

# Green Municipal Fund Annual report 2019-2020

Thriving in our 20<sup>th</sup> year



For 20 years, the Green Municipal Fund (GMF) has helped Canadian municipalities switch to innovative and sustainable practices, faster. We've funded bold municipal initiatives, shared lessons learned across the country, created much-needed resources and brought new solutions to light.

Our exceptional track record in municipal sustainability has ushered in a new chapter of aggressive growth at GMF. Last year, GMF was endowed with an additional \$950 million federal investment to scale up its mission to drive cost-saving energy-efficiency across Canada and deliver results to Canadians.

Broadening our reach means we'll offer GMF's benefits to more Canadians in municipalities of every size, across the country. Impressively, in 2019-2020, the GMF team did this while approving \$92M in funding for capital projects, and close to \$6.6M in plans, studies and pilot projects through our existing fund – the most funding approved in a single year since GMF's inception.

GMF also announced the creation of three new innovative offerings unlike our previous core funding models:

- **Community Efficiency Financing** (CEF) – empowering low-rise residential property owners to invest in energy efficiency and renewable energy upgrades
- **Sustainable Affordable Housing** (SAH) – enabling energy efficient retrofit programs and new builds in the affordable housing sector
- **Low Carbon Cities Canada** (LC3) – in partnership with six organizations and spearheaded by The Atmospheric Fund (TAF), LC3 supports unique projects in seven major Canadian cities

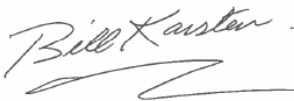
And it was a year of supporting bold initiatives, as we piloted GMF Signature Projects, dedicated to funding transformative, best-in-class municipal projects that fall outside the scope of GMF's funding offers. It was a great success, approving more than \$12M in loans and over \$2M in grants.

We did all this while offering excellent client service, sharing best practices with municipalities, and encouraging knowledge sharing and project replication.

We're proud of what we've accomplished together in the past 12 months. These results showcase how when federal and municipal governments work together, we deliver for Canadians.

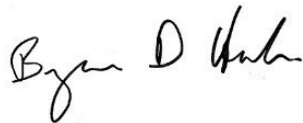
**Bill Karsten**

President, Federation of Canadian Municipalities



**Ben Henderson**

Chair, Green Municipal Fund Council





## Our Story

# 20 years of sustainability excellence

The Green Municipal Fund is an undeniable Canadian success story. With support from GMF, municipalities have improved their air, water, and soil quality. They've reduced greenhouse gas (GHG) emissions and tackled the effects of climate change. We enthusiastically support municipalities' efforts to implement sustainable practices quickly in this time of climate crisis.

Twenty years ago, municipalities designed GMF to reliably support their sustainable municipal projects. GMF is delivered by the Federation of Canadian Municipalities (FCM), and received its financial backing from the Federal Government. Those key relationships remain in place today as cornerstones of GMF.

## Growing by leaps and bounds

Initially, Canada's federal government set aside \$125M for GMF's endowment fund. With that funding, we hired new staff, designed an initial program and supported our first pool of sustainability projects.

In our early years, most sustainable municipal projects had modest outcomes, such as 10-15% reductions in emissions in municipally-owned vehicles. Our funding offers evolved alongside municipalities' changing needs, and the size and scale of our funded projects grew significantly in 20 years.

Today, our funded projects result in impressive environmental outcomes. We support everything from retirement residences that are fully off the grid on closed-loop clean energy systems to municipalities working to become net-zero communities. They represent the outstanding results our projects generate and the scale at which we now work.

Through the years, we also expanded our capacity building program in parallel with our funding offers. This ensures that municipalities can implement higher-quality projects that yield the anticipated results. Fewer delays and cost overruns also means a better use of public funds.

To date, we've funded more than 1,360 projects and are scaling hundreds of proven solutions in five sectors across Canada: energy, transportation, waste, water and brownfield redevelopment. We've approved more than \$946M in sustainability initiatives and reduced GHGs by 2.7M tonnes. For two decades, we've shown that location and size are not barriers to protecting residents and fighting climate change.

Our exceptionally well-managed fund will be here for municipalities and their project partners for decades to come.

## Key Moments

As we look back on the past 20 years, these are the key moments that shaped our success and contributed to GMF's growth:

- 2000** – GMF launches, with two Government of Canada investments, totalling \$125M
- 2000** – GMF presents its first Sustainable Communities Award
- 2001** – GMF hosts its first bi-annual Sustainable Communities Conference
- 2001** – GMF has approved a project in every province/territory
- 2002** – The Government of Canada invests a further \$125M in GMF
- 2005** – The Government of Canada invests a further \$300M in GMF; \$150M is earmarked for brownfield capital project loans
- 2005** – GMF has disbursed \$70M
- 2010** – GMF has disbursed \$225M
- 2014** – GMF approves its first 1,000 projects
- 2016** – GMF has disbursed \$500M
- 2018** – The Government of Canada invests a further \$125M in GMF
- 2019** – GMF's companion program, Partners for Climate Protection, celebrates its 25<sup>th</sup> anniversary
- 2019** – The Government of Canada invests an unprecedented \$950M in GMF
- 2020** – GMF celebrates its 20<sup>th</sup> anniversary
- 2020** – GMF has disbursed \$734M and approved 1,361 projects

