CEGN RCSE

Canadian Environmental Grantmakers' Network

Réseau canadien des subventionneurs en environnement

EN ROUTE TO A LOW-CARBON FUTURE

A Landscape Assessment for Canadian Grantmakers

Prepared by:
Dunsky Energy Consulting

dunsky ENERGY CONSULTING

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CEGN also gratefully acknowledges the financial support of the following members for the development of the report: The Claudine and Stephen Bronfman Family Foundation; the Donner Canadian Foundation; The Ivey Foundation; Metcalf Foundation; The J.W. McConnell Family Foundation; The New Venture Fund; and the Toronto Atmospheric Fund. Representatives of these funders formed an Advisory Committee to guide the development of the research and the time and commitment of these individuals is much appreciated by CEGN.

FOREWORD

The Intergovernmental Panel on Climate Change (IPCC) has stated that developed economies must reduce greenhouse gas emissions (GHG) by 80-95% by 2050 and 25%-40% by 2020 in order to avoid dangerous climate change. The challenge presented by the IPCC is an enormous one that requires strategic action at the global level, but also on the part of governments, corporations, and civil society.

What is the role for philanthropy in helping Canada to meet the IPCC targets? Over the past year, a number of CEGN members convened to discuss opportunities for working together to help advance a low-carbon future for Canada. Working independently, these funders are already making strong contributions to a range of energy and climate initiatives; including those designed to improve energy efficiency, build a greener economy, engage the public on climate concerns, and spur the adoption of new fiscal policies to help ensure sustainability. While there is some alignment in the work of these funders, including joint support by a number of CEGN members for the launch of Canada's Ecofiscal Commission, strategic coordination among funders has been relatively rare.

During the winter of 2015, seven CEGN members pooled resources to commission Dunsky Energy Consulting to conduct a landscape assessment on the role for philanthropy in advancing a low-carbon future for Canada. The report, *En Route to a Low-Carbon Future - A Landscape Assessment for Canadian Grantmakers,* involved interviews and surveys with more than 40 thought leaders. The analysis provides a number of possible directions for funders to pursue, and the original group of seven funders is now beginning to look at opportunities for strategic collaboration to achieve greater impact. We are eager to connect and engage with other funders who share an interest in working collaboratively to strengthen the contribution of philanthropy in advancing a low-carbon future for Canada. We welcome your interest and look forward to speaking with you.

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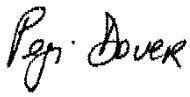

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EXECUTIVE SUMMARY

Mitigating climate change is one of the most pressing challenges facing the global community today, as well as a key driver behind the emergence of a new kind of economy. In Canada and abroad, developing a low-carbon economy is not only a matter of environmental necessity, but also an instrument of future competitiveness. **By pooling significant resources**, funders, such as members of the Canadian Environmental Grantmakers' Network (CEGN), can affect lasting change.

This landscape assessment provides a **snapshot of Canadian efforts** towards a low-carbon economy. We interviewed and surveyed more than **40 leaders from civil society to business**, and synthesized their latest thinking on the core levers for emission reductions in Canada; the latest policies, initiatives and gaps in our efforts across the country; as well as words of advice for the grantmaking community.

Overall, participants prioritized policy change and other efforts on **six core levers**, namely:

PROMOTING LOW-CARBON SOLUTIONS

- Pricing carbon
- Decarbonizing our transportation
- Scaling up renewables
- Greening our cities and buildings

LEAVING CARBON IN THE GROUND

- Limiting oil & gas emissions
- Shifting our investments

We outlined successful initiatives, as well as notable gaps and potential partnership opportunities. While each lever exhibits specific gaps, participants outlined the need for significantly scaled up funding on **advocacy and communication** efforts; long-term **capacity building and coordination**; and, in fewer cases, targeted **research and analysis** work and associated communication efforts.

Looking forward, participants made several suggestions, notably that grantmakers:

- **Scale up, pool, and focus** climate grants, in order to help achieve far-reaching policy change and offer a strong, well-funded, positive voice for change;
- **Collectively structure their efforts** for climate action, with dedicated Funder Groups and clear grantmaking strategies, coordination, and communication; and
- **Become vocal role models** for a low-carbon economy, by updating their own organizational and financial practices, and by widely sharing their successes.

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1. CONTEXT: FUNDING A LOW-CARBON FUTURE

A ROLE FOR PHILANTHROPY IN BUILDING A LOW-CARBON CANADA

Mitigating climate change is one of the most pressing challenges facing the global community today—as well as a key driver behind the emergence of a new kind of economy. Around the world, the race to cut greenhouse gas (GHG) emissions is accelerating the evolution of our energy systems; igniting inventive public policy and financing models; and generating economic opportunities that no country—including Canada—can afford to ignore. Developing a low-carbon economy is not only a matter of environmental necessity, but also an instrument of future competitiveness.

The transition to a low-carbon economy requires a collective effort, as well as a diverse patchwork of initiatives across a range of sectors, from far-reaching carbon pricing to urban transit leadership. Each sector has its role to play—and philanthropy is no exception. By pooling significant resources, environmental funders, who collectively granted more than $280 million in 2011-12 alone, can be at the forefront of this movement.

The purpose of this landscape assessment is to offer a **snapshot of Canadian efforts** towards a low-carbon economy. In addition to a literature review, we have **interviewed and surveyed 41 leaders** in the civil society, academic, policy, philanthropic, and business sectors across Canada, and synthesized their latest thinking on the core levers of emission reductions in Canada; the latest policies, initiatives and gaps in our efforts across the country; as well as words of advice for the grantmaking community. This work may be used as a starting point for prioritizing grantmaker activities, and for pinpointing promising partnerships to forge. Because in this field, where each dollar is spent really does matter.

STRUCTURE OF REPORT

The report is structured as follows:

SECTION 2 – Context: key figures
This section presents key figures to help **contextualize** grantmaking efforts on climate action.

SECTION 3 – Landscape assessment: levers and initiatives
This section, the core of the report, presents **fact sheet-style summaries** of key levers, initiatives, barriers, and gaps in Canada.

SECTION 4 – Landscape assessment: players
This section offers preliminary **categories** and **lists** of key players that grantmakers may consider when developing partnerships.

SECTION 5 – Strategic assessment: lessons learned
This section offers the most pertinent advice from interviewed leaders that apply directly to **grantmaker operations** and activities.

SECTION 6 – Strategic assessment: thinking ahead
This section consolidates insights from the research into a strategic assessment of **opportunities**, **challenges**, and **next steps** for grantmaking activities in the context of the CEGN.

References and **appendices** are available at the end of the document.

PARTICIPANTS

This landscape assessment summarizes the latest thinking of influential leaders in the civil society, academic, policy, philanthropic, and business sectors. A review of key reports was also conducted (see **References**).

INTERVIEWS

The following **27** participants were interviewed for this work:

NAME	ORGANIZATION
Michael Brooks	REALPac
Tim Gray	Environmental Defence
John Cook	Greenchip Financial
Peter Robinson	David Suzuki Foundation
Christopher Ragan	McGill University, EcoFiscal Commission
Art Sterritt	Coastal First Nations
Tzeporah Berman	Independent consultant
Devin Causley	Federation of Canadian Municipalities
Sadhu Johnston	City of Vancouver
Sidney Ribaux	Equiterre
Ralph Torrie	Independent consultant
Julia Langer	Toronto Atmospheric Fund
Elizabeth McDonald	Canadian Energy Efficiency Alliance
Leslie Harroun	Oak Foundation
Shauna Sylvester	SFU Centre for Dialogue, SFU Public Square, Renewable Cities
Cara Pike	Climate Access
Anders Hayden	Dalhousie University
Chad Park	Natural Step
Merran Smith	Clean Energy Canada
Carol Suhan	FortisBC
Andrew Dooner	KPMG
Keith Stewart	Greenpeace
Ann Wallace	Funders Network
Louise Comeau	Climate Action Network
Brendan Haley	Efficiency Nova Scotia
Philippe Bourke	Regroupement national des conseils régionaux de l'environnement
Devika Shah	Independent consultant

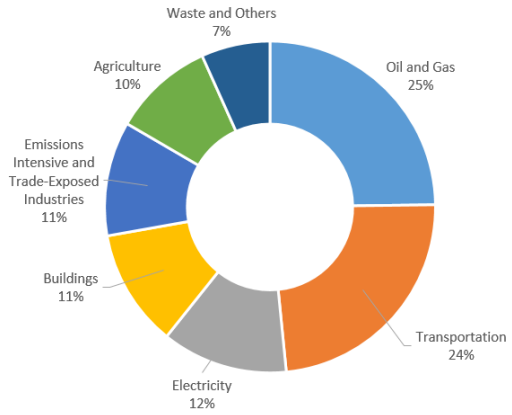
SURVEYS

Feedback via a survey questionnaire was also received from an additional **14** participants:

