

**WRITTEN SUBMISSION FOR THE PRE-BUDGET CONSULTATIONS
IN ADVANCE OF BUDGET 2021**

BY: TASK FORCE FOR A RESILIENT RECOVERY



**TASK FORCE
FOR A RESILIENT
RECOVERY**



**GROUPE DE TRAVAIL
POUR UNE REPRISE
ÉCONOMIQUE
RÉSILIENTE**

Recommendation 1: Expand public-private financing facilities for building retrofits

Recommendation 2: Expand existing provincial and municipal building retrofit programs, enhancing energy efficiency and climate resiliency

Recommendation 3: Train a diverse green building workforce

Recommendation 4: Demonstrate large-scale standardized retrofits

Recommendation 5: Work with provinces to ensure that new buildings meet stringent net-zero and resilience codes, and that a newly developed “ResiliGuide” rating system can enable the financial sector to incent building resilience

Recommendation 6: Create an Indigenous Infrastructure Fund to bolster investment in sustainable infrastructure in Indigenous communities across Canada

Recommendation 7: Support the development of the Canadian ZEV industrial ecosystem

Recommendation 8: Introduce a phased in ZEV mandate for all vehicle classes

Recommendation 9: Kickstart the adoption of ZEVs across Canada

Recommendation 10: Accelerate the installation of EV charging infrastructure across Canada

Recommendation 11: Accelerate investments in clean, robust power grids

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Recommendation 16: Accelerate global leadership in conservation and support Indigenous reconciliation

Recommendation 17: Grow financing for nature-based services

Recommendation 18: Grow and train the workforce for ecosystem restoration, monitoring and management, and nature-tourism

Recommendation 19: Develop clean competitiveness roadmaps, capital strategies and action plans for key sectors

Recommendation 20: Invest in advanced skills and infrastructure

Recommendation 21: Accelerate the production and adoption of clean technologies across the economy

Recommendation 22: Increase the fairness of climate action



To the Standing Committee on Finance:

The *Task Force for a Resilient Recovery* is comprised of leading Canadian policy, economic, and business experts. In July, the Task Force released a preliminary report with 22 recommendations on how Canada can spur an economic recovery that is clean, prosperous and resilient.

Budget 2021 is Canada's moment to launch this kind of recovery.

More information can be found at www.recoverytaskforce.ca.

Richard Florizone
Chair, Task Force for a Resilient Recovery
President & CEO, International Institute for Sustainable Development



Recommendation 1: Expand public-private financing facilities for building retrofits

Objective: Create a well functioning building retrofit market that sustains jobs and manages health and affordability concerns.

How: By using a \$13-billion public investment to leverage \$35 billion in private capital through de-risking and co-investment strategies, and enabling regional efficiency finance networks through standardized project origination and underwriting approaches, and aggregation and warehousing of projects to attract large institutional investors.

Recommendation 2: Expand existing provincial and municipal building retrofit programs, enhancing energy efficiency and climate resiliency

Objective: Accelerate the retrofitting of existing home and building stocks across Canada, creating jobs, improving energy efficiency and resiliency (including flood proofing), cutting energy costs, reducing energy poverty, increasing Indigenous participation, and advancing zero-carbon heating systems.

How: With \$10 billion for expanding the scale and scope of existing provincial and municipal energy efficiency and resilience program portfolios.

Recommendation 3: Train a diverse green building workforce

Objective: Create new jobs and ensure there are sufficient skilled workers, particularly among women and Indigenous, to meet demand for energy efficient and climate resilient retrofit and building projects.

How: By investing \$1.25 billion in workforce development for energy efficiency and climate resiliency, including for enhancing access to training programs and for developing new approaches.



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Recommendation 4: Demonstrate large-scale standardized retrofits

Objective: Transform energy retrofit approaches and develop economies of scale for Made-In-Canada innovative retrofit techniques.

How: With \$2 billion to select a diversity of large-scale demonstration projects through a competitive process, and applying innovative techniques to significantly reduce the cost, time, and customer disruption of deep energy retrofits.

