Ontario, Quebec and British Columbia, which are pursuing green energy strategies and carbon pricing through regional partnerships. Development of a national energy strategy as part of any green economic plan will only come through cross-country dialogue that establishes a vision for where the nation wants and needs to go. “I have yet to find somebody who can describe to me what our energy vision is for Canada or even North America for the next 50 or 100 years,” said **Atleo**. It’s a very sensitive issue, added **Manning**, pointing to federal-provincial jurisdictional divisions that have historically hobbled such efforts. “Nobody wants to put ‘national’ and ‘energy’ together in the same talks. There are all these political taboos that prevent the discussion, and if you can’t even start the conversation that makes it hard.” The assumption here is that any national plan to build a green economy must include a national energy strategy.

Keith is careful not to place too much blame on the federal Conservative government. He’s not convinced the Liberals would do much better. “I don’t think there’s a huge difference between governments and their environmental policies,” Keith said. “The government in many ways reflects the people’s will. Those people who want dramatic action, they simply haven’t won the debate yet.” He said many are still uncertain about the benefits of a green economy. More than that they are confused about the certainty of climate science, which is a main driver of green economic trends. As a result, many people question the need for policy changes that risk doing more economic harm than good.

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Poor access to information – or far too easy access to misinformation – is part of the problem, said **Don Drummond**, former Chief Economist of TD Bank Financial. “People are either confused or simply have no information about various environmental matters,” he said. “The whole climate change issue has become muddled in most people’s minds with charges of rigged scientific findings from some quarters.” The climate science that has influenced both public opinion and government action in the past has come under attack, and this has eroded public confidence in green economic policies. “If people have no faith in science then we have a problem,” commented **Brown**.

One result is lost momentum around efforts to put a price on carbon, which is considered a cornerstone to developing a low-carbon, green economy. Recent climate talks in Copenhagen only made matters worse, Brown added. “Every attempt to impose some sort of carbon price is failing, and it’s failing in some part because Copenhagen failed. Copenhagen proved the power of negative thinking.” A price on carbon would create a more level playing field for green energy and clean technologies by making fossil fuels more expensive to use, hitting the bottom lines of industries that rely on them and promoting a shift to cleaner energy sources and greater efficiency. Without a price on carbon, such as through a carbon tax or cap-and-trade program, it’s difficult to demonstrate to the public the value and benefits of moving to a green economy. Government subsidies for fossil fuels create similar difficulties, yet past commitments to phase out such subsidies have remained just that: commitments. On both fronts, the Canadian government has indicated that it prefers to follow the lead of the U.S. government rather than take the lead itself.

It’s not just that Canada is failing to lead; it appears to be falling further behind the pack, warned **Raynolds**. The federal government has cut basic funding for climate science, prematurely ended its energy retrofit program, eliminated its subsidy program for wind power and other renewable power projects, and neglected to renew funding for its clean technology granting agency, Sustainable Development Technology Canada. It also returned from climate talks in Copenhagen and reduced its GHG emissions reductions target, which critics already considered too weak. “The green economy is in no shape or form a priority for the federal government, and I don’t think they appreciate the scale or opportunity,” said Raynolds.

Don Roberts of CIBC World Markets is worried that during our current time of fiscal restraint, governments will reduce research and development funding for new clean technologies and pull back financial support for early demonstration and deployment. These are the kinds of technologies and projects on which a green economy is built. Venture capital, already a scarce financial resource in Canada, isn’t expected to pick up the slack. For demonstration projects that tend to be more capital-intensive, it’s unlikely that institutional investors will step in without government support or a meaningful price on carbon. “In Canada, the federal government isn’t stepping up to the plate,” said Roberts. Financial institutions, he added, “don’t do projects with technology risk.” It doesn’t help that scepticism in the investment community remains so pervasive. “I don’t think the Bay Street people believe that the climate change issue is as serious as it is, and I don’t think they believe green technology and the green economy are a big deal,” said **de Pencier**.

This leaves Canada's broader business community in a peculiar situation. In the absence of government leadership, financial support and clear economic signals, there is little reason to expect that businesses will voluntarily lead the charge. "Businesses will never and shouldn't be expected to do this on their own," said **Keith**, adding that corporate goodwill and increased consumer choice hardly scratch the surface of the changes required. "We have never solved any of the big environmental problems in the past by relying on business." **Stanford** said Canada's resource industries remain a huge obstacle. "Today the most profitable thing for them to do is to continue digging stuff out of the ground and selling it. That's where the market puts attention and resources," he said. "The motives for non-sustainable production in our profit system are just too appealing and lucrative... We have to be frank about the daunting vested interests we face and be ready to challenge them."