NAME	ORGANIZATION
John Brodhead	Evergreen CityWorks
Mark Butler	Ecology Action Centre
Jim Harris	Strategic Advantage
Laurie Simmonds	Green Living Enterprises
Jack Gibbons	Ontario Clean Air Alliance
Lori Gammell	Suncor Energy Foundation
Tom Heintzman	JCM Capital
Catherine Abreu	Ecology Action Centre
James Hoggan	Hoggan & Associates
Ed Whittingham	Pembina Institute
Rick Smith	Broadbent Institute
Cherise Burda	Pembina Institute
Brent Gilmour	QUEST
Sean Magee	Bullfrog Power

2. CONTEXT: KEY FIGURES

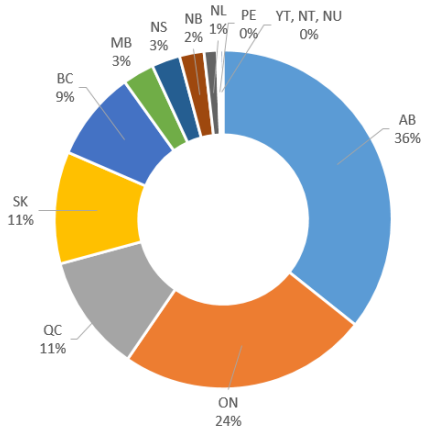
Three figures help contextualize climate efforts in Canada and the role that grantmakers can play:



Source: (Environment Canada, 2014)

GHG EMISSIONS BY SECTOR (2012)

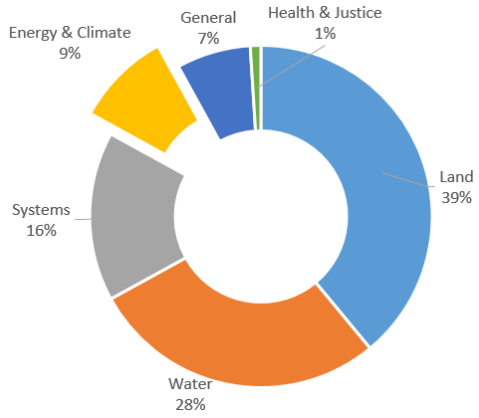
In Canada, national emissions can be split in four categories of roughly equal magnitude: 1) **oil & gas**, a sector which accounts for the bulk of emissions growth in Canada; 2) **transportation**; 3) **electricity** and **buildings**; and 4) **other sectors**, including emissions intensive industries, agriculture, and waste. Note that this emissions profile is markedly different from the U.S., where the electricity sector remains the top emitter with 35% of national emissions (US EPA, 2015). Mitigation efforts are thus targeted differently across borders, although many common elements can be found.



Source: (Environment Canada, 2014)

GHG EMISSIONS BY PROVINCE/TERRITORY (2012)

Provincial emissions are not distributed proportionally to population. Given their strong oil & gas sectors and fossil-fired electricity, Alberta and Saskatchewan jointly emit close to half of national GHG emissions, while Quebec, British Columbia, Manitoba, and Newfoundland & Labrador—with their hydroelectric resources—jointly emit less than a quarter. Accordingly, efforts to cut GHG emissions face different political, economic and technical circumstances across provincial borders, and **require different granting priorities by province**.



Source: (CEGN, 2014)

ENVIRONMENTAL GRANTMAKING BY ISSUE (2012)

Environmental funders are providing much-needed support on a broad range of environmental issues, with land conservation, water issues, and systems (food systems, waste, sustainable communities) currently earning the lion's share of available funds. However, as of 2012, energy and climate issues represented **less than 10% of environmental funding**. In comparison, in the U.S. the share of funding for energy and climate issues increased from 14% in 2007 to 32% in 2009, as climate became by far the top issue in terms of funding from environmental grantmakers (EGA, 2012).

3. LANDSCAPE ASSESSMENT: LEVERS AND INITIATIVES

OVERVIEW OF KEY LEVERS IN CANADA

Achieving a **low-carbon economy**—a thriving economy with GHG emission levels down by at least 80% below 2000 levels by 2050 (a benchmark first brought forward by the IPCC in its 4th assessment report (IPCC, 2007))—requires large-scale action across the Canadian economy. While Canada shares several of the same challenges as other industrialized countries, its unique emissions profile and carbon-intensive asset base calls for a distinct set of actions and priorities. In most cases, **policy change** is a key instrument for progress.

Based on interviews, surveys and a literature review, a two-pronged framework of **key Canadian levers** is presented below to help organize and prioritize initiatives, gaps and players:

PROMOTING LOW-CARBON SOLUTIONS
A combination of economy-wide carbon pricing and sector-specific initiatives can help accelerate the uptake of low-carbon solutions across the country.

[1] PRICING CARBON
A robust price on carbon is the most important pillar of a low-carbon economy. Some provinces have taken the lead—and there is more to do.

[2] DECARBONIZING OUR TRANSPORTATION
From transport electrification to inventive transit policies, there is considerable room for progress in Canada's approach to transportation.

[3] SCALING UP RENEWABLES
Canada is home to considerable renewable energy resources. From grid integration to innovative financing models, grantmakers can help accelerate the trend.

[4] GREENING OUR CITIES AND BUILDINGS
Home to 80% of Canadians, cities (and the buildings they are made of) play a key role in achieving deep cuts in emissions and improvements in efficiency.

LEAVING CARBON IN THE GROUND
Changing the course of our emissions profile also means leaving more carbon underground, and re-thinking our investing patterns.

[5] LIMITING OIL & GAS EMISSIONS
The oil and gas sector represents 25% of Canadian emissions and the bulk of emissions growth in the country. It is an essential piece of the Canadian low-carbon puzzle.

[6] SHIFTING OUR INVESTMENTS
Shifting capital away from carbon-intensive ventures and integrating climate risks in investment and grantmaking decisions is gaining ground in Canada.

Note that these levers are presented in **no particular order**. While carbon pricing is rightly touted as a key lever of emission reductions—as it can reach across several sources of emissions, including energy intensive industries and forestry—considerable action on **all levers** is required to create the appropriate conditions for a low-carbon economy across Canada in the coming decades. For each lever, there is significant room for additional initiatives and funding to help tilt the scale towards sustainable policies and development, most notably in terms of **advocacy & communication**, **capacity building & coordination**, and, in select cases, **research & analysis**.

OVERVIEW OF LANDSCAPE FRAMEWORK

For **each lever above**, we produced a 2-page landscape, summarizing the following key elements:

DESCRIPTION
A short introduction of the lever.

POLICIES
A sample of key federal, provincial, and municipal policies already enacted—or that participants feel **should** be enacted as priorities (termed **"Priority actions"**)—in Canada.

INITIATIVES
A sample of initiatives that may be relevant for grantmakers, either as a model for future initiatives or as a potential recipient of additional funding. These initiatives were broken down following three core categories:

Advocacy & communication
This category includes grassroots engagement campaigns, government relations and lobbying, as well as public-level communication and education.

Capacity building & coordination
This category includes funding third parties (e.g. ENGOs), projects and market transformation initiatives; convening key stakeholders and coalitions (from civil society to corporations and governments); as well as coordinating activities.

Research & analysis
This category includes conducting (or funding) policy development, primary research, data modelling, policy and technical analyses, as well as other analytical products.

BARRIERS
A brief description of barriers to change, according to interviews and other research.

GAPS
A shortlist of key gaps in initiatives supporting this lever, which grantmakers may help bridge. In some cases, suggested activities by participants are also presented ("**This may include…**").

POTENTIAL PARTNERS
A sample of potential partners that grantmakers may wish to consider when planning their activities.

In addition to these lever-specific summaries, we produced the following elements for this landscape:

- **Summary table:** a summary table of relative activity level, by lever and by initiative category, was developed to help clearly identify areas for action using one single visual. We begin with this table to guide the reader in the following sections.

- **Landscape of players:** a summary of potential partners, by category, was developed to help clearly identify partners—and their strengths—for future activities.

SUMMARY OF LANDSCAPE

The following table summarizes activity levels for all six key levers, **based on the collective judgement of participants**. A **full circle** denotes relatively high activity, an **empty circle** denotes a clear gap in activity, and a **half-full circle** denotes a middling level of activity. It should be noted that high activity does not necessarily indicate that additional funding would not be required—in general, **climate funding in Canada is very low**.

