

Canada and the Green Economy

A Thought-Leader Perspective Commissioned by
the Canadian Environmental Grantmakers' Network

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 in across the country.

As our next step, CEGN commissioned the following thought leader perspective by Alexander Wood of Sustainable Prosperity. Our purpose was to provide a better understanding of what a green economy means in the Canadian context, to showcase a sample of existing philanthropic work in this area, and to identify opportunities for further philanthropic investment.

Alex has brought his expertise to bear on these issues, giving us a compelling and timely argument for taking up the task, and identifying key strategic opportunities.

This brief is being published along with a companion document by Tyler Hamilton, entitled *How to Accelerate Canada's Transition to a Green Economy and the Role for Philanthropy*. Hamilton's article is based on interviews with a range of Canadian opinion leaders.

CEGN is grateful to the Vancouver Foundation, Community Foundations of Canada, and the Walter and Duncan Gordon Foundation for their support in the preparation of both of these briefs. CEGN also thanks the J.W. McConnell Family Foundation, the Ivey Foundation, the EJLB Foundation and an anonymous funder for their support in the communications work for both briefs.



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Canada and the Green Economy

Canada's future economy will be a "green" economy. The promise of such an economy, in the environmental and economic benefits it will create is too powerful, and too positive, to ignore. But getting there will require a transformation in almost every aspect of our economic lives, away from activities that generate environmental degradation to those that preserve and sustain the natural systems upon which our societies are based.

A great deal of work lies ahead in continuing to make the case for a green economy, and in finding, developing, and promoting the solutions that will make the transformation to a green economy a reality. These solutions, big and small, will be found in our governments, in our businesses, and in our civil society. Canada's philanthropic community and its partners are playing, and will continue to play, an important role in this transformation.

To help in this pursuit, this thought-piece provides a foundational perspective on what the green economy is, why it matters, what key barriers and opportunities exist, and what the philanthropic community in Canada can do to shape this evolving agenda.

The Green Economy: A Definition

As with any issue, the necessary first step in our exploration of the green economy is to define our terms.

Development of the green economy involves rapidly evolving concepts and definitions, and so it is important to start with a common understanding of the key terminology.

The United Nations defines the green economy in the following way:

Greening the economy refers to the process of reconfiguring businesses and infrastructure to deliver better returns on natural, human and economic capital investments, while at the same time reducing greenhouse gas emissions, extracting and using less natural resources, creating less waste and reducing social disparities. (United Nations Environment Program, Green Energy Initiative)

What is important to take from this definition is the focus on both economic and environmental benefits. A green economy in no way implies a drop off in the quality of life that our current economy provides to us. In fact, by delivering economic prosperity in a way that ensures the long-term health and viability of the natural systems in which our society evolves, one of the key defining features of a green economy is that it actually improves our quality of life.

The other important point the definition raises is the pervasiveness of the change it implies. The investment required is not just in our economic capital, but in our human and natural capital as well.

What's at Stake?

The necessity for a green economy in Canada is a function of both *need* and *opportunity*.

The *need*, at least in environmental terms, has been evident for some time. Growing natural resource scarcity is now a reality that many countries around the world face, and the source of conflict and poverty in many regions.

This scarcity relates to basic environmental commodities and the important role they play in our societies. Energy – at least cheap energy – is becoming a very real issue as a demand surge from the developing world comes together with a supply “crunch” (particularly for oil, where many suspect “peak oil” has already occurred). Water, both in quality and quantity, is another basic environmental commodity in sharp decline. And arable land, and with it food security, is also under stress internationally.

Of course, many of these conditions – already made difficult by mismanagement and exploding demand – will only get worse with climate change as global patterns of weather (and particularly precipitation) are disrupted.

In addition to a well-understood environmental need, the push for a green economy has been “augmented” by the recent economic crisis and the need it has created for new forms of economic growth and development.

In fact, the economic crisis has created a political imperative to create employment and generate investment. For many of our trading partners, that imperative has been linked to the provision of public spending through stimulus packages. In the U.S., in Europe, and in China, large percentages of this spending were devoted to initiatives designed to fuel the green economy. For a global economy starved for investment, the green economy has become a rare good news story.