# Success Stories

We're proud of the role we play in bringing **proven, sustainable, municipal solutions** to the foreground, and are keen to share our successes with you. In celebration of our 20<sup>th</sup> anniversary, we've gathered **20 outstanding GMF case studies** into a compendium. Highlights from five of those stories are below. They're inspiring examples of what municipalities can achieve using GMF's funding and capacity building offers. May these stories **inspire projects in your community!**



WATER

[Halifax Solar City water conservation project](#)



ENERGY

[Iqaluit LEED-certified aquatic centre](#)



ENERGY

[Canada's first net-zero library in Varennes](#)



TRANSPORTATION

[Quebec's electric vehicle-sharing system](#)



TRANSPORTATION

[Canada's first all-hybrid bus fleet in Banff, AB](#)

## [Looking for more success stories?](#)

Read our full compendium of 20 innovative projects funded through GMF.

GreenMunicipalFund

20 YEARS



## Our impact in 2019-2020 A year in review

# Environmental benefits

Environmental benefits are the **key mandate of every initiative we fund**, and a pillar in our triple-bottom-line approach. These accomplishments are a deep source of pride for everyone involved in GMF and its funded initiatives. Below are the environmental impacts of GMF-funded projects since the program's inception.

### GHG reductions

## 2.7 million

tonnes of GHG emissions avoided.

- ▶ Equivalent to **taking 608,000 cars off the road.**

### Energy Savings

## 860,125

GJ of energy savings per year.

- ▶ Equivalent to **one year of power for 9,299 households.**

### Wastewater and drinking water treated

## 244,752,512

cubic metres of water treated per year.

- ▶ Equivalent to **97,900 Olympic-size swimming pools.**

### Water saved

## 646,348

cubic metres of water saved per year.

- ▶ Equivalent to the amount of potable **water consumed in the City of Charlottetown in 2.7 months.**

### Waste diverted from landfill

## 173,596

tonnes of waste diverted per year.

- ▶ Equivalent to **24,800 garbage trucks.**

### Media managed

## 191,768

cubic metres of media (soil, groundwater and sediment) managed.

- ▶ Equivalent to **4,900 shipping containers.**

### Land reclaimed

## 94

hectares of land reclaimed.

- ▶ Equivalent to **158 football fields.**



# Economic benefits

GMF's investments in **sustainable initiatives create economic benefits** for individual communities and the country as a whole. Our investments stimulate local economic activity and contribute to municipal prosperity. We use the Local Economic Development (LED) model to calculate the economic impact of our investments in plans, studies, pilots and capital projects.

## Since inception



- 171 Capital projects completed
- 1,014 Plans, studies and pilots completed

## Financial leverage

Below is the financial leverage of completed projects across the country for the 898 initiatives in which our investment represented at least 30% of the project's total value (all numbers include direct and indirect results, but induced effects are not included):

**\$971,780,276**

of national GDP

**11,657**

person-years of national employment

**\$560,299,769**

of national wages and salaries paid to households

# Social benefits

Though they're sometimes tougher to quantify than environmental and economic benefits, **positive social outcomes are just as important** to our work at GMF. Our funded projects add significant value to the quality of life of Canadians across the country.

## Community centres, cultural centres, and libraries

**19**

capital projects

**\$55,482,578**

disbursed

### Social benefits

- Improves quality of life
- Supports cultural vitality
- Supports educational activities
- Strengthens community ties
- Preserves heritage
- Provides local employment and volunteer positions

## Recreation centres, pools, and ice rinks

13

capital projects

**\$41,388,566**

disbursed

### Social benefits

- Promotes public health through physical activity
- Improves local quality of life
- Promotes economic growth through events and visitors

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## Affordable housing

4

capital projects

**\$6,776,955**

disbursed

### Social benefits

- Creates welcoming places to live, work and start a business
- Helps address poverty
- Provides security and comfort to vulnerable populations
- Retains workers and attracts newcomers
- Enriches neighbourhoods and drives economic growth

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## Active transportation

2

capital projects

**\$6,850,000**

disbursed

### Social benefits

- Improves public health through physical activity
- Improves public safety
- Boosts community pride