KEY TAKE-AWAYS: Overall, participants felt that gaps were most significant in **advocacy & communication**, especially in terms of public-level communication and grassroots engagement. Additional gaps were outlined in **capacity building** and **coordination** efforts (organizations and networks are chronically under-resourced). Lastly, while research & analysis work was deemed essential (and lacking in some areas), many participants felt that considerable strides have been made, and that efforts should be focused on more widely communicating positive solutions that result from this work.

Table 1: Summary of activity level in Canada (full circle denotes relatively high activity, empty circle denotes a gap)

		ADVOCACY & COMMUNICATION			CAPACITY BUILDING & COORDINATION		RESEARCH & ANALYSIS	
		Public-level communication	Government relations*	Grassroots campaigning	Capacity building	Capacity coordination	Technical	Policy
PROMOTING LOW-CARBON SOLUTIONS	[1] Pricing carbon	◑	●	◑	◑	◑	●	●
	[2] Decarbonizing our transportation	○	◒	○	◒	○	●	●
	[3] Scaling up renewables	○	◒	○	◒	○	●	●
	[4] Greening our cities and buildings	◑	◒	○	◒	◑	●	●
LEAVING CARBON IN THE GROUND	[5] Limiting oil & gas emissions	○	◒	●	◒	○	◒	◒
	[6] Shifting our investments	○	◒	○	◒	○	◒	◒

* **Government relations** activities at the federal level are currently very limited across the board. This category primarily denotes activity at the provincial and municipal levels.

[1] PRICING CARBON

DESCRIPTION

Putting a price on carbon is arguably the core pillar of a low-carbon economy: it can internalize the impacts and risks of GHG emissions in most prices, and help drive changes in individual and commercial behaviours across a range of sectors, including emissions intensive industries and agriculture. Implementing strong carbon pricing mechanisms is a clear priority.

POLICIES

A sample of key current and potential policies is listed below:

Federal: The current federal government has not proposed any national carbon pricing mechanism, advocating (and waiting) for a continental approach instead. In the run-up to the 2015 election, federal parties are preparing proposals, ranging from a national cap-and-trade system (NDP) to a provincial approach (Liberals).

Provincial: In the absence of federal action, provinces have taken the lead and enacted their own carbon pricing systems, notably B.C.'s revenue-neutral carbon tax, Quebec's California-tied cap-and-trade system, and—to a much lesser extent—Alberta's very modest carbon levy. Other provinces are also moving forward, most notably Ontario, which has recently announced that it will join Quebec and California in setting up a cap-and-trade system. In all cases, current prices on carbon remain modest, and are far from the $100-150 per tonne generally agreed as being required to achieve sizable emission reductions.

INITIATIVES

Several groups are active in this area, a sample of which is explored below:

Advocacy & communication

Many organizations are currently advocating for a national (or provincial) price on carbon, from most ENGOs to the Council of Chief Canadian Executives, the Manning Centre, or the Conference Board of Canada. In April 2015 alone, the Ecofiscal Commission has advocated for a provincial price on carbon, while a group of Canadian academics has pushed for national action (Potvin et al., 2015). In most cases, advocacy and communication is conducted at the decision-maker level, using policy papers, with limited mass-market communication. This has left a considerable void at the public level.

Capacity building & coordination

Coordination and capacity building for carbon pricing is often fragmented by province, with a strong voice from national ENGOs. Considerable attention is currently on Ontario and its plans for pricing carbon. Most notably, the Clean Economy Alliance—a coalition of leaders across various sectors in Ontario, from ENGOs to labour unions, private-sector companies and industry associations—was recently launched to support climate action in the province. In Quebec, other groups such as the Switch Alliance are building the space for a broader discussion on a low-carbon economy (including modalities of broader carbon pricing in the province).

Research & analysis

Research on carbon pricing is extensive, both in Canada and internationally. Notable Canadian studies include a comprehensive carbon pricing policy by the now-defunct National Roundtable on the Energy and Environment (NRTEE, 2009), and a slew of policy papers from think tanks and ENGOs—the issue is widely debated in policy circles. More recent analyses point to B.C.'s revenue-neutral carbon tax as a notable success in achieving emission reductions while growing the economy (Clean Energy Canada, 2015). For the most part, participants did not feel that considerable additional research and analysis was required to bring about carbon pricing in Canada—but rather public-level communication and organizing.

BARRIERS

Participants felt that key barriers to carbon pricing include **public apathy, resistance, and/or confusion**; insufficient pressure from the **corporate sector** (and counter-productive lobbying from some); and **perceived lack of global leadership** (although the US has made strides at the state and federal levels).

GAPS

Based on interviews and other research, a number of key gaps were outlined in this area, among others:

1

POSITIVE PUBLIC-LEVEL COMMUNICATION CAMPAIGNS

Most participants felt that, while decision-makers are exposed to the modalities and benefits of carbon pricing (in large part as a result of the considerable Research & Analysis conducted), there is still room to engage the public and activists. Note that a need for additional government relations work was also generally agreed—and it starts with galvanizing public demands.

This may include resourcing groups working in this area; targeted public campaigns explaining the new policy in Ontario and promoting carbon pricing in Alberta, with a focus on positive messaging and pivotal demographics; support for emerging coalitions (e.g. Clean Economy Alliance in Ontario); and/or increased grassroots efforts with a focus on carbon pricing.

2

NETWORK FOR BROADCASTING SUCCESSES MADE IN CANADA

Several participants felt that successful work conducted in Canada—from BC's revenue-neutral carbon tax to strong research & analysis work—is not broadcasted widely enough in Canada.

This may include further resourcing networks with contacts in key jurisdictions (e.g. Clean Energy Canada, Climate Action Network); and/or communication and education initiatives shining light on research & analysis showing the success of the BC carbon tax, Quebec cap-and-trade, and other initiatives.

POTENTIAL PARTNERS

Based on interviews and research, a sample of potential partners were suggested in this area:

- **ENGOs**: to support public grassroots campaigns, town halls, canvassing, and other engagement;
- **Think tanks:** research & analysis work on carbon pricing conducted by the several think tanks (or ENGOs) are in need of additional **communications** capacity or resourcing;
- **Region-specific initiatives:** with considerable talk of provincial leadership, regional initiatives (Clean Economy Alliance in Ontario, Energy Futures Lab in Alberta, Switch Alliance in Québec) are at the centre of the debate on low-carbon economy (including carbon pricing) and associated communications; US organizations such as Carbon Nexus also offer a model;
- **Unusual suspects:** conservative think tanks (e.g. Manning Centre) and media are seen as instrumental in tilting public (and corporate) opinion in favour of a price on carbon; community leaders in core constituencies (e.g. communities in vote-rich 905).

[2] DECARBONIZING OUR TRANSPORTATION

DESCRIPTION

Transportation represents the second largest source of emissions in Canada. Initiatives to decarbonize the sector, from efforts to increase fuel efficiency to switching toward electricity and biofuels, are gaining traction politically as well as technologically. Grantmakers can help champion concrete proposals and contribute to policy change.

POLICIES

A sample of key current and potential policies is listed below:

Federal: Most notably, the federal government has been active in regulating emissions from passenger vehicles, light trucks, and heavy-duty vehicles, as well as in mandating a minimum renewable biofuel content in fuels, offering transit tax credits, and supporting select R&D efforts. **Priority actions** include leading by example (e.g. electric vehicle fleet, charging stations at federal facilities, procurement policies, etc.); broader incentives for fuel diversification, electric vehicles, and charging infrastructure; considerable investment (and transfers) for public transit; and support for high-speed rail.

Provincial: Key provincial initiatives include Metrolinx's The Big Move plan for transit in southern Ontario, along with EV incentives, a target to reduce fuel carbon content by 10% by 2020, and coordinated land use planning; the Quebec electrification strategy, which incents EVs and charging infrastructure; BC's Transportation Demand Management suite of policies; and Alberta's GreenTRIP initiative on transit. **Priority actions** include leading by example (see Federal); road pricing, congestion charging, and other transportation demand management policies; aggressive market-based incentives for electric vehicle adoption and fuel switching; clean transportation procurement policies; sizable investment for public transit; and the adoption of zero emission laws.

Municipal: Cities have considerable impact on transportation emissions from their role on designing the built form and transit. Notable initiatives include Vancouver's aggressive Green Transport strategy within its Greenest City Action Plan, bike-sharing initiatives now present in at least four Canadian cities, and Montreal's recent announcement of a 1,000 EV clean car-share plan. Most participants saw city leadership (land use regulations, infrastructure investments, and others) as key to decarbonizing our transport, along with increased funding for transit infrastructure. See the **Greening our Cities and Buildings** lever for more.