South Korea has become the poster child for “green growth” internationally. Some 80 percent of its \$38 billion fiscal stimulus package is dedicated to green measures. Under full implementation, this represents an investment equal to some 3 percent of gross domestic product. The government has taken the position that the greening of its economy represents nothing less than a fundamental shift in its approach to building the nation’s prosperity. It expects that nearly one million green jobs will be created through its stimulus investment over the next four years, including:

- A \$7 billion investment in mass transit and railways is expected to generate 138,000 jobs

- The \$5.8 billion in energy conservation in villages and schools - 170,000 jobs
- More than \$1.7 billion in forest restoration stimulus - over 130,000 jobs
- \$690 million in water resource management stimulus - over 16,000 jobs
- \$10 billion investment in river restoration - nearly 200,000 jobs

As the Korean example demonstrates, the need to generate new forms of economic activity that help address long-standing environmental issues can quickly go from being a “need” to being an “opportunity”.

It is estimated that over \$430 billion has been committed by countries around the world to the development of a green economy. That public investment is expected to incent private investment in sectors like renewable energy and energy efficiency totalling \$450 billion by 2012 and \$600 billion in 2020.¹

Some of Canada’s provinces are making serious moves to support the development of a greener economy, including Ontario’s *Green Economy and Green Energy Act* and proposed *Water Opportunities Act*; B.C.’s commitment to carbon neutrality in the public sector; and Quebec and Alberta’s investment in clean technology using revenues generated by carbon pricing policies. All of these policies are predicated on the desire to address outstanding environmental issues (primarily climate

change) but also to create conditions for the development of a green economy in those jurisdictions.

Put simply, the need to address the long-term challenges posed by growing environmental constraints and the separate imperative to find new drivers for the global economy have combined to create a massive strategic opportunity for future markets for green goods and services.

There is another argument for a green economy, less immediate than the “jobs and investment” story described above but in some ways more compelling than the pull of a global green market. That driver is the understanding that developing a greener – and therefore more efficient – economy will help Canada address some long-standing difficulties in promoting innovation and productivity throughout our economy. An economy in which water or energy are used more efficiently is not only a greener economy, it is also an economy that is more productive. And so, to the degree that productivity is the Holy Grail of economic policymakers (particularly in Canada, which has such a poor record on this score), promoting policies to green the economy can provide the ultimate win-win.

As Andrew Heintzman, CEO of Investeco, who knows as much as anyone about the “real” green economy in Canada, recently observed in his book *The New Entrepreneurs: Building a Green Economy for the Future*:

¹ Source: CIBC World Markets

“...the entire Canadian economy will have become dramatically more resource-efficient, using far less energy and water, and turning this efficiency into a sustainable competitive advantage”. (p. 241)

Canada and the Green Economy

As we’ve tried to establish in the previous section, there is both a compelling need and opportunity present in the creation of a green economy. This is true at the global level, and it is true for Canada. As Canadians, we should all see in the development of a green economy an affirmative agenda through which our society can address the very real economic and environmental challenges we face while creating the promise of truly sustainable prosperity for us and future generations.

Given the stakes involved, Canadians would expect that action on a green economy would be the subject of considerable interest to governments and businesses across the country. But, while some provincial governments (as described briefly above) have taken some action, federal leadership on the issue has not been strong. And the absence of federal action translates into a missed national opportunity.

In fact, as David Crane has noted in the *Toronto Star*, with reference to a low-carbon economy: *“This is the political debate that has yet to happen in Canada. But it is not something we can put off. We need a strategy. Canada*

cannot be an outlier in a low-carbon world. Nor should we want to miss out on the opportunities from the Green Path energy future.”

For Canada to fully engage in the development of a green economy, and to reap the benefits of a stronger economy and healthier environment, it will mean challenging some long-held assumptions.

The first of these is that – as a nation blessed like few others in natural resources – we do not face any real environmental constraints. The traditional view, held by many in all sectors of our society, has been that our forests, waters, mineral and energy resources are abundant and not close to the limit. A related assumption is that those resources should be cheap because they are abundant.

From those views flow a number of economic assumptions starting with the one that says that, as a resource-rich nation, our competitive economic advantage rests in those natural resource sectors and their continued extraction. And for those sectors that are not directly tied to extraction of those resources (primarily the manufacturing sector), the related assumption is that those resources should remain as cheap inputs into other forms of economic activity.