# GMF's impact across Canada: By the numbers

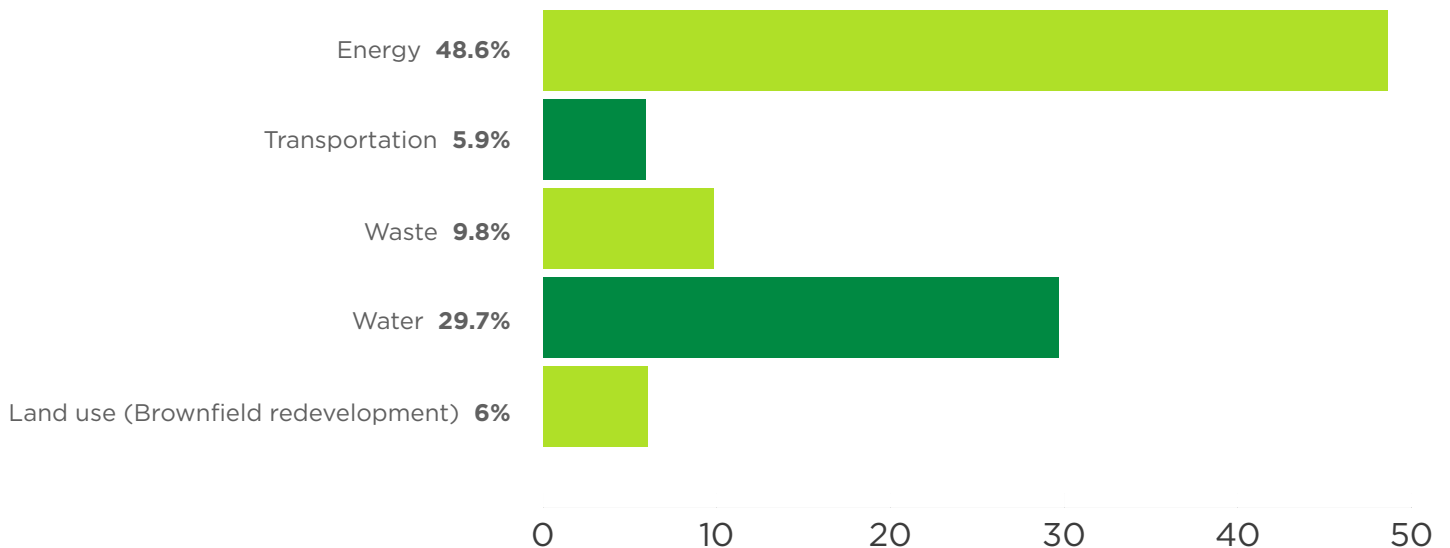
We work hard to achieve balance across Canada. In doing so, we've shown that location and size are not barriers to addressing climate change and broader sustainability objectives. Below you'll find information about the sectors in which we work, and how our funding breaks down in terms of regions and urban-rural distribution.

## Distribution by sector

To help accelerate the transition to resilient Canadian municipalities, at GMF we focus our work on proven solutions in five sectors across Canada:

- Energy
- Transportation
- Waste
- Water
- Land use

## % of funding distribution



## Distribution by region

The chart below includes the regional distribution of loans and grants for sustainable community plans, feasibility studies, pilot projects and capital projects in 2019-2020:

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### Atlantic

2019-2020

% of population

**7%**

Total \$ (grants & loans)

**\$14,517,500**

% of total (grants & loans)

**14.7%**

Total net approved since inception\*

Total \$ (grants & loans)

**\$129,463,643**

% of total \$

**13.7%**

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### British Columbia

2019-2020

% of population

**13.1%**

Total \$ (grants & loans)

**\$35,380,200**

% of total (grants & loans)

**35.9%**

Total net approved since inception\*

Total \$ (grants & loans)

**\$191,199,074**

% of total \$

**20.2%**

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### Northern Territories

2019-2020

% of population

**0.3%**

Total \$ (grants & loans)

**\$27,500**

% of total (grants & loans)

**0.03%**

Total net approved since inception\*

Total \$ (grants & loans)

**\$9,815,771**

% of total \$

**1.0%**

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## Ontario

2019-2020

% of population

**38.4%**

Total \$ (grants & loans)

**\$25,601,700**

% of total (grants & loans)

**26.0%**

Total net approved since inception\*

Total \$ (grants & loans)

**\$322,800,248**

% of total \$

**34.1%**

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## Prairies

2019-2020

% of population

**17.6%**

Total \$ (grants & loans)

**\$12,768,800**

% of total (grants & loans)

**13.0%**

Total net approved since inception\*

Total \$ (grants & loans)

**\$140,474,929**

% of total \$

**14.8%**

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## Quebec

2019-2020

% of population

**23.6%**

Total \$ (grants & loans)

**\$10,079,200**

% of total (grants & loans)

**10.4%**

Total net approved since inception\*

Total \$ (grants & loans)

**\$152,402,335**

% of total \$

**16.1%**

*\*Total net approved since inception includes the original board-approved amount plus any additional approved amount, less the amounts withdrawn, closed or cancelled.*

# Breakdown by province/territory

All numbers include direct and indirect results, but induced effects are not included.

## British Columbia

- Number of projects completed: 216
  - \$192,653,380 GDP
  - 2,107 person-years of national employment
- 

## Alberta

- Number of projects completed: 117
  - \$58,953,202 GDP
  - 557 person-years of national employment
- 

## Manitoba

- Number of projects completed: 40
  - \$30,768,167 GDP
  - 365 person-years of national employment
- 

## Saskatchewan

- Number of projects completed: 41
  - \$14,116,689 GDP
  - 150 person-years of national employment
- 

## Ontario

- Number of projects completed: 391
  - \$371,564,360 GDP
  - 4,407 person-years of national employment
- 

## Quebec

- Number of projects completed: 224
- \$145,815,181 GDP
- 1,791 person-years of national employment

## Atlantic (NB, NL, NS, PE)

- Number of projects completed: 133
- \$154,818,319 GDP
- 2,232 person-years of national employment