INITIATIVES

Several groups are active in this area, a sample of which is explored below:

Advocacy & communication

Advocacy in the transportation sector is most active on urban transit issues (e.g. groups such as the Canadian Urban Transit Association, ENGOs, the FCM, or Blue Green Canada) and electric vehicles (e.g. Quebec's Coalition Zéro Émission and Electric Mobility Canada advocating for a *loi zéro émission*). Advocacy for a national transit strategy is ramping up, but communication on other solutions (e.g. demand management, land use optimization) remains relatively muted.

Capacity building & coordination
On urban transit issues, the National Transit Strategy initiative is gaining momentum and building a wide coalition. Participants pointed out that capacity and coordination for sustainable transportation and land use planning work in ENGOs and other groups remains limited.

Research & analysis
Most Canadian ENGOs are involved in sustainable transportation analysis, along with think tanks and industry associations. Recent projects include the evTRM, a federally coordinated Electric Vehicle Technology Roadmap for Canada; a study by the Réseau national des conseils régionaux de l'environnement on the economic benefits of reducing transport-related oil consumption; WWF Canada's Road Transportation and Emissions Reduction Strategies paper; as well as other studies such as the Transportation Association of Canada's Guide for Greener Roads. Considerable work is also conducted on urban transit issues, from Pembina's Fast Cities report to CUTA's Transit Vision 2040. A widely accepted sustainable transportation and land use vision, and a national transit strategy, have not yet fully emerged.

BARRIERS

Participants felt that key barriers to decarbonizing our transportation include **locked-in infrastructure and assets**; insufficient **funding for city infrastructure and transit projects**; and **technological challenges** for alternative transportation, such as biofuel technologies and battery range.

GAPS

Based on interviews and other research, a number of key gaps were outlined in this area, among others:

1 **CHAMPIONS FOR CONCRETE, POSITIVE PROPOSALS**
Many participants pointed the need for vocal champions for concrete, positive proposals, such as **high-speed rail**, **electric vehicle charging networks**, and **policy change** on fuel switching (electricity and/or biofuels), demand management approaches, land use, and fuel efficiency.

This may include further resourcing groups working in this area; developing research, analysis, and communications products on specific project and policy proposals; resourcing grassroots initiatives around these proposals; developing citizen platforms to promote alternative technologies (e.g. Plug In America); and/or developing government relations capacity to push for policy change at the provincial (and eventually federal) level.

2 **ADVOCACY FOR A NATIONAL TRANSIT STRATEGY + LAND USE CHANGE**
Work on achieving a national transit strategy is underway, but remains under capacity. Likewise, there are opportunities to advocate for updated land use policies to promote active transportation and transit. In both cases, there is room to fund increased organizing capacity, communication work, and research.

POTENTIAL PARTNERS

Based on interviews and research, a sample of potential partners were suggested in this area:

- **Cities:** municipal governments have a good lay of the land in their area, and can use additional capacity at the margins;
- **Provinces:** provincial governments act as final arbiter on land use planning, and set guidelines;
- **Utilities:** on electric vehicle infrastructure, utilities are a critical partner;
- **Think tanks:** to help develop concrete proposals;
- **Unusual suspects:** business leaders in clean transportation technologies.

[3] SCALING UP RENEWABLES

DESCRIPTION

Canada already generates more than 60% of its electricity from renewable sources, and has also made considerable strides in renewable heat. With falling renewable technology costs, innovative financing & policy frameworks gaining traction, and the gradual phase out or conversion of coal power plants in select areas, Canada has the potential to considerably scale up renewables from coast to coast.

POLICIES

A sample of key current and potential policies is listed below:

Federal: While provinces are more active in this area, the federal government has made some strides, notably on investment incentives (e.g. within the Income Tax Regulations); renewable energy procurement targets for federal facilities; R&D funding for technology development, including via Sustainable Development Technology Canada; and regulations on coal-fired power plants. **Potential actions** include broader renewable energy subsidies and tax incentives; support for grid modernization and integration policies; a shift in national strategy and branding towards a *clean* 'energy superpower'; and more aggressive renewable energy targets for federal facilities.

Provincial: Provinces are leading the charge, notably with the BC Clean Energy Act, the Ontario Green Energy Act (along with feed-in tariff (FIT) policies and a coal phase out), provincial wind and solar subsidies (across all provinces), net metering and smart grid programs (e.g. NB Power), renewable portfolio standards (RPS) in select provinces (e.g. NB, NS), and renewable requirements (e.g. SK, QC). **Potential actions** include prioritizing grid integration (East-West between provinces, as well as potentially North-South with the US) and modernization policies (e.g. investment in transmission & distribution planning); ramping up renewable *energy* (or GHG intensity) requirements (both electricity and heat); deploying smart grid infrastructure to enable the integration of intermittent renewable sources; and increasing renewable energy subsidies, both direct (e.g. FIT policy) and indirect (e.g. tax incentives).

Municipal: Cities are bringing in increasingly ambitious targets, noting among others Vancouver's recent pledge to run on 100% renewable *energy* (the first in Canada), Toronto and Calgary mandates on clean electricity and vehicle fleets, increasing interest in innovative financing programs for solar and other technologies, as well as small-scale community renewable energy projects.

INITIATIVES

Several groups are active in this area, a sample of which is explored below:

Advocacy & communication

Many participants argued that the advocacy and communication space for renewable energy remains relatively fragmented in Canada; some networks and groups, such as Clean Energy Canada, are seeking to provide this united voice, while others (e.g. Energy Exchange) strive to increase energy literacy. Advocacy efforts are also conducted by associations (e.g. CanSIA, CRFA) and ENGOs. Grassroots activity remains limited, in part due to insufficient funding.

Capacity building & coordination
There is considerable movement in coordinating efforts in this area, notably initiatives such as Renewable Cities (which seeks 100% renewable *energy* in cities), the Natural Step's Energy Futures Lab (which seeks to envision Alberta's energy future), or the Canadian Renewable Energy Council (which seeks to coordinate policy efforts). Local renewable energy cooperatives (e.g. the Toronto Renewable Energy Co-op) and funds (e.g. the FCM's Green Municipal Fund) are also active in building capacity. In most cases, funding remains limited.

Research & analysis
Considerable policy work is routinely conducted across ENGOs, industry associations, and other groups. Technical initiatives are also underway, most notably the Trottier Energy Futures Project, which seeks to outline a deep decarbonisation pathway, and the Sustainable Prosperity Framework. Many participants felt that the policies to scale up renewables are well understood (but perhaps not always clearly communicated); gaps were outlined in integrating emission cuts in electricity planning, as well as in the development of business cases for grid integration.

BARRIERS

Participants felt that key barriers to scaling up renewables include the **absence of a coordinated national effort** or strategy (along with the specter of the failed National Energy Program); and an organized and well-funded **fossil energy-centric narrative** when it comes to Canada's energy future.

GAPS

Based on interviews and other research, a number of key gaps were outlined in this area, among others:

1 **NETWORK FOR BROADCASTING MADE IN CANADA POLICY SUCCESSES AND PROPOSALS**
Organizations are actively curious about successful models in other Canadian jurisdictions, and about coordinating policy proposals (e.g. grid integration, utility-level policies, RPS, FIT, solar leasing). There is room to amplify these efforts in support of policy change across Canada.

2 **PUBLIC PLATFORMS + COMMUNITY-LEVEL PROJECTS FOR ENGAGEMENT AND EDUCATION**
Other industrialized countries are developing public engagement and education platforms on the need for policy reform on renewable energy (e.g. Put Solar on It, the Solutions Project), with the double effect of educating and mobilizing the population. Likewise, there is a need for tangible community-level projects (e.g. renewable projects by First Nations Power Authority in SK) to highlight the potential and benefits of renewable solutions on a human scale.

3 **LOCAL CAMPAIGNS TO PHASE OUT (OR CONVERT) COAL POWER PLANTS**
Alberta, Saskatchewan, and some Atlantic provinces still rely on coal for electricity. There are opportunities to build local campaigns—in partnership with health professionals, for instance—to accelerate the phase out of coal power plants, or their conversion to renewable biofuels.

POTENTIAL PARTNERS

Based on interviews and research, a sample of potential partners were suggested in this area:

- **Utilities:** enlisting utility support is critical in moving a renewable-centric policy agenda forward;
- **Existing networks and initiatives:** groups such as Clean Energy Canada and related initiatives (e.g. Energy Futures Lab) are active in this field and under-funded;
- **Look to the US:** various organizations, from the Energy Foundation to the Solutions Project, are highly active in this area and can share best practices;
- **Unusual suspects:** clean energy companies and financial institutions (e.g. solar leasing), which provide attractive business models; community leaders (e.g. First Nations) and renewable energy coops, to help promote community-level projects.