So structurally, we have an economy that is either directly tied to natural resource extraction or dependent on cheap primary resources as a source

of competitive advantage. Our national wealth has been created from that basic structural fact and any change to that basic reality is seen as a threat to our national economic prospects.

A useful example comes from the fact that cheap and abundant energy (particularly electricity) is the foundation of central Canada's competitive advantage in light and heavy industry. But the very basis of that advantage, the cost and availability of that resource, is what works against an efficient and productive use of it. That creates a trap of sorts whereby we have little or no incentive to innovate and become more productive in the use of that resource, and in fact have an interest in maintaining that basic condition even when the costs (environmental and economic) escalate.

What needs to be understood – and which is not currently so – is that there are opportunity costs to Canada not “playing” in the green economy. The first of these opportunity costs is clearly environmental: every passing day that carbon emissions are not reduced translates into higher cumulative emissions in the atmosphere, which makes the impact of climate change more severe. Similarly, air pollution continues to create conditions that increase our societal health costs, as was demonstrated in a review of the health costs of coal-powered electricity generation conducted by the Ontario Medical Association.

There is, at the same time, a large – but deferred – economic cost to inaction. The overall cost of addressing climate change rises every year (a number the International Energy Agency has pegged at \$500 billion per year) as the geophysical impacts of climate change become more apparent and the “sunk costs” of carbon-intensive assets (from homes to cars to power plants) becomes more expensive to reverse. Moreover, maintaining an economic structure and definition of competitive advantage based on cheap energy means that we forgo very real opportunities to become more efficient in our own energy consumption and to develop products and services that a world becoming ever more concerned about energy and climate security will be in the market for.

In addition to opportunity costs, there are also economic risks. For Canada, there are at least two such specific risks: the first is the risk of “putting our eggs in one basket”, in terms of the economic development bet we are making around extraction of non-renewable resources like oil and gas – just as the rest of the world is putting in place policies and furiously promoting the development of technologies that will reduce demand for those resources. The second is the risk of sitting on the sidelines as the global economy – to which we are intimately attached – invests in new forms of economic activity to which we have nothing to contribute, and for which we will become – in crude terms – buyers, not sellers. So, we risk being in a long-term economic situation where what we

“make” as a society are things that no one wants, and needing things ourselves that we do not “make”, and, therefore, having to buy from others.

Fundamentally, Canada’s stake in a green economy needs to be understood in the context of what has happened to our economy and the global economy since the fall of 2008. The assumptions that are described above – about Canada’s structural economic reality – are very static. They are themselves based on an assumption of a world that has not changed, and on the belief that the sources of our future prosperity will look very much like the sources of our past prosperity.

All of those assumptions fly in the face of two factors. The first is that the global economy is shifting, and that the shift is towards green – an economy that operates with significantly reduced carbon emissions and uses existing resources much more efficiently. That shift will be a competitive one, insofar as countries will do everything they can (e.g. the imposition of carbon tariffs and/or requirement for domestic content) to ensure that they develop and retain a competitive advantage in the green economy. Currently, that competition is one that Canada is not well positioned to participate in, much less win.

The second factor is more about our own economy, and how the financial crisis and its aftermath have revealed the persistence of challenges that the Canadian economy has always faced,

but that we may no longer be able to ignore.

Fundamentally, Canada’s long-term economic problem – particularly in the context of the 21st century economy – is that we don’t invest enough in becoming more productive. We are good at innovation, although we could always stand to improve on that front as well. But our most pressing structural challenge has always been taking that innovation and harnessing it to the service of being more productive. And because we don’t focus on being more productive, we become less competitive in the international marketplace for those products that we “make”. This sets up a dangerous vicious cycle, whereby we lose markets for manufactured products and become increasingly dependent on natural resources for our national wealth.

This is where we loop back to the underlying economic logic for the development of a green economy in Canada. Policies that promote a green economy are policies that promote efficiency in the use of economic inputs like labour or natural resources. The biggest opportunity for Canada to become more efficient is not in its use of labour, or in its use of capital. It is in the use of natural resources, particularly energy. We are the second least energy efficient economy in the OECD (only Australia’s is worse). That translates into a huge opportunity – if we can become more efficient in our use of energy – to become more productive and more competitive.