Getting on the Right Track

The general sense from the thought leaders we interviewed is that Canada is not on the right track. What constitutes the "right" track, however, was subject to some disagreement. For example, **Stanford** and **Keith** are among those who would like to see the government move more quickly and with an interventionist approach. "These (green economy) industries will not spontaneously appear because of market forces or improved consciousness," insisted **Stanford**. "We will require a very systematic and powerful intervention by powerful government policy makers." That means more direct regulation. "A carbon tax can be part of that solution," he added. Similarly, **Keith** called it "wishful thinking" to believe the market will put us on the right path. "There

are ways you can do it that are more command and control," he said. Others were inclined to support a more market-oriented approach tied closely to whichever path is taken by the United States. They want to make sure any system that is put in place does not sacrifice economic growth or the competitiveness of Canadian industry. "We cannot go it alone," said **Lamarre**. "We're too tied to the U.S."

Still, there is consensus on the need for Canada to build a green economy for the long-term health of the economy and environment. Based on thought leader interviews, CEGN identified four broad initiatives that would move the country in the right direction: 1) Embark on a national dialogue that tries to reconcile regional and political differences; 2) Educate and engage the public; 3) Demand more leadership from political and business leaders; 4) Better nurture and support green technology innovations in Canada.

1) A National Dialogue

Most thought leaders agreed that Canada needs a green economic plan that reflects Canadian values and is sensitive to regional interests. But such a plan will not come about without broad consultation with key stakeholders and the public.

"We need to take a mixture of views and thoughts and build a national consensus," said **Atleo**, adding that First Nations are among the many stakeholders that will want to help shape Canada's green economy. "We still have deep gaps, huge differences in this country that need to be overcome," he said. "So we need to understand what our vision is and what our values are going to be for four or five generations going forward."

How might this national dialogue come about? **Gélinas** suggested it could begin at the provincial level, perhaps under

OBSTACLES

- Disinterested federal government; no national vision
- Regional sensitivities, tensions
- Public uncertainty, confusion
- Poor information; misinformation
- U.S. inaction, influence
- Recession; fiscal restraint
- Little incentive for business/industry
- Vested interests of resource industries

NATIONAL DIALOGUE

- Build consensus on national vision
- Coordinate effort to start with provinces; build toward national talks
- Be straight with public: there will be sacrifices along the way
- Long-term benefits must be shown to outweigh short-term pain
- A green economy is more than CO₂-mitigation; benefits are many

the guidance of the federal government. Working under the same timeframe, each province would each establish its own roundtable and engage local industry, government, non-government organizations, First Nations and community groups. Each roundtable would work with the same core set of questions common to all provinces. “The idea here is to highlight what are the common denominators in terms of moving forward on a green economy,” explained Gélinas. “That could be brought forward to the federal government to show what we all have in common.” This could culminate in a national summit between provincial and federal leaders.

Regardless of the approach, it was felt by some thought leaders that the discussion be frank but also lined with optimism. If climate change is one of the drivers of the green economy then the public must be convinced that short-term sacrifices will be followed by long-term economic and environmental benefits. “The story has to be partly good news,” said **Keith**. “You have to convince people (climate change) is solvable. We have to fight back against the view that anything we do to fight carbon emissions will be so expensive it will hurt the economy, because that’s not true.” There will and must be pain, Keith added. “But it’s important to tell people the pain will be relatively small.” At the same time, it would be a mistake to downplay the sacrifices that will be necessary. “There will be consequences and people need to be aware of those consequences,” said **Lamarre**.

Stanford said the discussion also needs to emphasize that we don’t, as some have suggested, need to put a stop to economic growth by deciding to pursue a green economy. The point of green economic

policies is to assure long-term sustainable economic growth, even if they might lead to slightly slower growth during the transition. “Personally, I don’t believe growth is the problem and that to solve things we have to stop growth,” Stanford said. “Clearly, there are types of growth that are less harmful and even helpful to the environment.”