[4] GREENING OUR CITIES AND BUILDINGS

DESCRIPTION

With 80% of Canadians now living in urban and suburban environments, cities—and the buildings they are made of—play a critical role in shaping the demand for carbon-intensive products and services. In recent years, there has been increasing movement in the **municipal** and **energy efficiency** sectors in Canada, from smart urban planning to retrofit incentives and innovative energy efficiency financing programs and policies. There is much more to achieve, and grantmakers can help accelerate the trend.

POLICIES

A sample of key current and potential policies is listed below:

Federal: The federal government has recently phased out many of its initiatives in energy efficiency, notably ecoENERGY retrofit programs, but remains active in building codes, equipment and building energy efficiency requirements, and various R&D projects. It has also granted $650m for the FCM's Green Municipal Fund. **Priority actions** include setting ambitious targets for energy efficiency and conservation; integrating climate and energy efficiency goals in building codes; re-funding retrofit incentives and the GMF; accelerating amendments to the Energy Efficiency Regulations and others; and supporting cities in their efforts.

Provincial: Considerable action has taken place at the provincial level, notably the emergence of dedicated energy efficiency organizations (e.g. Efficiency NS); energy efficiency / demand response programs in most provinces; and outreach activities in partnership with local utilities. **Priority actions** include setting aggressive targets for energy efficiency and conservation; actively promoting innovative financing mechanisms (e.g. local improvement charges, on-bill financing); promoting data-driven policies (e.g. energy and water disclosure; audits before sale); and supporting cities in their efforts.

Municipal: Municipal action is wide-ranging, and includes investments in building energy efficiency retrofits, waste management policies, public transit and urban planning policies—and so much more. Vancouver's Greenest City action plan is the most ambitious in the country, while a long list of recent municipal policies and initiatives can be found in the FCM's Partners for Climate Protection report (FCM, 2013). Support for the coordination, strategic planning, funding, and adoption of ambitious policies and initiatives across cities remains essential.

INITIATIVES

Several groups are active in this area, a sample of which is explored below:

Advocacy & communication

In the energy efficiency area, advocacy and communication initiatives are most notably rooted in ENGOs, associations (e.g. CEEA, provincial equivalents), and local utilities. Notable initiatives include efforts for data-driven building management (e.g. Green Button program), initiatives from building groups such as the Canada Green Building Council (CGBC) or Sustainable Buildings Canada. Advocacy and communication initiatives on city issues are often part of broader initiatives, explored in **Capacity building & coordination**, below. Other types of initiatives also include idea labs such as Cities for People, and city scorecards (e.g. STAR, or Vital Signs).

Capacity building & coordination

Considerable work is conducted in this area, and includes city initiatives and/or networks such as Renewable Cities, QUEST, the Urban Sustainability Directors Network (USDN) and its Climate Neutral Cities Alliance, C40 (of which Toronto is a member), the FCM's Partners for Climate Protection, and foundation-supported initiatives such as Tides Canada's Centre for City Ecology and Project Neutral. City-focused funds, such as TAF, the Greenest City Fund in Vancouver, the FCM's Green Municipal Fund, the USDN's Innovation Fund or the Funders Network's Partners for Places fund, also offer capacity for progress. Lastly, certain groups focus on assisting cities enact changes, such as Alberta's Municipal Climate Action Change Centre, the ICLEI's BARC program, or Sustainable Buildings Canada's green district initiative. Capacity building initiatives on energy efficiency remain largely the purview of utilities (e.g. BC Hydro PowerSmart, IESO saveONenergy), dedicated organizations (e.g. Efficiency NS), and associations (e.g. BOMA, CGBC), although other initiatives are also taking root (e.g. City Energy Project in the US).

Research & analysis

A variety of research and policy papers are produced in Canada on city and energy efficiency issues, from ENGOs and think tanks (e.g. Pembina, International Institute for Sustainable Development, Clean Air Partnership) to industry associations (e.g. CEEA, BOMA). Considerable work is spent on analyzing city resilience, as well as climate adaptation strategies. Many participants felt that research should focus on sharing successful policy and financing models, as well as comparing and more widely celebrating cities on key metrics.

BARRIERS

Participants felt that key barriers to greening our cities and buildings include **funding challenges** at the municipal level to realize policy ambitions; **lack of localized data** on energy consumption and carbon emissions; and **uneven knowledge** of existing models and programs at the local government level.

GAPS

Based on interviews and other research, a number of key gaps were outlined in this area, among others:

1 **STRONG CANADIAN FUNDER PRESENCE IN SUSTAINABLE CITY NETWORKS**

A common refrain among participants was for grantmakers to "*reach out to cities, and help them achieve the goals they have set out*". Consistently, interviewed city advocates indicated the need for grantmakers to more actively support sustainable city networks and funds, such as the USDN, to help cities meet their aggressive targets and enact policy change. Celebrating successful cities (e.g. through scorecards) was also a recurring theme.

2 **WELL-FUNDED SUPPORT FOR ENERGY EFFICIENCY POLICIES AND PILOT PROJECTS**

Advocacy and communication efforts to affect policy change in the fields of energy efficiency remains limited in Canada. There is room for increased effort on building the business case for energy efficiency, and for advocating for key policies, including retrofit incentives, mandatory energy audits before sale, aggressive building code improvements, financing programs (e.g. Property Assessed Clean Energy), carbon disclosure policies, and comparative scorecards.

POTENTIAL PARTNERS

Based on interviews and research, a sample of potential partners were suggested in this area:

- **Sustainable city networks, here and abroad:** supporting (or developing) sustainable city networks was deemed essential in achieving broad policy change;
- **Provincial governments and utilities:** to promote energy efficiency programs, standards;
- **Unusual suspects:** real estate associations, builders and contractors—as well as other private-sector players—are at the front lines of building energy efficiency.

[5] LIMITING OIL & GAS EMISSIONS

DESCRIPTION

The oil & gas sector represents a quarter of emissions in Canada, and the bulk of emissions growth in the country. Mathematically, any serious attempt to achieve a low-carbon future requires tackling emissions from this sector.

POLICIES

A sample of key current and potential policies is listed below:

Federal: While a sector-specific climate policy has been promised by the government since 2007, none has been released. The absence of action has been seen by some as a barrier to trade. **Priority actions** include emissions regulations (e.g. carbon price, CCS mandate), and the elimination of fossil fuel subsidies.

Provincial: Alberta imposes a very modest carbon levy on an intensity basis. These rules were extended to June 2015, until the government finalizes an update to its approach. A number of provinces (e.g. QC, NB) have also introduced a moratorium on fracking until further review is complete. **Priority actions:** provinces can adopt a more stringent emissions framework; cap oil sands emissions; ban flaring; and take a stand against permitting oil & gas projects.

Municipal: Most regional and municipal involvement has revolved around enacting fracking and flaring bans, and opposing pipeline/terminal development on their lands.

INITIATIVES

Several groups are active in this area, a sample of which is explored below:

Advocacy & communication

Grassroots campaigns opposing oil & gas development are among the most organized and successful in Canada. Coalitions of ENGOs (e.g. Greenpeace), grassroots activists (e.g. Ban Fracking NB), first nations (e.g. Coastal First Nations) and networks (e.g. Tar Sands Solutions Network) have had impacts on pipeline development, LNG terminal projects, shale gas fracking, and oil exploration. However, most communication campaigns revolve around opposing existing and planned projects (e.g. Energy East), and have struggled to drive the narrative on a positive alternative to an oil-based economy, chiefly due to a **lack of funding**.

Capacity building & coordination

Key successes in oil & gas work have largely revolved on the organizing and list-making capacity of grassroots organizations. Broader capacity building and coordination on alternatives to oil & gas development have remained limited due to under-funding, and revolve mainly around ENGO efforts and networks. Notable recent initiatives include the Energy Futures Lab and the Trottier Energy Futures project, as well as local efforts led by Pembina.

Research & analysis

The scale of emissions from the oil & gas sector is well documented, and oil sands expansion has been the subject of policy papers on both sides of the border (from the Climate Action Network in Canada to the Council on Foreign Relations in the US). Many participants argued that more work can be conducted on economic risks (e.g. over-reliance on oil) and other risks (e.g. spills), but overall that widely **communicating** the implications of research should be a priority.

BARRIERS

Participants felt that key barriers to limiting oil & gas emissions include the **control of the narrative** by well-organized, well-funded lobbies; the lack of **a clearly communicated vision** for an alternative to an oil-based economy; and political and geographic **polarization**.