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## Territories (YT, NU, NWT)

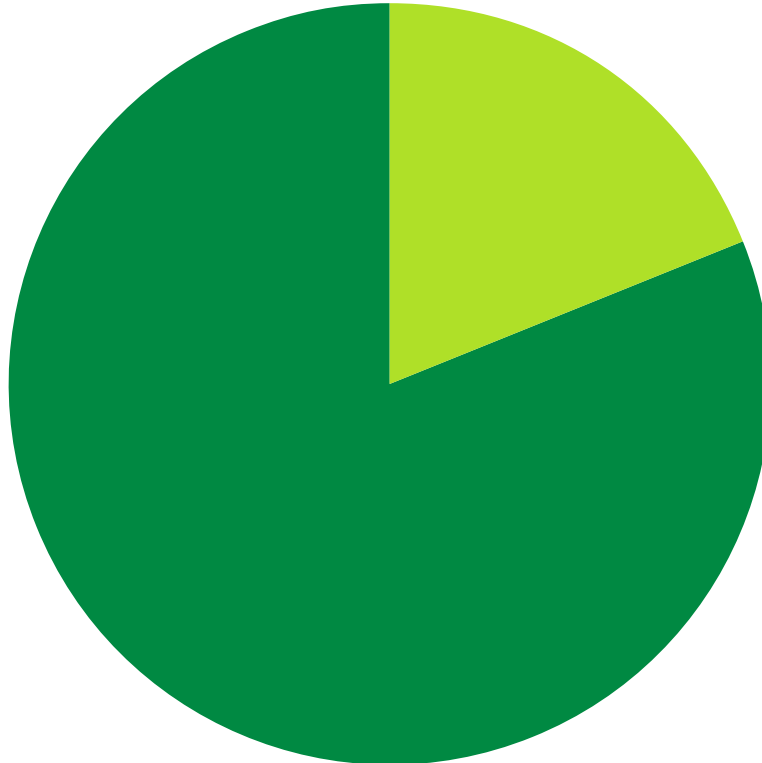
- Number of projects completed: 23
- \$3,090,978 GDP
- 34 person-years of national employment

# Urban-rural balance of all approved initiatives

The chart below includes the urban-rural distribution of loans and grants for sustainable community plans, feasibility studies, pilot projects and capital projects:

### % of population

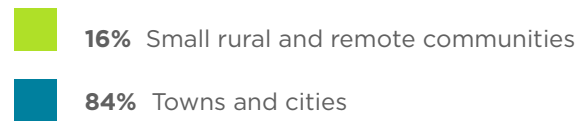
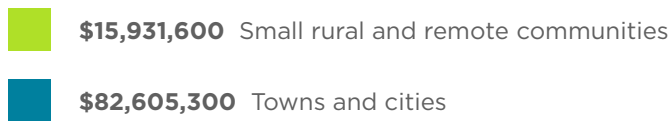
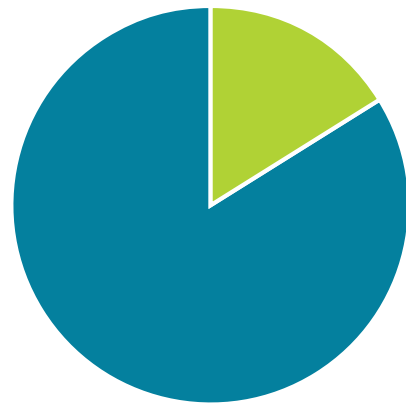
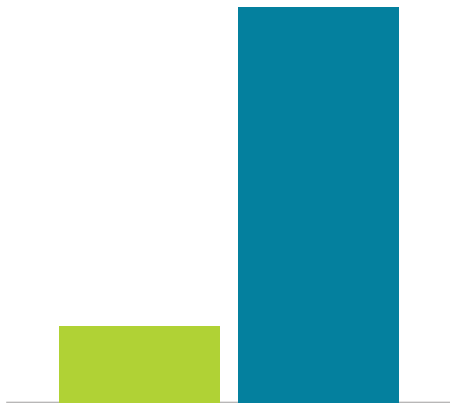
-  19% Small, rural and remote (rural)
-  81% Towns and cities (urban)



## 2019-2020 funding breakdown

Total grants & loans

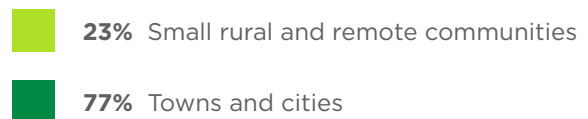
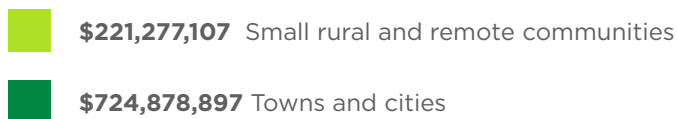
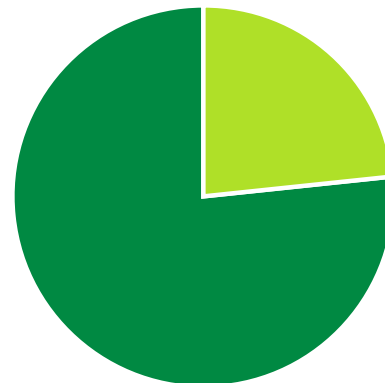
% of total \$



## Total net approved since inception\*

Total grants & loans

% of total \$



# Key result area achievements

At GMF, we have two mandates: **disbursing funding to municipalities** and **building their capacity** to develop and deliver environmental infrastructure projects. Our team uses a strategic, five-year plan to guide our work in fulfilling these mandates. It includes 11 key result areas around which we plan our yearly activities.