The final point about the context for a green economy in Canada is a simple observation about another consequence of the recent economic crisis. Despite the relatively strong (and deceptive, as argued above) position of the Canadian economy, there exists a high degree of insecurity about the economy and our economic future. That insecurity dominates both public and political opinion and debate right now (and into the foreseeable future).

What that has not translated into, however (and here we should point to a failure of all of our public institutions, beginning with – but not limited to - the federal government) is the development of an active and engaged public debate around how much the development of a green economy in Canada could help address both short-term and long-term economic insecurity. This failure costs us greatly.

Getting to a Green Economy – The Necessary Building Blocks

In the section dealing with the definition of green economy, we underlined the need to think about a broad definition of that term so that it included both economic and environmental benefits. We also pointed out that the green economy, as a concept, includes just about every aspect of our economic lives.

What all of this implies is that the fundamental need in relation to the green economy is to create new models around which sustainable economic activity can be created. Just what those models will look like is, of course, the central challenge at the heart of the potential green economy.

To help frame a discussion about the role of the philanthropic community, we'll begin by exploring the “building blocks” required to get us to a green economy. These are generic in the sense that they are not specific to the philanthropic community *per se*, but broad societal needs that all relevant actors have some responsibility to address.

The starting point needs to be an understanding that a focus on the green economy implies a focus that is much more economic than it is environmental (although its drivers are just as much environmental). Economic activity is composed of key building blocks, and the transition to a new form of economic activity directly suggests that these building blocks themselves will have to undergo transition and change.

The building blocks can be organized in the following way:

1. Capacity and Skills: For whatever economic activity takes place, workers are needed. There are already indications that the demands of a nascent renewable energy (in Ontario) and energy efficiency economy (national, but based on the federal government's ecoENERGY

Retrofit program) is coming up against real constraints. The green economy needs green workers, and in fact the green economy can flutter and fail unless the human capacity to make it happen on the ground is in place.

2. Finance and Investment: Just as the green economy is constrained without green workers, it is also unlikely to happen without finance and investment. There is a real dearth of business models for those activities that underpin a green economy. The absence of business models translates into lack of investment. A prime example is around the financing of energy efficiency. Lenders (like banks) have not been interested in funding activities that create energy efficiency, because they have not had much experience with the kind of savings that ensue (and the revenue stream those savings can create). Increasing understanding of such transactions and their basic economics, including examples of existing models for the financing of energy efficiency in other jurisdictions, would be of great use.

3. Technology and Knowledge: Technology has a tremendous role to play in the transition to a green economy. This is true not only in the application of technology to low-carbon energy, but also in other sectors where technology can help achieve both economic and environmental objectives (again, water being an obvious example). With some notable exceptions (i.e. the Toronto Atmospheric Fund), CEGN members have not traditionally supported technology develop-

ment activities. This issue is not necessarily about development, but about deployment as well.

4. Public Policy: Put simply, the green economy will not happen unless governments put in place the policies to support and promote it. As we've seen, some governments are currently doing so while others are not (primarily, and most significantly, the federal government). So, there is a need both to influence and advocate for the development of new policies, but also to support activities designed to take advantage of existing policies. In the Canadian context, a great deal of work needs to happen in building the evidence base for a green economy, as a way of promoting and advocating policy change. Objective, fact-based, information on why a green economy is a better economy for Canada, and credible models based on experience in other jurisdictions, will be key inputs into the kind of policy and market innovation that needs to happen for a green economy to emerge.

Primary among these policy innovation needs is a focus on market-based instruments that have a track record of achieving environmental objectives and improving economic performance. The most important of these are policy instruments that integrate the environmental cost of using a particular environmental commodity (water, energy, etc.) into its market price. Such instruments (like carbon taxes or water pricing) create incentives to invest in innovation and productivity in the use of that commodity,

and so lead to improved environmental outcomes while creating clear economic benefits. Such instruments, however, have been traditionally underutilized in the Canadian context. But new opportunities – such as the Alberta Government’s *Alberta Land Use Framework and Alberta Stewardship Act*, which provides for the enhanced use of market-based instruments for environmental protection, are emerging.