Recommendation 5: Work with provinces to ensure that new buildings meet stringent net-zero and resilience codes, and that a newly developed “ResiliGuide” rating system can enable the financial sector to incent building resilience

Objective: Reduce emissions from Canada’s building sector and improve the resilience of homes and businesses to the effects of climate change.

How: By introducing the new national model building code incorporating net-zero and resiliency measures, in the next year, while also providing incentives for provincial uptake; collaborating with provinces and the private sector on adoption of building energy performance and resilience disclosure requirements; and investing \$2 million to integrate a ‘ResiliGuide’ rating, to measure the climate resilience of buildings, into the Energuide for Homes certification system.

Recommendation 6: Create an Indigenous Infrastructure Fund to bolster investment in sustainable infrastructure in Indigenous communities across Canada

Objective: Drive investment in critical infrastructure, improve access to private capital in Indigenous communities, and enhance Canada’s innovation and industrial base.

How: By creating a rotating \$1-billion-per-year, non-lapsing infrastructure fund, capitalized by the federal government and administered by an Indigenous-led governance structure.

Recommendation 7: Support the development of the Canadian ZEV industrial ecosystem

Objective: Support the retention and attraction of ZEV value-chain manufacturers and nurture a Canada-wide clean transportation jobs ecosystem.

How: By offering \$2.5 billion in dedicated repayable and non-repayable funding streams to support manufacturing of zero-emission vehicle and e-mobility components throughout the value-chain in Canada.

Recommendation 8: Introduce a phased in ZEV mandate for all vehicle classes

Objective: Ensure that Canadians in all provinces have access to ZEVs across all vehicle classes and provide a clear signal to the private sector in order to support industry training, retooling, investment and jobs.

How: By introducing ZEV mandate legislation that requires manufacturers to phase in a growing share of zero-emission vehicles on sales of both light-duty vehicles (similar to mandates in Quebec, BC and 12 U.S. states) and medium- and heavy-duty vehicles (similar to California's mandate).

Recommendation 9: Kickstart the adoption of ZEVs across Canada

Objective: Increase the number and diversity of ZEV owners and riders in Canada, to support domestic industry and jobs, and to reduce pollution.

How: With \$2.5 billion for increasing and targeting the incentives available to consumers, including low-income Canadians businesses, and local governments for purchasing or leasing zero-emission light-, medium and heavy-duty vehicles.

Recommendation 10: Accelerate the installation of EV charging infrastructure across Canada

Objective: Make electric vehicle (EV) charging stations accessible and conveniently located for all drivers.

How: With \$2 billion for increasing funding for existing EV charging infrastructure programs in order to expand their scale and scope.

Recommendation 11: Accelerate investments in clean, robust power grids

Objective: Ensure Canada's power grids are robust, flexible, resilient and capable of supporting clean electrification of transportation, building heating and industry.

How: Launch the proposed \$5-billion Clean Power Fund – and consider additional capital if needed – with the modified purpose of accelerating investment in two areas: (1) On the supply side, to enable grids across Canada to receive and balance more renewables; and (2) on the demand side, to enable transmission and distribution grids to accommodate large-scale electrification of transportation, heating and industrial needs.

Recommendation 12: Support Canada's next-generation energy solutions

Objective: Create or expand a financing agency that can support the development of promising low-carbon and diversification solutions across the innovation cycle, and act now to support shovel-ready next-generation projects.

How: With an arms-length government agency with the technical depth to support promising technologies that offer a net-zero future for Canada's resources sectors. The agency would be capitalized with \$5 billion over seven years and focused on two streams: scaling up existing shovel-ready projects, and investing in higher risk, earlier stage technologies such as geothermal power, advanced energy storage, small modular reactors (SMRs) and bitumen beyond combustion.

Recommendation 13: Catalyze and support national Indigenous clean energy action platforms

Objective: Support the development of 21st-century energy infrastructure across the country through Indigenous leadership and participation, enabling capacity building, partnerships and projects.

How: With \$500 million to accelerate the diffusion of clean energy technologies and infrastructure through an Indigenous-led capacity-building platform; project financing for clean energy systems; clean growth, employment and economic development programming; federal procurement; and national partnership building.