Our 2019-2020 work in those key result areas is highlighted below.

## Exceeding ambitious funding targets

Our GMF team achieved its stretch funding targets this year by approving close to \$92M in funding for capital projects, with less than 20% withdrawals. We also achieved our granting target of close to \$6.6M for the year for plans, studies and pilot projects. These results mark the largest funding amounts approved in a single year since GMF's inception.

## Creating innovative offerings

This past year, the GMF team developed three innovative initiatives that are unlike our previous core funding models.

Two of the initiatives encourage innovation in energy efficiency in the built environment: Community Efficiency Financing (CEF) and Sustainable Affordable Housing (SAH).

The CEF initiative supports new types of local financing programs for low-rise residential property owners who want to invest in energy efficiency and renewable energy upgrades.

The SAH initiative focuses on energy efficient retrofit programs and new builds in the affordable housing sector, a relatively new area for GMF.

FCM also partnered with six new organizations, spearheaded by The Atmospheric Fund (TAF), in 2019-2020 to create the Low Carbon Cities Canada (LC3) initiative. With the support of GMF staff and the six host organizations, LC3 is establishing a network of seven Centres in major Canadian cities. Each Centre supports projects that are tailored to their local context. Many of the host organizations and anticipated clients are new types of stakeholders for GMF (non-profits, charitable foundations, corporations, etc.). This meant developing an entirely new type of model for this initiative.

## Supporting bold initiatives

This year, we piloted GMF Signature Projects — an initiative dedicated to funding transformative, best-in-class municipal projects — and it was a success. We mobilized this offer to support municipal projects that are outside the scope of our core funding offers, but still have tremendous potential and value.

Our team approved more than \$12M in loans and more than \$2M in grants under this stream. That includes funding for two capital projects that focus on key GMF impact focal points: transportation and energy.

The first capital project is a new traffic integration system in Ontario, which has the potential to significantly reduce GHG emissions and improve transportation infrastructure. Prince Edward Island will also receive funding to implement renewable energy generation and storage technology within a small municipal utility. That initiative has the potential to generate solar energy while reducing GHGs.



We also approved funding for an energy-sector feasibility study in Ontario. This project will evaluate the technical and financial requirements for constructing a power-to-gas facility using hydrogen, which would be a first of its kind in Canada.

We have every confidence in the emerging Signature Projects funding initiative as a transformative and cross-cutting offering. It adds a new level of flexibility to GMF funding offerings and covers even bolder technical, financial and capacity-building innovation.

## Enhancing client service offerings

We're making it easier than ever for clients to interact with the GMF program and access funding. Our first advance-based payments contract is signed and the development of new support mechanisms for applicants is on track. The team also brought several innovative pilots and practices to life this year, including:

- Larger capital project loans
- Lowered interest rates
- A continuous intake of capital project applications
- More on-site visits to support client relationships
- More streamlined end-of-project reporting (for plans, studies and pilot projects)
- No cap on municipal staff time eligibility (for plans, studies and pilot projects)

In the next phase of this work, we'll monitor customer satisfaction with the changes and assess whether they optimally enable clients to succeed.

## Sharing best practices with municipalities

In 2019-2020, we acted on research from the previous year. We made best practices more available to elected officials, municipal practitioners and other key stakeholders through two mechanisms:

- We published summary research reports on [waste](#), [water](#) and [land use](#). Each one provides a snapshot of high-impact practices with triple-bottom-line benefits (environmental, economic, social).
- We hosted a [free webinar series](#) to raise awareness about each of the five sectors in which we work. The webinars showcased innovative ways to reduce GHG emissions in energy, transportation, waste, water and land use.

## Engaging municipalities through the Sustainable Communities Conference and Awards

In 2019-2020, our team began preparing for the upcoming [Sustainable Communities Conference](#) (SCC). Originally set to take place in St. John's, Newfoundland and Labrador in October of 2020, it will now take place online due to the COVID-19 pandemic.

The 2020 SCC will feature the [Sustainable Communities Awards](#) to showcase our partners' successes and help awardees tell the story of how their project transformed their community.

We're celebrating GMF's 20th anniversary this year with a new award category: The Visionary Award. It celebrates an initiative that demonstrates long-term community change, and is open to any project completed in the last 20 years.

## Encouraging knowledge sharing and project replication

Replication potential is a top priority at GMF when we assess project applications. This year, we made a special effort to scale out the lessons learned by the City of Kingston. It won the inaugural 'Inspire Award' at our Sustainable Communities Conference in 2018 for its Kingston Transit High School Pass Program.

