



An Open Letter to our Governments - Wednesday, April 22, 2020

As award-winning leaders in fighting climate change, protecting the environment, and championing social inclusion, drawn from every single sector and segment of the Canadian economy, and from every part of the country, we join together to ask our governments for

A Clean Reset for a Healthy, Just, and Prosperous Canada.

Today, the coronavirus is shaking the world, foreshadowing the overwhelming shocks and strains that the climate crisis will bring during our lifetimes. Never before have we faced such a challenge in peacetime. Families, communities, institutions and businesses are in urgent need, and governments are stepping forward to help, with a torrent of borrowed money.

In addition to struggling with the climate crisis, the biggest health, economic and environmental threat of the 21st century, we will collectively have to pay this money back for generations to come. The great news is that by working together, we can create a healthy, just and prosperous future for all, if we use today's money well, and invest in a positive future that we can embrace together.

We commend the Federal Government for last week's commitment to resist calls for cutbacks on environmental regulations, and for investing in both IRAP and oil well clean-up and methane emission reductions – strategies that will help workers get back to work and learn new skills while improving our environment. And there are many more win-win-win opportunities to invest in Canadians, the economy, and the environment.

Putting Health First

Canadians have a lot to gain from the sustainable economy of the future, beyond just a better economy. Putting **Health First** means cleaner air and water, more physical activity, and more protected natural areas than our old normal. It means clean communities with zero or low-emission vehicles, clean energy, and minimal fossil fuel use. **Clean air, healthy food, and better mental and physical health will make us more resilient to this pandemic and to the other uncertainties that are ahead. Several studies show the health benefits alone will be worth twice what the transition costs¹.**

Despite the tragic circumstances, and the personal sacrifices, we have also seen the direct and immediate benefits of recent "Work From Home" practices, including dramatically lower transportation emissions, significantly shorter commute times, greater productivity, and greater resilience against both weather and health events for individuals and businesses. These must be extended through policy and incentives for businesses to continue these practices, once daycares and workplaces reopen.

Canada's innovative cleantech sector, working with municipalities, can help make this happen, while building tomorrow's economy. Major investments in the Green Municipal Fund and the federal Gas Tax

Fund, focussed with a strong climate lens, can preserve thousands of valuable clean-economy initiatives that would otherwise be lost in this year's municipal budget crunch.

Jobs for Lasting Prosperity

Equally important, good-quality jobs for those who want them are key parts of a happy, healthy, and prosperous Canada.

We need to adopt Wayne Gretzky's winning strategy of skating to where the puck is going, and skate to where the economy is going, not back to our "old normal". Lasting prosperity depends on respecting the limits of the natural systems on which our lives depend, on building resilience for an unpredictable future, on normalizing sustainability in all decisions, and ensuring a just transition for all. The pandemic has shown us our vulnerability, and the overwhelming speed at which old certainties can evaporate when we don't respect global limits.

Fortunately, the clean economy offers us a \$26 TRILLION business opportunity², and millions of jobs globally in the next decade. That's 17.5 times bigger than Canada's entire 2018 GDP of \$1.71 trillion. The CEO of the largest investment firm in the world, with over \$6 trillion in assets, Larry Fink, of Blackrock, warns: *"...because capital markets pull future risk forward, we will see changes in capital allocation more quickly than we see changes to the climate itself. In the near future – and sooner than most anticipate – there will be a significant reallocation of capital"³.* Since Canada needs capital, we must accelerate towards the low-carbon economy now.

Before the COVID crisis, Canada's cleantech community was well positioned to pursue that \$26 trillion opportunity, translating to millions of potential jobs in Canada. However, many of our world-leading clean technology companies are young businesses, with limited reserves, that have suffered significant losses in revenue and expected investments.⁴ They need help urgently. We ask governments to support these companies, by immediately:

- Expanding funding to BDC, SDTC, EDC, and Western Economic Diversification and regional economic development programs with a mandate to ensure the funds will get deployed
- Topping up existing cleantech venture funds to unlock the capital already invested
- Tasking and enabling the CRA to accelerate processing of SRED claims
- Unlocking private-sector investment as described by the Expert Panel on Sustainable Finance
- Incentivizing Canadian public and private sector organizations to improve their productivity by purchasing Canadian cleantech
- Enabling Canadians to invest their RRSPs into cleantech ventures and funds

Invest in Adaptation: As documented by the UN's IPCC, and reinforced in Canada's Changing Climate Report 2019, climate change is irreversible⁵. Although national efforts to cut greenhouse gas emissions are essential and must continue, a changing climate accompanied by floods, droughts, fires and other extreme events is in our immediate future. In response, to adapt to these new risks and limit the damage to our future economy, we urge support for municipalities and property owners across the country to hire workers to help limit the devastation, by building community-enhancing retaining walls, berms, diversion channels and holding ponds, and a range of protective measures for individual properties, that are needed now, in advance of the next disaster.