It’s also important, some said, to frame the discussion not just around climate change and the need to reduce greenhouse gas emissions but also more generally around resource protection, public health, national productivity, and global competitiveness. The centrepiece of a green economy may be the creation of a low-carbon economy, but a focus on greenhouse gas emissions risks narrowing the discussion to a manufactured debate over the credibility of climate science. “We would be well advised to just stop talking about CO₂,” said **de Pencier**. “We need to move the agenda away from CO₂ and climate change and talk more about sustainability and clean energy.”

2) Engage and Educate

Building widespread support for a green economy means better engaging a public that may be suffering from green fatigue. **Raynolds** said the challenge is to bring “spice” back to the discussion, which has faded into the background since the failed climate talks in Copenhagen. “It’s still possible to liven up the debate, and things like the BP oil spill (in the Gulf of Mexico) must be seized on,” he said. Only when the public is re-engaged will the federal government, which has largely sidetracked the issue, be pressured to put it back on the national agenda. Getting the public fired up may require well-organized and ex-

pensive grassroots campaigns that bypass the filter of the media.

The Internet also provides an opportunity for the public to participate more directly. The Environmental Commissioner of Ontario, for example, invited citizens in 2010 to submit online comments that detail their own successful or failed energy conservation projects, as well as any barriers they faced along the way. That information is being used to improve conservation policy in the province. In this way, the Internet can be a tool to engage the public by enlisting them as gatherers of information, such as on climate change, which could ultimately be used to influence a green economic plan. **Brown**, citing one example, said the public could be easily mobilized to be the eyes and ears of climate change in Canada. “They could collect data – their observations – about how their lives are changing because of the climate change they’re seeing now,” he explained. “There is a lot of evidence that farmers are noticing, such as earlier planting dates. Bird watchers are noticing different birds. Medical watchers are noticing diseases are different. I think anecdotal evidence is very powerful here.” This could be collected, compiled and made accessible online for all to see.

Part of the public outreach should also target decision makers, many of which continue to view economic and environmental policy as mutually exclusive. “You’ve got these old decision makers and their conceptualization of the economy is extraction of resources, distribution and consumption,” said **Manning**. “The idea that all of those functions require ecological goods and services – air, water, land – their framework just doesn’t include that. So the first challenge is to change people’s

conceptual framework.” The goal here is to mentally prepare decision makers for the idea that a price on carbon and other “externalities” is inevitable.

But engaging and educating the population requires good information, and this is sorely lacking in Canada, said **Drummond**. Homeowners, to highlight one simple example, find it difficult getting information about green products and services that can help them with their own buying decisions. “If someone wants to figure out if it makes economic sense to replace their furnace they would have a hard time doing the calculation,” said Drummond. If we can’t inform a homeowner about the pros and cons of various green products, how can we inform the general public about the pros and cons of a green economy? “In virtually any other field there is at any moment a ranking of policy options by cost-benefit ratio. Nothing like that exists in the environment space,” Drummond added.

Looking ahead, it’s also important to engage young people and educate them on the merits of a green economy and the economic and environmental risks of not developing a green economic plan for the country. “It’s the kids that are going to be affected. If you introduce this as something that’s going to impact their life and tell them they’re going to have to live with the results, then it becomes part of what they think about,” said **Brown**, emphasizing that these are the voters of tomorrow. “The more common that thinking becomes the easier it is get politicians seeking to be elected to care about the issue.” This thinking is already evident at the university level, said **Gélinas**. “If you’re a university and can’t offer programs related to green technology, sustainable development, you’re no longer a potential candidate for young people to come and study.”

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ENGAGE/ EDUCATE

- Need to overcome “green fatigue” by putting “spice” back in debate
- Leverage Internet; encourage public participation in info gathering
- Challenge the conceptual framework of decision makers
- Reliable information needed to weigh, compare various policy options
- Engage young Canadians

LEADERSHIP

- Need “icons” of Canadian society to champion green economy
- Leaders must come from outside environmental circles
- Proper messaging/communication is key
- Must tackle issues with passion, determination, honesty
- Directly connect with public

3) Political and Business Leadership

It was felt by most that Canada sorely lacked political and business leaders who could stimulate a national dialogue and champion controversial initiatives considered necessary to green the country's economy. That effort includes getting a meaningful price put on carbon emissions. Identifying such leaders will be crucial, said **Brown**. “We need to find people who are icons in our society. They need to stand up and say, ‘Look folks, we have a real problem and I’m not going to shy away from telling you how challenging it’s going to be.’ We need people who come from places not normally regarded as hotbeds of environmentalism, but who recognize we have to pay attention because this is really serious stuff.”