Working with the City of Kingston and the Limestone District School Board, we developed a [guidebook](#) outlining the project's implementation steps, keys to success and lessons learned. The guidebook launched in April 2019, and we hosted a [promotional webinar](#) in May. At least a dozen Canadian municipalities have already taken the initial steps to replicate this initiative.


## Fostering peer-to-peer learning for brownfields

FCM's Leadership in Brownfield Renewal (LiBRe) network connects municipal staff across Canada, whose municipalities are committed to remediating and redeveloping their brownfield sites. The program moves municipalities through a seven-step, best practices framework.

GMF staff supported LiBRe this year with a recruitment campaign, welcoming 25 new individual members to its English and French cohorts. We also launched a micro-learning email series called [Fostering brownfield redevelopment](#). The series delivers short, weekly emails to municipal staff and elected officials over eight weeks, outlining key actions, from how to streamline their municipality's approval process to building partnerships with brownfield stakeholders. More than 130 subscribers registered in the two weeks after the launch.

## Maintaining strong governance

FCM is required to conduct a third-party review and a performance audit of GMF every five years. The resulting reports are made public and may be tabled in Parliament. This year, Ernst & Young conducted the five-year review and the performance audit for April 1, 2014 through March 31, 2019. The results were very positive, with no material negative findings. Ernst & Young concluded that our GMF operations are consistent with the terms set out in the Funding Agreement. It noted that client satisfaction is strong, our funding is critical to project completion and knowledge services are highly valuable to municipalities. FCM agreed with the findings in the two reports, indicating that GMF is well suited to deliver on its mandate and should continue to expand performance measurement practices, advance information and data systems and monitor stakeholder priorities to stay aligned with the needs of Canadian municipalities. We've launched a management response initiative to ensure action on all recommendations from the two reports.



## Our legacy for 2019-2020 Poised for more success

Municipalities are using unprecedented levels of innovation to solve their most complex environmental challenges. We're here to help them get the most out of their investments and provide support at every step along the way. That's our legacy—responsibly moving municipalities to proven sustainable solutions, faster.

To this end, we launched three new initiatives in the past year: our partnership on the **Low Carbon Cities Canada (LC3)** program and new funding streams for **Sustainable Affordable Housing** and **Community Efficiency Financing**. We explore each one in turn below to demonstrate a few of the ways in which we're putting the Government of Canada's massive injection of \$950M to use.

## How we ramped up so quickly

### Our year of rapid expansion

The Federal Government's 2019 investment of \$950M in GMF brought our fund's total to \$1.65B. This significant increase was a welcome acknowledgement of our successes as a national program. Our team rose to the occasion, developing innovative offerings and setting impressive benchmarks in the time-to-launch for several initiatives. This required an increase in the GMF workforce, which grew by 51% in FY 2019-2020.

Learn more about the success factors that helped us create exceptional new initiatives in record time.

### Commit to innovation and enthusiasm

From the beginning, we engaged partners, stakeholders and advisors who were highly motivated and excited to participate in something bold. Throughout our work together, participants in all of our new initiatives stayed true to their organizations' values while collectively striving for innovative program designs and solutions. Internally at GMF, we also hired experts and created dynamic new positions on our teams. This unlocked new levels of energy in our staff members.

### Rely on deep expertise

We hired leading national consultants at GMF and added more expertise in-house before designing our SAH and CEF programs. We also invited experts with diverse perspectives to join advisory groups for those two initiatives. Post-launch, our in-house experts will work to support clients who apply to and are funded by SAH and CEF. The size and scale of this new chapter in GMF's history and the innovative nature of our new initiatives attracted national leading experts with relevant expertise to share. Their valuable insights and knowledge of the problems our clients

face has resulted in high-quality program designs that bypass the traditional roadblocks to success.

### **Encourage innovative program design**

From the outset, SAH and CEF worked with key stakeholders to design innovative and user-friendly models. In LC3's case, the selected model gives the seven Centres the autonomy they need to address local needs. All three initiatives' offerings are highly flexible and — much like when GMF was initially envisioned by municipalities — respond directly to known needs. LC3, for example, was co-created by its host organizations, who have first-rate insight into the sector's needs. GMF has been proud to help support the work of turning this innovative program into a reality. SAH and CEF also worked (often in parallel) to bring their advisory groups' insights to the foreground of their programs' designs. This approach ensured a highly targeted and unique program offering from both initiatives.

### **Welcome new perspectives**

We've embraced diverse perspectives as critical to the success of any initiatives we roll out. SAH and CEF, for example, had a wide variety of voices at the table in order to fully clarify their clients' needs so they could design relevant and ground-breaking initiatives. LC3 has created program infrastructure that allows its seven Centres to do the same — listen to many voices at a local level. LC3 created this framework with the input of host organizations in seven cities, including foundations and non-profit corporations. Though stakeholder engagement is widely used by GMF in its work with municipalities and their partners, having such diverse types of stakeholders at the table was new for GMF.

