



**Written Submission for the Pre-Budget
Consultations in Advance of the 2020 Budget**

By: The McConnell Foundation

August 2, 2019

Contact:

Stephen Huddart

President & CEO

mcconnellfoundation.ca

List of Recommendations

Recommendation 1: That the government work with civil society partners to mobilize communities — including public bodies such as hospitals and educational institutions — the private sector and individuals across Canada to participate in the transition to an equitable, low carbon economy.

Recommendation 2: That the government take into account knowledge, solutions and structures already in place — including legislation — and accelerate their impact by implementing existing recommendations and supporting promising approaches.

Recommendation 3: That the government focus media support on local journalism and business model innovation in order to shift the narrative on climate change, and build the infrastructure to tell the story of how Canadian communities are individually and collectively responding to climate change.

Recommendation 4: That the government pay special attention to the disproportionate impact of the crisis on Indigenous communities, and find ways to support Inuit, First Nations and Metis communities to drive, test and implement solutions to the crisis.

Recommendation 5: That the government pursue social finance approaches that mobilize private capital for public good, and implement the recommendations of the Expert Panel on Sustainable Finance.

Introduction

The McConnell Foundation congratulates the federal government for selecting the theme “Climate Emergency: The Required Transition to a Low Carbon Economy” for the 2020 pre-budget consultations. At McConnell, we are similarly using the language of “climate emergency” or “climate crisis” to refer to the accelerated pace of climate change that we are experiencing, as it communicates a sense of urgency. With regards to the transition required to achieve a low carbon economy, we highlight the importance of striving for an *equitable* transition – one that is just and democratic in both its means and ends. It is important that we pursue a democratized approach to designing, implementing and financing transitions in multiple domains and at multiple scales, in order to avoid political polarization or a sense of winners and losers.

Supporting an equitable transition to a low carbon economy is one of our four key priority areas for the decade ahead, alongside advancing a reconciliation economy, promoting community wellbeing and civic engagement, and strengthening social innovation ecosystems. We do not view the climate crisis as an isolated issue; rather, it is closely interlinked with many other challenges our society faces. As such, an effective response must consider and integrate the social, human, economic, cultural and environmental dimensions of the crisis. This is consistent with Agenda 2030 and the 17 Sustainable Development Goals (SDGs), which are recognized as being interlinked and indivisible. A systems-level approach will require the involvement of all sectors and all segments of the population. It will also require coordinated action across federal, provincial and local governments, as well as across federal departments and ministries.

Recommendations

Community engagement:

If we ultimately achieve an equitable transition to a low carbon economy, it will not be thanks to any one single actor. A transition of this magnitude requires us to work with all sectors, and to engage communities and individuals across the country. Distributed engagement can help communities set targets at the local level, identify meaningful indicators, and collect baseline data. There are a number of ongoing efforts to advance this, such as the Canadian Indicator Framework recently announced by the federal government and the work of Federation of Canadian Municipalities.

The community sector is well placed to lead on engagement efforts. Some examples include the Community Indicator Systems to localize the SDGs developed by the International Institute for Sustainable Development, the Community Foundations of Canada’s Vital Signs reports and Tamarack Institute’s Vibrant Communities network. Through a collective impact approach to poverty reduction, Tamarack’s Vibrant Communities network comprising over 300 communities has contributed to a significant reduction in poverty over the past 15 years – 20% in the last two years alone. A similar engagement methodology could be applied to addressing the climate

crisis through a multi-sector transition initiative to set and pursue integrated ecological, economic, human and social goals in cities and regions across Canada.

We recommend that the government work with civil society partners to mobilize communities — including public bodies such as hospitals and educational institutions — the private sector and individuals across Canada to participate in the transition to an equitable, low carbon economy.

Build on existing assets and knowledge:

As a funder in the climate space, McConnell collaborates and engages with actors across sectors who hold extensive expertise with regards to environmental sustainability and possible pathways towards a low-carbon economy. Many promising solutions to tackling the climate crisis are being advocated for and implemented by community organizations, governments, think tanks, social enterprises, companies, and others. An example is the Green Budget Coalition (GBC), which brings together 22 of Canada's leading environmental and conservation organizations. The GBC presented its [Preliminary Recommendations for Budget 2020](#), which we, by way of this submission, endorse.

We recommend that the government's strategies to address the climate crisis take into account knowledge, solutions and structures already in place — including legislation — and accelerate their impact by implementing existing recommendations and supporting promising approaches.

Specifically, the government should:

- Secure sufficient funding and resources for initiatives which are developing and implementing promising solutions to the climate crisis across Canada; and
- Recognize legislatively that Canada is in a state of climate emergency. This should include a revision of the Pan Canadian Framework on Clean Growth and Climate Change, with views to intensify the measures it contains in order to reduce Canada's carbon footprint and respect our international climate commitments. This review should consider innovative regulatory measures to strengthen legislated climate accountability. We would add that the recent judgments of the Saskatchewan and Ontario Courts of Appeal confirm the federal government's jurisdiction to act in an expeditious manner to address the climate emergency. It is essential that the federal government maintain this jurisdictional power.