GAPS

Based on interviews and other research, a number of key gaps were outlined in this area, among others:

1

TARGETED CAMPAIGNS FOR A STRINGENT OIL & GAS EMISSIONS FRAMEWORK

With increased calls for climate action on the oil & gas sector in light of trade disputes and planned updates to existing policies, there is a window of opportunity to achieve a robust framework, chiefly in Alberta but also Saskatchewan.

This may include funding an expansion of grassroots activities towards upstream production (activities against production expansion); supporting government relations organizations at the provincial level in Alberta, Saskatchewan, and even Quebec (e.g. support for a *loi sur les hydrocarbures*) to promote stringent emission caps or levies; and developing concrete, positive proposals (e.g. white papers) on what a stringent oil & gas emissions framework might look like, including a CCS mandate or caps on oil sands impact/production.

2

COORDINATED, POSITIVE COMMUNICATION CAMPAIGN ON ALTERNATIVES

In Canada, the narrative on oil & gas centres either on economic benefits of the industry (positive) or in environmental opposition to specific projects (negative). There is an opportunity for driving the narrative on **positive** aspects of limited oil & gas emissions.

This may include resourcing groups already active in this area; concerted communication campaigns on clean energy industries in Canada (jobs figures, % of GDP); or the communication of **concrete** alternatives (not wonkish).

3

COALITION FOR A REALIGNMENT OF ENERGY SUBSIDIES

Eliminating fossil fuel subsidies is a key recommendation of most low-carbon pathway reports, but garners little attention in Canada. In a similar way that the Ecofiscal Commission was created to shed further light on carbon pricing, there is room for a high-profile coalition of thinkers on a plan to realign energy subsidies away from polluting sources.

Note that other aspects of oil & gas emission reduction, e.g. demand & conservation, are addressed in other levers, notably **Decarbonizing our Transportation** and **Greening our Cities and Buildings**.

POTENTIAL PARTNERS

Based on interviews and research, a sample of potential partners were suggested in this area:

- **Grassroots organizers:** pipeline and fracking organizations have built engagement capacity and lists unlike any other sector in Canada;
- **ENGOs and networks:** several groups are active in oil & gas work, and are under-resourced;
- **PR firms:** oil & gas lobbies are highly media-savvy, a positive alternative voice should also be;
- **Unusual suspects:** political campaign consultancies (e.g. Obama and Nenshi campaigns) to help expand and organize grassroots movements; corporate players with a vested interest in change.

[6] SHIFTING OUR INVESTMENTS

DESCRIPTION

Achieving large-scale emissions cuts—and thus shifting capital from carbon-intensive to low-carbon ventures—requires a transition in the investing and risk frameworks currently in place. From promoting impact investing standards and vehicles to integrating climate risks in grantmakers' own capital investment criteria, there is a wealth of opportunities to support this growing area in Canada.

POLICIES

A sample of key current and potential policies is listed below:

Federal: There has been minor movement on supporting the development of low-carbon investing in Canada, most notably through limited tax credits, procurement and program spending, and other mechanisms. **Priority actions** include modifications to the Income Tax Act to allow private foundations to invest in limited partnerships outside their control (which include many blended financial and social return ventures); creating a Canada Impact Investment Fund; and mandating institutional investors (e.g. CPP) to disclose responsible investing practices and update fiduciary duty responsibilities.

Provincial: There has been more movement at the provincial level, notably with the issuance of Green Bonds by Ontario (as well as TD Bank and Export Development Canada); the development of Community Economic Development Investment Funds (CEDIFs) in Nova Scotia to pool local capital; or the creation of alternative corporate designations in British Columbia and Nova Scotia. **Priority actions** include clarifying fiduciary duties of institutional investors; providing incentives (via taxes or other means); and promoting additional low-carbon investment vehicles.

Municipal: Local governments have been active in setting up funds and financing mechanisms (e.g. Solar Utility Loans in Toronto, PACE loans), and building capacity for community-level investing.

INITIATIVES

Several groups are active in this area, a sample of which is explored below:

Advocacy & communication

Relatively limited advocacy & communication work is currently being conducted in this area in Canada outside select financial and policy circles. Policy-level communication is conducted by specialist groups such as the MaRS Centre for Impact Investing, as well as by global groups (e.g. UN Finance Group, Global Impact Investing Network). Select Canadian foundations have also committed to ramping up mission-related investments (MRI), while others have elected to divest from fossil fuels (e.g. Catherine Donnelly Foundation, Rockefeller, select campuses).

Capacity building & coordination

Several ventures are building capacity and knowledge in Canada, such as Solarshare Bonds (Toronto Renewable Energy Co-op) and the FIRA fund in Quebec; private funds such as ArcTern Ventures, Investeco, RBC Generator or Greenchip; financing schemes brought forward by TAF such as Green Condo Loans; or foundation-backed funds such as Renewal3 by Renewal Funds. There is limited capacity for broadcasting the successes of such initiatives, or in pushing forward

standards and frameworks (e.g. the Task Force on Social Impact Investing, Impact Reporting and Investment Standards (IRIS), Investor Confidence Protocol (ICP) for energy efficiency, etc.).

Research & analysis
Given that this field is in its infancy in many ways, much work is currently done in research & analysis, notably by public groups and think tanks such as the MaRS Centre for Impact Investing, Sustainable Prosperity (*Greening the Economy* initiative among others) and SHARE, as well as private organizations, from banks to advisory firms (e.g. Purpose Capital).

BARRIERS

Participants felt that key barriers to shifting our investments include the **limited knowledge** of standards and frameworks on low-carbon investing in Canadian organizations; the **absence of vocal role models** demonstrating successes in Canada; and a **shortage of vehicles** such as dedicated funds.

GAPS

Based on interviews and other research, a number of key gaps were outlined in this area, among others:

1

ROLE MODELS
There is a perceived lack of role models in Canada when it comes to formally integrating climate risks in investment and funding philosophy. With a recent survey of Canadians foundations finding that only 16% had policies on impact investing (RBC, 2014), there is room for grantmakers to play an increased role in this area.

This may include ramping up targets and commitments for mission-related or impact investments; reporting annually to the public (e.g. via a common scorecard); prioritizing board education and the hiring of investment managers with an understanding of climate risks; working with other low-carbon investors to set up funds for climate-related ventures; investing endowment funds in 'green' funds; and/or publically divesting from fossil fuel investments.

2

EDUCATION CAMPAIGNS FOR CLIMATE-RELATED FINANCIAL FRAMEWORKS
There is little awareness of the existence of financial standards and frameworks for climate-related or impact investing, including within the financial community. There is an opportunity to champion the cause of select investment standards that integrate climate risks, especially if grantmakers have experience with them.

This may include supporting initiatives that consolidate long-term data on low-carbon investments; broadcasting existing successes to other jurisdictions; and/or supporting the integration of climate risk in financial training programs.

POTENTIAL PARTNERS

Based on interviews and research, a sample of potential partners were suggested in this area:

- **Impact investing organizations:** active groups in the field (e.g. MaRS, Social Impact Assessment Association, Social Return on Investment Canada) can help grantmakers join the leading edge;
- **Carbon finance:** groups such as Carbon Tracker or SHARE help integrate climate risks into financial decision-making, and are active in both advisory and education roles;
- **Pension funds:** many institutional investors are signatories of the UN Principles for Responsible Investing, but remain concerned by perceived risk and are looking for leadership;
- **U.S. foundations:** leading organizations (e.g. Rockefeller, Energy Trust) can offer a model;
- **Unusual suspects:** business schools and private-sector funds can play a role in financial professional training initiatives, and in pushing for policy updates.

4. LANDSCAPE ASSESSMENT: PLAYERS

Identifying the key levers and initiatives is only the first step—forging strong partnerships with players in the low-carbon space is critical in a successful grantmaking relationship. This section **categorizes** the key types of players that may be most relevant for given levers/initiatives; lists a **sample** of players for each category; and offers a **key take-aways** from participants.

CATEGORIES

There are a wide group of organizations involved in climate action, often at a small scale. The list below offers a broad categorization of key players, along with the **most common comments from participants**:

- **Think tanks:** organizations focused on research & analysis, such as Sustainable Prosperity in Ontario or the Pembina Institute. Think tanks are highly active in technical and policy research; their communication capacities beyond policy circles are limited. Considerable amounts of research work is also done by ENGOs and consultants on an ad-hoc basis. Funding is often on a project-by-project basis.

- **ENGOs:** non-governmental organizations with an environmental focus, such as Equiterre in Quebec or Environmental Defence. ENGOs are the first line of action on climate issues, from advocacy and government relations to research. These organizations are chronically under-resourced and are actively seeking additional funding.

- **Coalitions & networks:** a growing number of coalitions are taking root, from the Climate Action Network and Urban Sustainability Directors Network, to the Switch Alliance in Quebec or the Clean Economy Alliance in Ontario. These organizations—often centered on a given issue—help build bridges across sectors, and are a natural starting point for grantmaking involvement.