### **Create knowledge-sharing pathways**

GMF and the organizations with whom we're partnering understand the value of sharing knowledge. SAH, CEF and LC3 all built this critical component into their program design, as it's essential to scaling sustainable solutions quickly. Knowledge sharing will happen in several ways: GMF will share lessons learned by the initiatives with peer groups across the country. The local levels will also share information about their outcomes with GMF so it can extract lessons learned with a bird's-eye view of the initiatives. LC3 will partner to disseminate knowledge locally as well as co-developing reporting tools with its seven Centres, using

common measures that will facilitate network-level assessment and aggregation. SAH and CEF will also use common reporting tools across each of their programs.

### **Design client-friendly initiatives**

In our design processes, we put client interests and user experiences front and centre. Across the board, we heard that users wanted simple application processes and rapid assessments. They also wanted to decrease the reporting burdens they often face during and at the end of projects. We took these considerations into account in our final design models, particularly in the SAH and CEF initiatives, whose end-users are known. Each LC3 Centre will also embrace client-friendly approaches, catering to their local contexts while increasing the opportunities for learning across the network.

### **Build on a pre-existing foundation**

We didn't start entirely from scratch. Beyond GMF's 20-year history of successful sustainability initiatives, we relied on our partners' and stakeholders' work and lessons learned over many years. LC3 built upon years of work done by its founding host organizations, many of whom were well acquainted and had worked together for years, to create the foundation for the LC3 initiative. CEF was based on a program we initiated at GMF in 2012-13, whose lessons we used to establish the current initiative.

### **Enable highly agile project teams**

We tested (and succeeded with) new project management and project team models internally at GMF. We also required a high level of agility from our consultants, advisory boards, partners and stakeholders. Everyone moved quickly whenever it was necessary. The internal and external participants all understood that a roadblock could delay launch dates or other milestones. They remained nimble at every step in the process.

# Our next steps

With enthusiastic new team members and a solid existing contingent of experienced and knowledgeable staff, we've set many projects in motion that will come to fruition in the coming years. Our newly bolstered team triggered work on several important initiatives before the end of the year, as outlined below.

## Promote the Municipal Energy Roadmap

This past year, our team worked with consultants, sector experts and municipal stakeholders to finalize and vet GMF's Municipal Energy Roadmap. It will help Canadian municipalities as they identify the most promising sustainability solutions for their local context. It supports them as they move toward a sustainable energy future, acts as a decision tool and offers municipalities guidance and resources as they move through implementation. Our finalization process included staff-led stakeholder consultations and a peer review process. We obtained valuable feedback, validated how municipalities will use the roadmap and learned what related resources would be helpful.

The [Municipal Energy Roadmap](#) launched in the second quarter of 2020-2021. We're reshaping our mobilization strategy and resource development in light of the COVID-19 pandemic, but will promote it online via webinars as well as through a dynamic online tool.

## Design and launch new funding

Staff are turning their attention to designing the next GMF funding stream. Of the \$350M earmarked in Budget 2019 for the LC3-FCM Collaboration on Community Climate Action program, \$167M in program funding remains to be designed and launched. We'll use it to help reduce GHG emissions from large community buildings and other infrastructure, focusing on communities outside of the seven cities targeted by LC3. The launch is scheduled for spring 2021.



## Building a sustainable future

# Addressing environmental, social and economic concerns

For 20 years, GMF has helped municipalities reduce GHGs and mitigate the effects of climate change across Canada. Our unique model yields an incredible return on investments through compelling environmental, social and economic benefits. We've also shown that location and size are no barrier to fighting climate change and protecting people and the environment.

It's time to broaden the reach of GMF's benefits to more municipalities and residents across Canada. That's why GMF is moving into an exciting new chapter of aggressive growth; one that's backed by the Government of Canada's unprecedented \$950M investment in our fund. As a result, we've had an exceptional year, providing regular programming and new funding offers, all while preparing to extend the size and scope of our work across the country.

Future GMF-funded projects will have an even greater focus on protecting the climate and enhancing quality of life for Canadians. Our hope is that municipalities in every province and territory will use our proven bank of viable solutions to accelerate their adoption of sustainable initiatives.

Our team has spent 20 years honing its funding offers, training endeavors and capacity building resources. We're fully confident that together, we can tackle sustainability issues in the energy, transportation, water, waste and land use sectors in every municipality.

The time for municipalities to take action is **now**.



## Post pandemic recovery

The economic crisis brought about by COVID-19 only adds to the urgency of our work. If we take action now, we can build a more prosperous, healthy and resilient country.

Investing in cities and communities is a proven stimulus strategy. Municipalities are responsible for 60% of Canada's core infrastructure, making them critical to the country's economic recovery. They're best-placed to assess local needs and get projects moving efficiently.

GMF is ready to support Canada's post-pandemic economic recovery, and municipalities are primed to leverage our funding. In fact, our application intake has been steady—and is even growing—despite the challenges municipalities face due to the COVID-19 pandemic.

There's a well-established application, assessment and disbursement process at the ready and GMF can draw upon a wealth of training and capacity building resources. GMF has the ability to deliver a much-needed stimulus package to the front lines quickly and efficiently in the years to come. We're ready to help Canada meet its climate objectives and recover from an economic downturn.