The question to ask, said **Manning**, is a simple one: “Out of whose mouth would this message be most credible?” Federally, former Liberal leader Stéphane Dion tried to champion a green economy in 2008 in the lead-up to a federal election. He was ultimately ineffective at getting his message across. “The challenge is to put these messages into a politically communicable form,” said Manning, adding that the way the concept of carbon pricing was introduced in 2008 may have set back the discussion for 10 or 15 years in Canada.

Gélinas said Dion was the first to go to bat on the idea of establishing a carbon tax as the foundation of a green economy. But as disastrous as the outcome was, she's not convinced it's a dead issue, believing instead that the idea of a carbon tax as a necessary component of a green economy has regained support over the past two years. So, too, has the idea that it would

be easier to implement than the kind of cap-and-trade systems being contemplated in the United States and by several provinces and U.S. states. For this reason, Gélinas said it's time to revive such talk by bringing together business and political leaders with the “guts” to carry it into the next federal election. “I think people are ready for that,” she said, adding that it will require determination, honesty and an ability to communicate the issues with passion and accuracy. She pointed to a recent 45-minute speech on the issue by Quebec Premier Jean Charest as a good example. “He was so passionate about it. He believed in it so much that he had no written notes. You could hear a bug in the room, and in the end everybody seemed to agree, yes, this is the way we need to go.”

Atleo agreed that leadership is crucial because it will create the political will that's necessary to move the agenda forward. “Where there's political will there will be policy shifts,” he said. Some pointed to U.S. President Barack Obama's willingness to directly reach out to the U.S. people through television addresses that are later posted on sites such as YouTube. “Maybe the Prime Minister should be on TV explaining to us the facts associated with these issues and the importance of the decisions we are making?” said **Lamarre**. This assumes, of course, that Canada has a Prime Minister who sees a green economy as a national priority. **Roberts** said Prime Minister Stephen Harper is so far just responding to the “Alberta agenda” by throwing money and support behind carbon capture and storage projects. “In a world of budget constraints that's probably not your biggest bang for the buck,” he said.

4) Support for Innovation

Canada could do a much better job supporting green technology, from research and development all the way to commercial deployment and international export. “We have bright minds. We have the engineering schools that can produce the technology. We have the business people who can finance these things and make them happen. But the biggest frustration is we don’t help create the markets in Canada for these technologies,” said **Raynolds**. “We don’t take risk on our own technologies and entrepreneurs, and end up forcing them out of Canada to markets elsewhere.”

But this doesn’t just mean throwing more money at green innovation. **De Pencier** said the government could be much more creative with how it stimulates private investment in green technology development and deployment. Loan guarantees, for example, can attract more investment to large, capital-intensive green energy and infrastructure projects by reducing private-sector risk and lowering borrowing costs. The U.S. Department of Energy is offering up to \$8 billion in loan guarantees under the U.S. Financial Institution Partnership Program, which was created under the *American Recovery and Reinvestment Act of 2009*. This doesn’t mean \$8 billion is paid out. It means the U.S. government, by agreeing to backstop private-sector loans to large renewable-energy projects, is taking on the risk that a developer might default. This lowers the cost of borrowing for the developer. Canada has no such program for renewable energy or green infrastructure projects.

Issuing “green bonds” is another option. “The concept here is that a big borrow (like the federal or provincial governments) goes out with their great credit rating and

borrow money at much lower cost than entities in the green-technology sector could,” explained **Roberts**. That money, potentially billions of dollars, could form the basis of a public green fund. Such a fund could back a range of green-economy initiatives, ranging from household retrofits to large infrastructure projects, by being a source of low-interest loans. “Basically, they raise that money and then re-loan it out,” said Roberts.

Roberts said all levels of government could do a better job of building incentive programs for clean technology companies and green-energy initiatives. What might help, he added, is to do a better job of comparing different international programs for their suitability in a Canadian context. “We need to know what’s worked elsewhere,” he said. The key, he added, is to be consistent. It can often do more harm than good when a government takes a stop-start approach to incentive programs. “It’s disruptive and counter-productive.”

Keith said government programs also need to design carefully by targeting technologies and projects that have the biggest impact. “You can’t mess around with stuff that’s very expensive,” he said. “You have to focus ruthlessly on doing stuff that’s cheap.” Funding “feel good” initiatives that are the least economic options is counter-productive, added Keith. “It only proves how expensive it is and bolsters the case for doing nothing.” Roberts agreed that government money needs to be spent wisely, particularly during this time of budget constraints. Energy efficiency is an obvious area to target. “A lot of this is low-hanging fruit,” he said.