All taxation, procurement and investment decisions must be made with a clean-economy lens.

Yesterday's industries have high costs, and release high amounts of GHGs, whilst leaving our economy, employment, and our currency (and therefore our non-oil trade) subject to prices set by Saudi Arabia and Russia. Non-fossil energy must become tomorrow as pervasive and mainstream as fossil fuels are today. Canada can and should turn to businesses that produce more jobs, and less pollution-per-dollar

invested than our “old normal”, and that can be sustained into a low-carbon, low-pollution future, no matter what unpredictable events occur.

The following are some of the most effective ways to transition to a lower-carbon economy that will provide jobs and opportunity in every province, and deliver the biggest health and climate benefits.

We know **rapid deployment of all forms of renewable energy** is a dependable path to a cleaner future, creates far more jobs-per-dollar invested⁶, and is already the cheapest way to generate electricity. As but one example, a \$1 billion investment dedicated to solar in **Canada’s Climate Action Investment**



Fund would unlock \$3 billion in private investment, create 20,000 jobs, and deploy enough solar energy to power ~240,000 residences with 8 cents per kWh electricity for the next 20+ years. Similar results come from investments in energy storage, and wind, hydro and geothermal energy. We ask that the Federal Government **provide the Canadian Infrastructure Bank greater flexibility to invest in district renewable-energy projects**, and provide incentives for selecting low-carbon-

footprint solar panels. We know that distributed renewable energy of all sorts also adds resilience to our homes, businesses, and communities, in preparation for the wilder weather that lies ahead.

Canada already has global leadership in the **growing zero and low-emission vehicle industry**. More investment into EV manufacturing, charging stations, zero-emission public transit, hydrogen networks and technology now, could create numerous additional jobs immediately - and 1,100,000 jobs plus \$150 billion in GDP over the next 20 years⁷. **Energy-efficiency improvements** allow families, businesses and public institutions to spend less on energy and more on what matters most. **Energy retrofits of existing buildings** create large numbers of skilled jobs in every part of the country, plus provide homeowners, tenants and landlords lower operating costs, greater comfort, and better health. Doing those retrofits with wood fibre will create jobs in forestry communities, while sequestering carbon in wood products.

Regenerative agriculture can improve food security, support farming communities, bring back biodiversity and protect lakes and rivers. Similarly, **nature-based solutions**, particularly in agricultural areas, now offer many of the most cost-effective and job-rich solutions to floods and drought.

SMEs produce 67% of our new employment growth and 200 million tonnes of CO₂ annually⁸. Help SMEs cut their emissions by 20%⁹ by investing \$25 million into delivery of already proven existing training programs focused on **helping SMEs transition to lower-carbon practices** that will simultaneously make them more productive, resilient and profitable.

Ten years ago, these solutions would have been implausible, but tremendous progress has been made in all sectors, and all of these programs are “shovel-ready” now. **Today, a fair and just transition to a clean economy is not just the right choice - it is also the best economic choice for Canada** - and one which can immediately put Canadians back to work with the jobs of the future.

Quality of Life

It is more important than ever for Canadians to unite and build a stronger, more inclusive and more resilient country. Canada has the tools, the technology, and the people for a happier, healthier and more prosperous and resilient future.

In light of the pandemic’s shocking reminders of the importance of science and of inspired leadership, we have a once-in-a-lifetime opening to steer our country away from the “old normal”. Today's enormous investments must ultimately be repaid, so these investments must build a positive future for all of us, and one that delivers the good-quality jobs necessary for us to be able to do so.

We have before us a remarkable opportunity to embrace a healthy, just and prosperous future, together.

It's time for a Clean Reset. Let's not waste it.

#CleanReset

*Signed by the following 210 recipients of Canada's Clean50 Awards Note: Where any of the 170 organizations' name appears, it is an indicator of endorsement by the listed organizations. **We urge all Canadians to join us, and support this message, by forwarding this letter to each of their elected representatives via an email, a letter or by way of a telephone call.***