**We're in this together.**



# Appendix: Our Legacy

## Sustainable Affordable Housing

Canadian communities are in dire need of environmentally sustainable, affordable housing solutions. Residents who depend on this housing infrastructure deserve a high quality of life that's sustainable. These objectives are entirely compatible. That's why we expanded our work on driving cost-saving energy efficiency to include sustainable affordable housing across Canada. Working in this sector is relatively new for GMF, but it plays a critical role in providing a reliable, high quality of life for many Canadians.

Our [Sustainable Affordable Housing](#) (SAH) initiative focuses on making more energy-efficient affordable housing stock available. This new \$300M funding and capacity building initiative means municipalities and community non-profits can build more energy efficient affordable housing stock and retrofit their current stock. They can reduce GHG emissions from our nation's affordable housing stock while lowering operational costs and residents' energy costs.

Grants and loans are available for every phase of a project, from early-stage planning to feasibility studies and financial modelling, through to pilot and capital projects. As with our core GMF funding, we also deliver capacity building resources and training to applicants and those who receive funding. Key resources and services include fact sheets, case studies, an online resource library, online learning, piloting Regional Energy Coaches and a community of practice for funded initiatives.

Together, the funding and capacity building design strengthens affordable housing providers' ability to retrofit and build new projects to a higher energy performance standard. Wherever possible, GMF's program design complements existing funding opportunities and capacity building initiatives in the sector. The SAH funding launched in the spring of 2020, and was met with great interest from the sector.

## Community Efficiency Financing

For some time, we've wanted to push the envelope on financing models, and this year, we made it happen. Many homeowners know they could make their homes more energy efficient, but simply can't afford the up-front costs. They've long needed an alternative to traditional sales models, and direct financing is an excellent solution.

We established the \$300M [Community Efficiency Financing](#) (CEF) initiative to support municipalities that want to create financing programs to help property owners switch to energy-efficient solutions faster. Through two types of financing models (third-party lending and Property Assessed Clean Energy [PACE] or Local Improvement Charge [LIC] financing), CEF will provide the bridge many homeowners need in order to make more sustainable choices.

CEF provides end-to-end funding to get municipal financing programs under way. It offers grants to test market potential, program design and evaluation, as well as loans for municipal-led capital projects. Funded projects will target energy efficiency improvements (e.g., insulation, heating and cooling systems, windows and doors) and renewable energy options (e.g., solar rooftop systems), in low-rise residential buildings.

As with our new SAH initiative, capacity building is a priority for this initiative. Our team plans to create a peer learning network of early adopters and provide access to technical experts to make sure programs launch successfully. It's critical

that they achieve the expected uptake and results so other municipalities across the country will see the value in scaling these innovative programs.

The program's multi-phase rollout got underway in the spring of 2020.

## Low Carbon Cities Canada

In 2019, the Government of Canada committed \$183M to [Low Carbon Cities Canada](#) (LC3) as part of a \$350M LC3-FCM Collaboration on Community Climate Action program. LC3 is a network of Centres in seven of Canada's largest urban areas:

- Vancouver and the Lower Mainland
- Calgary
- Edmonton
- Greater Toronto and Hamilton Area
- Ottawa
- Montreal Metropolitan Community
- Halifax region

Each Centre receives an endowment to invest, and uses the returns to fund grant programs, research, policy advocacy and local operations for projects that reduce community-wide GHG emissions. This initiative is a catalyst for promising, low-carbon solutions that can be implemented in municipalities across the country and modeled after the successful TAF model in the Greater Toronto and Hamilton Area. It will create jobs while improving public health, community resilience and social equity.

FCM hosts LC3's National Office, which will report on the Centres' activities and outcomes, develop a learning hub to transfer ideas that accelerate climate solutions and coordinate shared services (e.g., GHG emissions quantification, investment guidance, national communications and outreach).

In early 2020, LC3 established an [Advisory Committee](#) to the GMF Council. It brings together renowned municipal sustainability experts who can offer valuable strategic guidance and oversight to the initiative's leadership.

Local Centres are now creating blueprints, hiring executive directors, establishing governance and corporate structures, and initiating partnerships with local municipalities and community groups. Together, the National Office and the Centres are laying the program's foundation and developing terms to transfer the endowments and manage the funding in perpetuity.

We are now primed to launch the new LC3 Centres. We're looking forward to seeing projects take shape in collaboration with diverse local community partners. With FCM's support, the Centres' local expertise and collaborative spirit will yield tangible, measurable and scalable results that communities across Canada can replicate. The LC3 network is ideally positioned to maximize these opportunities and build prosperity as Canada advances a low-carbon economy.

## Core funding program

Though our team invested significant energy in launching our three new initiatives this year, we also had some exceptional achievements in our core funding programs. For example, our team worked to increase the demand for GMF's funding streams for three reasons:

- Better supporting our municipal clients and increasing the value we bring to them
- Accelerating the placement of its endowment into impact projects
- Creating more visibility so we can potentially leverage more opportunities

This was high-priority work for us in 2019-2020 even before receiving new funds from the Federal Government.

We also approved more funding this year than in any year since our inception — close to \$92M in loans and grants for capital projects and more than \$6.2M in grants for plans, studies and pilot projects. With exceptional teamwork, we achieved our stretch target of almost doubling the funding approval levels we reached in recent years.