Most agreed that putting a meaningful price on carbon would boost market support for innovations that encourage the

SUPPORTING INNOVATION

- More support for R&D, demonstration, deployment of Canadian green tech
- Be more creative with the use of public money; share risk with private sector
- Seek out international best practices
- Apply programs consistently; avoid stop-start policy
- Push for a price on carbon

more efficient allocation/use of resources and lead to greater economic productivity.

The Role for Philanthropy

All of the thought leaders interviewed believed there was an important role for the philanthropic community to play in promoting a green economy in Canada, though there was also recognition that philanthropic resources are relatively limited and that campaigns or activities must be targeted to have the greatest impact. "I'm very excited about my conversations with the philanthropic community," said **Atleo**. "These are people who care, and I've seen a number of these groups already stepping forward."

Better information

Perhaps the biggest role identified for funders is to financially support the gathering, analysis and communication of information that could be used to educate and engage the public and decision makers, as well as support a national dialogue on the green economy. "My advice to philanthropic organizations is to fund some research and then basic information communication," said **Drummond**. "Both are desperately in short supply in Canada. We are overly dependent upon the government for information and they don't seem disposed to providing much."

Opinions varied, however, on what kind of studies or research should be funded. Drummond, as mentioned earlier, said there is a severe lack of analyses of different policy options, their costs and their benefits, as well as comparisons to best practices in other countries. **Lamarre** said more studies are needed to help people better understand the economic and lifestyle impacts of green economic

policy decisions and the systems that would need to be put in place to support them. But there was also a call for studies that show how inaction can threaten our economic security, our health and the general well-being of Canadians, particularly younger generations more exposed to future impacts. **Brown** wonders whether Canadians truly understand how climate change could affect their lives. "It's the sort of information the general public ought to have, and the sort of thing philanthropic organizations could participate in," he said. Brown added that funders could also support the idea of a "climate observation" database (mentioned above) that tracks changes in the Canadian climate through the observations of the public, which could participate through a website.

Manning said more funding is needed to support think-tank studies that show the hidden environmental costs in the goods and services we consume. "We need more emphasis on full-cost accounting," said Manning, adding that it will help the public better understand the energy and resource inputs in related to our consumption. **De Pencier** said funders should help fund research that helps NGOs educate the business community, particularly pension funds, about the enormous investment opportunities in a green economy. He said a greater effort is needed to get pension funds investing in Canadian green energy and infrastructure initiatives. This will only happen through better understanding of the risks and by creating greater excitement around the rewards.

Effective Messaging

It was also thought that funders could play an important role to improve how information about a green economy and associated issues are conveyed to the general public, government and business/industry.

The trick, said **Keith**, is to do it in a way that doesn't come across as partisan. "They really need to push hard for bipartisan consensus," he said. "But that's a really big challenge, and it may demand working with NGOs in a way that's quite different." Such efforts have to become more strategic, and need to focus more on results than scoring points through newspaper headlines aimed at shaming one political party or praising another. "Too many Canadian NGOs seem to measure their progress by how much ink they get in the press, not by how they change the laws or outcomes."

Gélinas said philanthropic organizations, by funding various NGOs and through strategic partnerships, have to make sure the "sales pitch" to the public or government comes across as unified. That is, there needs to be more alignment in the messaging. "What I find difficult is the inconsistency of the message coming from those organizations," she said. "It's more confusing than anything else." **Stanford** pointed to a group called the Green Economy Network, an alliance between unions, environmentalists and social justice groups that are trying to find common ground and speak with a united voice. "It's an extremely important initiative," he said. "It's the kind of worthy project a granter could support or sponsor."

Some messages, particularly around the reasons for embracing a green economy, also need to be more aggressive and direct. **Keith** said continuing confusion and doubt over climate change science, for example, needs to be nipped in the bud. "You have to go after the disbelief in climate science directly," he said. "If I had a spare million dollars I would hire a really good ad agency and would go after (the skeptics) ruthlessly. I would make people who pretend the science isn't strong look

like fools." He assured, "there are ways to do it that are polite." **Brown** said it would be more powerful if those messages came from political, business and community leaders. With the issue of climate science, for example, having someone like Canadian Nobel Prize winner John Polanyi stand up and deliver the message would be more effective. There's an opportunity, said Brown, for members of the philanthropic community to work their own personal networks and recruit high-profile voices to participate more directly.