Recommendation 14: Support Canadian leadership in an emerging low-carbon hydrogen economy

Objective: Harness Canada's global advantage in low-carbon hydrogen by de-risking investment, building infrastructure, growing export markets and supporting targeted commercialization of the cleanest hydrogen in the world.

How: By allocating \$1 billion to develop and implement an integrated national hydrogen strategy, including \$100 million to establish regional hydrogen nodes that leverage local expertise and partnerships to design solutions where hydrogen is the optimal low-emission fuel of choice.

Recommendation 15: Invest in natural infrastructure

Objective: Restore and conserve natural infrastructure, such as wetlands, coastal marshes and riparian forests, to increase the climate resilience of nearby communities while also securing co-benefits like carbon storage, biodiversity conservation and cost savings.

How: By adding a new dedicated \$500 million allocation for natural infrastructure as part of a \$4 billion expansion of the Disaster Mitigation and Adaptation Fund, with programming that expands eligibility to small-scale projects and spurs partnerships across the public sector while attracting private capital and leveraging insurance frameworks.

Recommendation 16: Accelerate global leadership in conservation and support Indigenous reconciliation

Objective: Be a global conservation leader while advancing Indigenous reconciliation, mitigating climate change, creating jobs, and stewarding the natural capital that underpins our economy, health and well-being.

How: By investing \$1 billion in the further expansion and management of Canada's Protected Areas network, particularly Indigenous Protected and Conserved Areas, while supporting infrastructure for nature tourism; in growing investment in Indigenous guardians; and in strengthening ecological monitoring, accounting, and systems-planning capacity.

Recommendation 17: Grow financing for nature-based services

Objective: Leverage private capital to support stewardship and conservation by landowners, farmers, communities and resource managers.

How: By implementing policies that grow and strengthen domestic environmental markets and drive private investment, and providing \$1.25 billion in incentives for carbon storage and biodiversity protection across Canada; and building on existing legal frameworks and funding mechanisms for efficiency.

Recommendation 18: Grow and train the workforce for ecosystem restoration, monitoring and management, and nature-tourism

Objective: Leverage existing conservation and resource management initiatives, such as the 2-billion tree commitment and Nature Fund, to grow the work force for a nature economy, and build capacity for increased ecosystem restoration, environmental monitoring, sustainable resource management and nature tourism.

How: By investing \$400 million to connect unemployed and underemployed Canadians with opportunities in the nature economy, and to boost the planning and implementation capacity of local governments, Indigenous groups, conservation agencies, forestry and agriculture operations, NGOs and tourism bodies.



Recommendation 19: Develop clean competitiveness roadmaps, capital strategies and action plans for key sectors

Objective: Develop clear long-term pathways to drive Canadian jobs and success in the emerging global low-carbon and climate-resilient economy that builds on Canada’s sectoral and regional strengths.

How: By implementing the first recommendation of the Expert Panel on Sustainable Finance - “Map Canada’s long-term path to a low-emissions, climate-smart economy, sector by sector, with an associated capital plan” - and engaging all levels of government, business, experts and civil society in developing action plans to capture those opportunities.

Recommendation 20: Invest in advanced skills and infrastructure

Objective: Build the skilled workforce and infrastructure that are the foundation for a clean, competitive and climate-resilient economy, and the next generation of jobs.

How: By working with provincial, territorial, municipal and Indigenous governments over the next 1-2 years to design, fund and implement system plans for skills and infrastructure that align with Canada’s clean competitiveness roadmaps.

Recommendation 21: Accelerate the production and adoption of clean technologies across the economy

Objective: Make Canada the best place in the world to grow a clean business in any sector.

How: By using targeted incentives to attract the private investment needed to grow the production and use of clean technologies by businesses, industry and households across Canada, and committing an additional \$1 billion to support their scale-up and commercialization by filling gaps in existing programs and expanding green procurement.



Recommendation 22: Increase the fairness of climate action

Objective: Increase affordability, reduce after-tax income inequality, and ensure the benefits and costs of climate action are fairly distributed.

How: By considering equity in the design of climate policies and making the Climate Action Incentive more accessible.