More generally, the absence of an active public debate on the need for a green economy costs Canada dearly. To build the case, and to create the necessary policy framework for a green economy in Canada, will also involve promoting and advocating policy change, which implies a more deliberate promotion of active public dialogues and debates around the green economy.

Opportunities for Environmental Grantmakers

There are ways in which the philanthropic community are helping to secure these building blocks of the green economy. For example, the Ontario Trillium Foundation is contributing to the development of “green skills” through its 2010 Future Fund program and, as noted above, the Toronto Atmospheric Fund is supporting the development of low-carbon technologies. But the philanthropic community can also look to a more specific set of opportunities to become involved in helping create the green economy in Canada:

1. Walk the Walk

CEGN’s membership – particularly the private foundations – represents pools of capital that could, and should, be directed towards investment in companies and business models that represent the opportunity of the green economy. Support to civil society is as critical as it has always been, and needs to continue to be the focus of those foundations and of CEGN generally. But to the degree that the green economy “story” is an affirmative story of economic opportunity, it needs success stories in the marketplace to point to. And those success stories need capital to succeed.

Some grantmakers are already leading the way with “impact investing” – investing their capital in a way that supports their institutional mission. For example, the Toronto Atmospheric Fund is using its endowment to invest directly in both non-profit and for-profit ventures that are reducing greenhouse gas emissions in the City of Toronto.

2. Raise the Level of Economic Literacy

For the environmental community to play an active and positive role in the development of a green economy, it will have to do so on the basis of economic arguments as much as their traditional environmental ones. That will mean raising the basic economic capacity and literacy in the environmental community beyond what is already there, so that it can credibly present evidence-based

arguments for why the green economy is better for our future prosperity than business as usual.

As an example of this kind of activity, we can point to the support of the McConnell, Salamander, Max Bell, and the Toronto Community foundations, as well as one anonymous donor, in the creation of Sustainable Prosperity. This is an independent think tank based at the University of Ottawa that is creating the evidence base for why good environmental policy also benefits the economy.

3. Embrace the Market

The role of the market in the transition to a green economy is central. Financial support from the philanthropic community and governments will be crucial in the early development of that economy. But its ultimate sustainability can only be tested against the kind of signals and feedback that markets can provide. Green economic activity – whether it be renewable energy or organic food – will have to compete in the marketplace against economic activity that is not green. But if the right things are done, in terms of availability of skilled workers, financing, and more than anything policies that properly reflect the cost of all economic activity, then green can and will compete, and we will be all the richer for it.

A recent example of such a role has come from the Ivey Foundation and Pew Charitable Trust, which have provided support to the development of the boreal agreement among members of the forest industry and the environmental community. The agreement provides the framework for protection of the boreal and a more sustainable forest industry. Key catalysts for the agreement were a successful market campaign that helped to bring the forest industry to the table for these discussions and the recognition by the organizations involved that a market for sustainable forest products exists.

4. Seek out Innovative Partnerships

Clearly, the philanthropic community, and the organizations and individuals it supports, cannot do this job alone. Finding new ways to work with governments, the private sector, and even each other will be needed. A suggestion would be to focus those partnership efforts around initiatives that test out concrete approaches to address needs around skills development, financing, or technology dissemination; or conversations, involving all necessary stakeholders, around policy change with clear targets and outcomes defined.

Examples might include a funder bringing together a community college, a local labour group, and green developers to establish training programs for home-energy efficiency experts; or support for an NGO-private sector initiative designed

to develop and advocate a common policy on carbon pricing (such as has been done with the U.S. Climate Action Partnership).

5. Increase Public Dialogue

The philanthropic community can be a vital player in supporting increased public discourse about the need for a green economy and in helping knit together disparate discussions that are underway in different parts of the country.

There are many initiatives underway across the country: from community associations promoting renewable power to national groups advocating for public policies and investments. But there is little in the way of a platform to tie these experiences together in a way that shares lessons and best practices, or allows for communication between groups and individuals working on the green economy in Canada, at whatever level.

The philanthropic community could do a great deal to identify and support initiatives (such as events or use of new media) to create dialogue and communication between green economy proponents and participants. Such efforts will help create public dialogue and build constituencies and support for the necessary policies and investments.