- **Industry associations**: tasked with representing their members, industry associations often develop specific initiatives in their industries, such as REALPac's development of a CO_2 disclosure tool or the Canadian Energy Efficiency Alliance's EE Education Tool. Many industry associations have stable (albeit low) sources of funding from their membership, and can represent interesting partners for grantmakers seeking a foothold in a given industry.

- **Region-specific organizations:** umbrella organizations with a regional focus, such as the BC Sustainable Energy Association or Alberta's Municipal Climate Change Action Centre. These organizations can offer on-the-ground capacity and knowledge, and are typically small.

- **Issue-specific organizations:** groups with a specific focus, without the traditional ENGO structure (e.g. EcoFiscal Commission on carbon pricing, or more broadly Clean Energy Canada). These organizations are few and far between in Canada, but can focus attention on key issues.

- **Other:** several other groups can offer support, including in the private sector, local governments and First Nations.

A list of active organizations within each category is provided in the next section.

THE CANADIAN ECOSYSTEM

The following is a sample list of organizations working actively in Canada on the transition to a low-carbon economy:

Table 2: Sample list of organizations

SAMPLE ORGANIZATIONS	
Think tanks & advisory	**Industry associations**
Sustainable Prosperity	Canadian Wind Energy Association
Pembina Institute	Canadian Energy Efficiency Alliance
Pollution Probe (and Energy Exchange)	Canadian Solar Industries Association
Canadian Urban Institute	Canadian Urban Transit Association
Centre for Sustainable Transportation	Canadian Geothermal Energy Association
EcoFiscal Commission	Canadian Hydropower Association
Sustainable Canada Dialogues	Canadian Business for Social Responsibility
International Institute for Sustainable Development	Canadian Renewable Fuels Association
Carbon Talks	Community Energy Association
EcoTrust Canada	REALPac
Broadbent Institute	Electric Mobility Canada
Consulting firms	(and many more)
ENGOs	**Region-specific**
World Wildlife Fund Canada	BC Sustainable Energy Association (and others)
David Suzuki Foundation	Climate Change Central
Canada Youth Climate Coalition	Toronto Atmospheric Fund
Environmental Defence Canada	Voters Taking Action on Climate Change
The Natural Step Canada	Municipal Climate Action Change Centre
Équiterre	RNCREQ
Greenpeace Canada	Coalition Zéro Émission Québec
Sierra Club Canada	Réseau environnement
Canadians for Clean Prosperity	AQLPA
Canadian Centre for Policy Alternatives	Ecology Action Centre
Ecojustice	Ontario Clean Air Alliance
	Local groups (e.g. Ecology Ottawa)
Coalitions and networks	West Coast Environmental Law Association
Climate Action Network Canada	
Clean Economy Alliance	**Issue-specific and other**
Clean Energy Canada	MaRS Centre for Impact Investing
Alliance Switch	QUEST (Smart Energy Communities)
ICLEI Canada	Carbon Tracker
Climate Access	SHARE
Green Energy Act Alliance	Sustainable Buildings Canada
Blue Green Canada	Canada Green Building Council
Dirty Oil Sands Alliance	BOMA
Tar Sands Solutions Network	Electric Mobility Canada
Canadian Renewable Energy Alliance	Renewable is Doable
Green Budget Coalition	EverGreen
Sustainability Network	Toronto Renewable Energy Co-op (and other co-ops)
Sustainability Colab	Climate Smart
Energy Action Coalition	Citizens Climate Lobby
Council of Canadians	ForestEthics
Federation of Canadian Municipalities	350.org

*** Note:** while some organizations may fall under more than one category, they are each mentioned only once.

KEY TAKE-AWAYS

Each category of player identified above has a role to play in climate action—but none can do it all. Many participants stressed the importance of **coordinating efforts,** with the following next steps:

1. **Mapping the strengths** of each category of players; and
2. **Playing to these strengths** when coordinating grantmaking and climate action.

When viewing key players in Canada, **participants shared a few key take-aways**:

- **There are gaps in resourcing:** participants felt that the current Canadian ecosystem exhibits gaps in capacity coordination efforts as well as public-level communication and engagement. In many cases, these gaps were attributed to underfunding, or to the fragmentation of efforts.

- **Coordination is needed:** many participants stressed the importance of coordinating efforts and of playing to each organization's strengths. Participants often deemed that many organizations are trying to 'do it all', to the detriment of the final product. Developing a map of strengths in the wider climate community was deemed necessary, beyond the work conducted for this study.

- **Networks are critical:** many participants stressed the importance of networks in coordinating efforts, sharing successes, and rallying key players.

- **Private sector organizations will play a role:** when building partnerships, grantmakers should also look beyond the usual suspects and reach out to private sector organizations with a stake in advancing climate action in a specific area. This role can take the form of a specific partnership with grantmakers in the context of a specific initiative; alternately, grantmakers may act as convenors bringing together key stakeholders with the goal of advancing a specific lever. A sample of potential private-sector partners were outlined in the **Unusual Suspects** section within each fact sheet.

5. STRATEGIC ASSESSMENT: GENERAL RECOMMENDATIONS

In most interviews conducted for the purpose of this landscape assessment, participants were keen to offer **recommendations to grantmakers based on their experience** in grantmaking activities in Canada and abroad. Most notably, participants repeatedly stressed the following elements:

1

MAKE CLIMATE CHANGE A PRIORITY AND FOCUS FUNDING

Climate change is the most pressing environmental issue of our time, and that should be reflected in environmental grantmaking priorities. Climate-focused organizations and initiatives in Canada are small and under-resourced, and face well-funded organized opposition. Significant increases in funding for civil society, internal or third party initiatives, as well as networking and coordinating activities are all widely seen as essential to progress. Many participants stressed the importance of not fragmenting funding in a large number of small initiatives, but rather **to focus efforts**.

2

BE FLEXIBLE WITH THE TERMS OF CLIMATE FUNDING

Climate change is a complex and highly politicized issue, such that initiatives are often conducted over several years, and the timing and nature of local opportunities can be hard to predict. Most participants stressed the importance of offering a certain level of flexibility in funding agreements—e.g. **long-term funding (to build and retain capacity)**—such that they can respond quickly to opportunities as they arise.

3

TIE OTHER FUNDING TO CLIMATE CHANGE

Given that reducing GHG emissions constitutes an economy-wide effort and that environmental grantmaking activities extend to other issues, there is an opportunity to tie a considerable fraction of non-climate funding to climate objectives. For instance, a recent social housing initiative between a B.C. utility and a local foundation was funded with the explicit condition that these new buildings meet high standards of energy efficiency. The Ivey Foundation has also made similar efforts in the context of its forest conservation grantmaking activities.

4

INCREASE YOUR OWN CAPACITY

Many grantmakers have developed considerable levels of expertise in climate issues—a trend which should be accelerated across the industry. Developing internal capacity on climate issues, from staff training to board member selection, can considerably increase the ability of grantmakers to play an active role in achieving a low-carbon future in Canada. Educating foundations across Canada—not just those active on environmental issues—would also be helpful.

5

BE A ROLE MODEL AND TRUMPET YOUR SUCCESSES

As a result of their independent structure, many grantmakers are in a unique position in the funding and investing world, and can act as a leader—and a lab of sorts—for new ideas and practices at the organizational level. From a low-carbon perspective, this may include divesting from fossil-fuel investments (as the Catherine Donnelly Foundation has announced); integrating climate risks in investing and funding strategies; disclosing organizational emissions and producing comparative scorecards across the industry; becoming a carbon-neutral organization; and much more. In all cases, demonstrating what can be done—and standing tall in the face of inevitable criticism—can do much to nudge others in the same direction.

5. STRATEGIC ASSESSMENT: THINKING AHEAD

Building on the insights outlined in the previous sections, one can begin to assess a preliminary strategic direction for CEGN members in ramping up climate funding and activities. **Opportunities**, **challenges**, and preliminary **next steps** are presented below.

OPPORTUNITIES AND CHALLENGES

The Canadian and global contexts for emission reductions are complex and challenging, but increasingly offer good news for climate action. When considering grantmaking strategies, funders should consider the following opportunities and challenges, **outlined by participants**:

OPPORTUNITIES

CITIES AND PROVINCES ARE GETTING THINGS DONE
From Vancouver's Greenest City Plan to Ontario's cap-and-trade system, cities and provinces across Canada are stepping up their actions in mitigating climate change. There is room to build on these actions and achieve additional results.