Targeted Outreach

Armed with better information and a strong, unified message backed by influential, credible leaders, the next step is to connect with voters, politicians, investors and other decision makers. Print, television and Internet advertising campaigns, while expensive, may be one option. **Manning** said the philanthropic community could help fund and organize workshops across the country that kick start the discussion, minus the politics. "These groups should create venues that are not political meetings," he said.

Raynolds envisions a more grassroots approach that has worked well in the United States. It's also one that has made it possible for NGOs there to be more politically relevant and influential. "Those U.S. environmental NGOs have savvy, political clout, campaigning ability and an impact on a riding-by-riding basis," he said. This contrasts with Canadian NGOs, which ruling and opposition parties today can largely ignore without suffering too much in the way of political consequences. "There's no threat to them. No upside for them to listen. To me, that's the biggest thing that has to change within a decade, or else we're just going to be screaming from the sidelines."

ROLE FOR PHILANTHROPY

- Better information
- More effective messaging
- Targeted outreach
- Backing for innovation

BUILDING BRIDGES

Environment & the Economy

How to Accelerate Canada's Transition to a Green Economy and the Role for Philanthropy

About the author

Tyler Hamilton is a business columnist for the Toronto Star, Canada's largest daily newspaper. His weekly column, Clean Break, and blog of the same name at: www.cleanbreak.ca discusses trends, happenings and innovators in the clean technology and green energy market. In 2005, Tyler was recognized with a "Cleantech Pioneer Award" for being the first mainstream journalist in North America to have a column dedicated to clean technology and innovation coverage. In 2008, he was named one of the most influential media personalities on green issues by Green Living Magazine. In 2010, the Canadian Advanced Technology Alliance – the largest high-tech trade association in Canada – named Tyler science and technology "reporter of the year" for his coverage of the cleantech sector. The same year Tyler was named sustainable electricity "journalist of the year" by the Canadian Electricity Association. Tyler was recently appointed an adjunct professor at York University's Faculty of Environmental Studies, where he will assist in the creation of a new sustainable energy lab.

He acknowledged that Canadian rules for registered charities prevent them from funding partisan political activities. This has led some philanthropic groups to become overly cautious and risk-averse. In the words of another interviewee, "They would rather throw money at soft, fuzzy educational initiatives." There's no reason, added Reynolds, funders couldn't help NGOs operate more like political parties – i.e., targeting swing voters and certain demographics on a riding-by-riding basis – without being perceived as partisan. "That way politicians, who know what those swing ridings are, also know that NGOs are able to influence votes. That's what it will take, but it's not cheap to build lists and go door-to-door. It's really just about a lack of resources."

Backing Innovation

Regardless of which side of the political spectrum they fell, the thought leaders we interviewed – from Manning to Stanford – saw philanthropists playing a limited role in the support of Canadian innovators and the demonstration of new clean technologies and green energy systems. "Certainly philanthropists or funders can't finance things that cost billions of dollars, but I do think they can finance pilot projects that demonstrate a new technology or change in lifestyle," said **Manning**.

Roberts, who is on the advisory board of the Ivey Foundation, said funders and their contribution to technology demonstration could become more important at a time when governments are tightening their belt. "This creates a vacuum where the philanthropic community can play, but on a targeted level. They need to pick an area where they want to be a champion," said Roberts, adding that energy efficiency, energy-from-waste and water technologies are a good place in his view to start. Water is particularly important and often overlooked, he said. "If energy is scarce then water is scarcer."

But funders can do more than simply fund demonstration projects; they can invest directly in Canadian companies trying to bring green innovations to market. "If you're a green foundation and you give (project) grants to green companies, then why don't you invest in them?" said **de Pencier**. "They have assets. If they want a green economy, what are they saying, that the government and private sector should put up all the dough but not us?"

At the very least, the philanthropic community could help to raise awareness of and build excitement around the very best Canadian innovations for the green economy. "They could create a prize that showcases Canadian green technology, kind of like the X Prize," said **Reynolds**.

The views expressed in this article are those of the author and do not necessarily represent the views of CEGN or the series' funders.



215 Spadina Avenue, Suite 360
Toronto ON M5T 2C7

T 416-961-1273
E pegi_dover@cegn.org
W www.cegn.org