Conclusion

The world around us is changing, driven by factors both economic and environmental. The global economy of the future will increasingly generate wealth and prosperity on the basis of efficient and sustainable economic activity. Canada's place in that world is not assured unless a very real commitment to transforming our economy – or more accurately our way of life – is made. And a lot of work will be needed to make that commitment real.

This paper has outlined some of the necessary building blocks to the creation of a green economy in Canada, and discussed the roles that philanthropy can play in building those. They range from increasing mission-based investment (“walking the walk”) to helping generate public dialogue on the issue. Much is already happening – from the grassroots and entrepreneur to the large corporation and provincial governments. But much more can, and should be done, and the philanthropic community has an important role to play in making that happen.

Appendix: Examples of Philanthropic Support for the Green Economy

Examples of philanthropic support for the green economy follow. While a number of CEGN members are profiled, the list is not meant to be exhaustive. Substantial work by other funders, both in Canada and elsewhere, is also underway.

Carthy Foundation: Market-Based Mechanisms

The Carthy Foundation's Market-Based Mechanisms granting program supports initiatives that investigate, develop and promote innovative tools, strategies and policies with potential to harness market forces in achieving environmental goals. Projects typically have a national or broad regional scope, or the potential for impact on policy or practice beyond immediate project delivery. For more information, visit: www.carthyfoundation.org

The Community Power Fund: Supporting Community-Based Action on Renewable Power

The Community Power Fund (CPF) works to establish and help finance the development of community-based renewable power. The community power model helps individuals and community-based organizations create economic activity that is based on the needs of the community, and which returns economic benefits back to that community. For more information, visit: www.cpfund.ca

Max Bell Foundation: Natural Capital Incentives Initiative

Max Bell Foundation provided a grant to the Canada West Foundation to support the Natural Capital Incentives Initiative designed to provide key stakeholders and the general public with accessible, timely and

objective information about the potential role of incentives in encouraging greater investment in natural capital. The project resulted in a report that examines the rationale for using incentives, explores the range of incentives available and provides public policy recommendations regarding the design, use and implementation of incentives. For more information, visit: www.maxbell.org

Friends of the Ontario Greenbelt: Greening the Economy

The Greenbelt Foundation commissioned a report on the "Greening of the Economy" by leading academic Mark Winfield. The report assessed how government stimulus packages resulting from the 2008-09 economic crisis have created an opportunity to promote new economic thinking around the concept of a green economy. The report also made a number of recommendations around policy development and the role of the environmental community. The Foundation has also played a leading role in supporting the growth of a green economy as a key tool in the protection of Ontario's greenbelt. For more information, visit: www.ourgreenbelt.ca

The Walter and Duncan Gordon Foundation: The Blue Economy Initiative

In partnership with the Canadian Water Network, the Walter and Duncan Gordon Foundation is initiating a new project to articulate the importance of water and best water management to Canada's economic future. Titled *The Blue Economy Initiative*, the project will focus on economic risks and opportunities associated with water management and seek to highlight specific opportunities for Canada to become a global leader in an innovative and sustainable blue economy. For more information, visit: www.gordonfn.org

The Ivey Foundation: Forests and the Green Economy

In support of its primary goal of conserving Canada's forests, the Foundation has a strong focus on markets. This work has included assisting with the building of a sustainable business model for Forest Stewardship Council forest certification in Canada and assisting with the development of markets for sustainable forest products. The Foundation also works to support organizations that are working to engage consumers and retailers in programs that encourage the purchase of sustainably produced forest products. In 2010, the Foundation helped to pioneer a landmark boreal protection agreement involving the forest industry and leading environmental groups.