PIPELINE CAMPAIGNS BUILT ORGANIZING CAPACITY
Successful campaigns on pipelines and fracking, including from First Nations, have helped build organizing capacity. There is room to learn from these successes to build a wider grassroots movement on other key levers.

LOCAL SUCCESSES CAN BE EXPANDED
Successful models, from BC's carbon tax to local Property Assessed Clean Energy (PACE) programs, are getting increasingly noticed. There is appetite for expanding these models to other jurisdictions.

CONTINENT-WIDE INITIATIVES ARE AVAILABLE
While the US' emission profile is different from Canada's, there are common elements of action—and US foundations have considerable experience. Leveraging existing initiatives, such as the USDN, represents a low-hanging fruit.

UNUSUAL SUSPECTS ARE JOINING IN
From the Canadian Academy of Engineers to former Prime Ministers and business leaders, a widening circle of stakeholders are calling for action. Building on these coalitions is essential in delivering a positive message to a diverse audience.

GLOBAL MOMENTUM IS GROWING
In the lead up to COP21 in Paris in December 2015, several countries are stepping up and committing to considerable climate action, notably top emitters US, China, the EU, and likely India. This offers a powerful argument for further action in Canada.

CHALLENGES

OPPOSITION IS DRIVING THE CONVERSATION
Powerful lobbies, including fossil industry associations and select media, are driving the conversation on matters of energy policy. These lobbies are very well funded and deliver a clear, positive message. Offering a counterbalance to these lobbies is needed.

FUNDING IS FRAGMENTED
Climate funding is fragmented among a range of small organizations with different strategies. Choosing a select few levers and pooling considerable funding is seen as a more viable strategy—and the CEGN could play a role.

FINDING THE RIGHT TONE
The narrative for climate action is often focused on opposition to select projects (and for good cause). Many participants felt that the time has come to turn the conversation around to **YES** campaigns, where concrete proposals are brought forward.

PROVINCIAL INTERESTS ARE IN CONFLICT
The Canadian federation is highly decentralized, such that each province holds jurisdiction over their widely diverse natural resources. In the absence of federal leadership, learning to work locally is important.

NEXT STEPS

Developing grantmaking strategies for climate action is a **long-term, multi-step process**. Building on this landscape assessment and suggestions from participants, it is recommended that the **next steps for CEGN members** are to:

1 LAUNCH AN INTERNAL REVIEW OF INVESTMENT POLICIES

As a first step toward low-carbon leadership, it is recommended that environmental grantmakers launch an internal review of their investment policies, with the objective of **aligning** their investing practices with their low-carbon goals. While these reviews are to be ultimately conducted on an individual grantmaker basis, collaboration and shared targets are encouraged.

2 CREATE A STRUCTURE FOR COLLECTIVE CLIMATE GRANTMAKING

This landscape assessment identified six key levers for action on climate change, each with gaps in Canada, which would **benefit from pooled funding**. The next steps are to:

(a) Establish Funder Groups ("hubs") for some or all of the six levers identified, comprising grantmakers with particular interest, expertise, or contacts in each area;

(b) Set up governance and logistics for each Funder Group, including shared leadership structures, key goals, timeframe, external stakeholder involvement, and role for CEGN;

(c) Determine funding levels by **pooling** funds, rather than focusing on small individual grants;

(d) Conduct an in-depth assessment for each selected lever, including an assessment of **priority** areas for funding, a strength map of stakeholders, and potential partners;

(e) Develop a grantmaking strategy for each Funder Group, with a focus on a few well-funded initiatives rather than a fragmented approach, and leaving room for **open calls** for proposals as well as funding for networks;

(f) Consolidate strategies into a National Carbon Plan for Grantmakers for the purpose of communication, coordination, and additional fundraising.

These are only the first steps. But by ramping up funding on climate change issues, CEGN members are in a position to demonstrate clear leadership in a growing global community of climate grantmakers—and at home here in Canada.

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APPENDIX A: GHG TARGETS

The following table lists GHG emission reduction targets at the federal, provincial, and municipal levels as of April 2015. Note that jurisdictions are in the process of evaluating their targets in preparation for COP21, which will take place in Paris in December 2015:

JURISDICTION	TARGETS
Federal government	17% below 2005 levels by 2020
Provincial and territorial governments	
British Columbia	33% below 2007 levels by 2020
Alberta	50 Mt CO_2e below BAU by 2020
Saskatchewan	20% below 2006 levels by 2020
Manitoba	6% below 1990 levels by 2012
Ontario	15% below 1990 levels by 2020
Quebec	20% below 1990 levels by 2020
New Brunswick	10% below 1990 levels by 2020
Nova Scotia	10% below 1990 levels by 2020
Prince Edward Island	10% below 1990 levels by 2020
Newfoundland and Labrador	10% below 1990 levels by 2020
Yukon Territory	YK government carbon neutral by 2020
Northwest Territories	2005 levels by 2015
Nunavut	2005 levels by 2030
Municipal governments	
Toronto	30% below 1990 levels by 2020
Vancouver	33% below 2007 levels by 2020 (community-based emissions)
Montreal	30% below 1990 levels by 2020
Ottawa	Per capita GHG emissions decline to 4.6 tCO_2e
Calgary	20% below 2005 levels by 2020, 50% below 1990 levels by 2036

APPENDIX B: NOTABLE DISCREPANCIES

This landscape assessment summarizes the latest thinking of interviewed and surveyed participants. For the most part, participants agreed on the key levers, finer details (gaps, barriers), and the overall conclusions, namely that grantmakers should significantly scale up and pool climate funding (with a focus on communication and capacity building), collectively structure their efforts, and become role models.

However, there were notable discrepancies among participants, most notably:

HIERARCHY OF LEVERS

Climate change is a complex issue, and participants did not wholly agree on a hierarchy of priority levers (as a result, this landscape assessment did not prioritize the levers). One school of thought appeared to focus on carbon pricing as the key lever (given that, as a policy, it can touch several sectors of the economy at once), while others pointed to the low rate of success in the US despite sizable grantmaker funding on carbon pricing issues. Another school of thought argued that focus should be based on the relative size of the emissions (which puts oil & gas and transportation issues at the forefront). Lastly, some pointed to the areas where progress has been made in recent years in Canada (e.g. cities and select provinces, renewables and coal phase out/conversion) as an area where success is possible.

Despite these differences, most participants did agree that grantmakers should be willing to be actively involved **over the long-term** in one or many levers, with time to build capacity, partnerships, and experience. All agreed that efforts were required **across all levers**.

RELATIVE IMPACT OF INITIATIVES

Participants were not always in full agreement on the relative impact of **specific** initiatives, largely due to the inherent difficulties in measuring success and attributing merit. Clear best practices did not naturally emerge, however several models for grantmakers were brought forward, as outlined in the fact sheets under **Section 3**.

Despite these differences, participants largely agreed on the key policies, barriers, and gaps for the identified levers, as well as the pressing need for increased efforts and funding within select types of initiatives. For the most part, participants stressed the potential impact of advocacy & communication efforts as core to achieving policy change.

While there is no sure-fire way forward, participants were overwhelmingly enthusiastic about a scaled up role from the grantmaking community, given the considerable gaps in funding (and, in some areas, role models) across all levers in Canada.

ABOUT DUNSKY ENERGY CONSULTING

Dunsky Energy Consulting is one of Canada's leading consulting firms specialized in the design, evaluation and analytical support for leading energy and environmental programs, plans and policies. As a certified B-Corp, our mission is to contribute to a sustainable energy future by providing top level consulting services to the full breadth of decision-makers and stakeholders across North America.

Partial list of Dunsky clients

Our expertise is focused primarily on energy efficiency (EE), renewable energy (RE), and climate change (CC). Specifically:

- **PROGRAM DESIGN & EVALUATION: We help our clients design, implement and evaluate cutting edge EE/RE/CC programs,** with an aim to helping our clients achieve their goals at the lowest possible cost.

- **OPPORTUNITIES ANALYSIS: We help our clients evaluate opportunities related to EE/RE/CC technologies and services,** whether they involve new technologies, advanced industry practices or improved market strategies such as financing and building labelling.

- **STRATEGIES & POLICIES**: **We help our clients develop effective strategies and policies to promote EE/RE and mitigate CC.** We advise clients on strategic planning, including defining policy, regulatory and evaluation frameworks, setting goals, determining first principles, choosing threshold criteria, measuring results, and establishing effective management and delivery infrastructures.

Our work covers all market sectors and segments, with a particular emphasis on residential, commercial and institutional sectors, as well as innovative and cross-cutting (enabling) strategies.

CEGN Canadian Environmental Grantmakers' Network

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CEGN works to strengthen the impact of philanthropic support for an environmentally sound and sustainable future for Canadians

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