The role of journalism and news media:

In Canada and around the world, the links between a healthy journalism ecosystem and civic engagement are becoming increasingly apparent. This was evidenced by the recent

announcement of a [\\$2.5M SSHRC grant to UBC](#) on how digital journalism impacts civic engagement and policy uptake.

Across the country, new media players are telling stories of the impacts of the climate emergency on local communities, and highlighting local reactions to the crisis. It is essential that the government pay attention to these narratives and support new media and innovative journalism models. The recent regulatory changes to journalism offer an opportunity to leverage news media coverage of the climate crisis to prevent polarization over climate-related issues and build trust and hope at the community level. There is a pressing need for new cross-sectoral financing arrangements for media. Examples include media innovation funds and seed funding and loan guarantees for small print and digital publications that are commensurate to the subsidies currently being reviewed to more established print media. This would complement potential philanthropic support and help accelerate and scale innovation.

Community-driven media and narratives will play a pivotal role in documenting and informing public responses to the climate emergency. Government must help shape and support narratives around climate policy and action that are future-focused, relevant, accessible and representative. These must take into account the media consumption habits of young and future generations.

We recommend that the government focus media support on local journalism and business model innovation in order to shift the narrative on climate change, and build the infrastructure to tell the story of how Canadian communities are individually and collectively responding to climate change.

Reconciliation and the climate emergency:

Reconciliation is one of our main priority areas at the Foundation. We also recognize that it is a priority for the government. While the climate crisis affects all Canadians, many Indigenous and northern communities are experiencing disproportionate impacts from the changing climate due to a number of factors including remoteness and the cold climate. A government response to the climate emergency should pay special attention to this.

It is also essential that, in engaging in climate action, the government recognize that Indigenous communities are the traditional stewards of the land. As such, they must be engaged and supported to identify their own priorities for an equitable transition at the nation and local levels.

Through our work with Indigenous communities and innovators, we know that there are already many Indigenous-led initiatives tackling the climate emergency. There are platforms in place to help unearth existing innovations and crowdsource new ideas from communities (e.g., Indigenous Innovation Initiative, and the Indigenous Guardians Pilot Program). The government

should recognize the strengths and assets that exist in Indigenous communities, and further develop ways to support Indigenous-led climate action.

We recommend that the government pay special attention to the disproportionate impact of the crisis on Indigenous communities, and find ways to support Inuit, First Nations and Metis communities to drive, test and implement solutions to the crisis.

Financing the transition:

Public funding will not be sufficient to achieve a transition of the necessary scale; private capital can help fill the gap. There is already a strong and growing social finance movement in Canada, recently accelerated with the federal government's 2018 announcement of a \$755 million Social Finance Fund and a \$50 million Investment Readiness Program. Impact investors including financial institutions, foundations, and retail investors are eager for opportunities to invest private capital in projects that meet their financial requirements while driving positive social and environmental outcomes.

The federal government's Expert Panel on Sustainable Finance recently published its final report in June 2019, which included 15 recommendations to scale up financing for a transition to a low-carbon economy. We endorse all of these recommendations. In particular, we wish to highlight a few:

Recommendation 2: Provide Canadians the opportunity and incentive to connect their savings to climate objectives

- This would increase the accessibility of sustainable investments, and enable and encourage all Canadians to leverage their resources towards the climate transition.

Recommendation 3: Establish a standing Canadian Sustainable Finance Action Council (SFAC), with a 3 cross-departmental secretariat, to advise and assist the federal government in implementing the Panel's recommendations

- The federal government can play a key role in convening financial institutions working on the transition to a low carbon economy and supporting dialogue, information sharing and hopefully collaboration among them. McConnell has engaged with sustainable impact groups within financial institutions who have expressed strong interest in advancing this work.

Recommendation 10: Promote sustainable investment as 'business as usual' within Canada's asset management community

- Through our work developing the social finance ecosystem in Canada, we have also recognized a significant opportunity in mainstreaming impact and socially responsible (or ESG – Environmental, Social and Governance) investments throughout the traditional marketplace. The federal government has a unique ability to catalyze this shift through investment incentives, co-investment and other financial de-risking mechanisms.

We recommend that the government pursue social finance approaches that mobilize private capital for public good, and implement the recommendations of the Expert Panel on Sustainable Finance.

Conclusion

According to Climate Emergency Declaration, 901 jurisdictions in 18 countries have declared a climate emergency, with more being added every day. This is undoubtedly a positive step forward. However, we should be cautious that emergency situations can bring out both the best and worst in humanity. We must ensure that we are at our best when facing the climate emergency, responding strategically and systematically to the urgency it demands but doing so in a state of calm and clarity. Not surprisingly, climate news and trends is causing widespread eco-anxiety, particularly among young people. We must respond to this by equipping youth and future generations to face this unprecedented challenge, and by taking bold and immediate climate action today.

"Declaring an emergency means absolutely nothing unless there is action to back it up. That means the government having to do things they don't want to do."

- Eamon Ryan, Green Party leader, Ireland

"Hope is not something you have. Hope is something you create, with your actions"

- Greta Thunberg, Swedish climate activist