The J.W. McConnell Family Foundation: Policy and Innovative Partnerships

The Montreal-based McConnell Foundation has focused its philanthropic efforts on the support of innovative policy and advocacy research initiatives, such as Sustainable Prosperity. It has also actively driven innovative approaches to partnerships, including support for the establishment of a *Maison du Développement Durable* in Montreal, which will gather some of the city's most active environmental organizations under one roof and thereby promote cross-fertilization of ideas and initiatives. For more information, visit: www.mcconnellfoundation.ca

The Ontario Trillium Fund (OTF): Buildings Skills for the Green Economy

Through its 2010 Future Fund initiative, OTF is investing \$4 million in a wide range of activities designed to build skills and/or provide training for workers and professionals in the area of the green economy. The areas of focus are: renewable energy,

energy efficiency and conservation, and water conservation. For more information, visit: www.trilliumfoundation.org

Tides Canada: Securing Support for the Conservation Economy

Tides Canada was one of a number of funders that worked with First Nations and environmental groups to secure protection for the Great Bear Rainforest – the largest intact coastal temperate rainforest on the planet. Stretching along the coast of British Columbia, this spectacular forest ecosystem is 6.4 million hectares in size and is the traditional territory of First Nations who have lived in this rainforest for thousands of years. A \$120 million conservation financing package to fund conservation management projects and ecologically sustainable business ventures for First Nations, was part of the agreement negotiated with the provincial government to protect the Great Bear. Contributions to this fund were made by foundations, individual donors, the province of B.C. and the Government of Canada. More recently, Tides is pioneering the development of a vision for a low-carbon energy future. For more information, visit: www.tidescanada.org

The Toronto Atmospheric Fund: Mission-Based Investment in Financial Innovation

The Toronto Atmospheric Fund (TAF) was set up with an endowment from the City of Toronto to help the city achieve its greenhouse gas reduction targets. The activities and initiatives funded by TAF are all oriented toward that goal and therefore can be described as mission-based investment. TAF has been particularly strong in using its resources to invest in financial and business innovation. More recently, Tides is pioneering the development of a vision for a low-carbon energy future. For more information, visit: www.toronto.ca/taf

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Toronto Community Foundation

The Green Innovation Awards, led by the Toronto Community Foundation (TCF) in partnership with the City of Toronto's Live Green strategy, support the development and dissemination of new green products and services, and reward some of the most innovative concepts in an annual awards program. Recognizing the need for non-financial support required by those that are the sources of these new ideas, TCF also uses the Green Innovation Awards process, which features many TCF donors and fundholders who are themselves successful entrepreneurs, engineers, architects, and environmentalists, to provide direct mentoring of a new class of green entrepreneurs in the City of Toronto. For more information, visit: www.tcf.ca

U.S. Foundations: Leading Examples

The activities of the U.S. philanthropic community around the green economy provide another touchstone for considering the role of Canada's philanthropic community.

As a general observation, the U.S. community has made "big bets" around some key strategic issues. The prime example

of that is the Climate Works initiative, which brings together the financial clout of funders, including the Hewlett and Packard foundations, around a global exercise to understand and address the technological challenges and opportunities around low carbon energy.

Other examples include specific initiatives focused on innovation, productivity and employment in support of the green economy (the Doris Duke Foundation), direct policy analysis around U.S. competitiveness in the green economy (Pew Trusts), or the establishment of new institutions around a specific issue (again the Pew Trusts with the Pew Center on Climate Change).

Vancouver Foundation:

Among a number of other initiatives, the Vancouver Foundation is supporting the Canadian Centre for Policy Alternatives with a three-year grant for the Climate Justice Project. This project looks at how to tackle climate change with fairness and equality. Green jobs that create good employment opportunities for all, including traditionally disadvantaged populations, is a key focus of this work.

Alexander Wood is Senior Director, Policy and Markets, at Sustainable Prosperity. Sustainable Prosperity is a research-based policy think tank based at the University of Ottawa. Its mandate is to create the evidence base and the policy and market innovation necessary for the transition to a green economy in Canada.

Alex has spent the last twenty years working at the interface of the environment and the economy, with a particular focus on the development of policies that contribute to a sustainable economy. Early in his career, Alex worked with the World Wildlife Fund on integrating economic analysis and factors into the organization's global conservation programs, and also the development of financial mechanisms to help support conservation and climate change mitigation in the developing world. He returned to Canada in 2002 to lead the National Round Table on the Environment and Economy's national program on economic instruments for sustainability, and eventually rose to the position of acting CEO for the organization. More recently, he has helped one of Canada's leading financial institutions put in place its environmental strategy, including achieving carbon neutrality for its North American operations. Alex joined Sustainable Prosperity in May 2009 to lead its work on policy and market innovation.

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