



2020 Ontario Pre-Budget Submission

Submission to the Standing Committee
On Finance and Economic Affairs

January 24, 2020

Summary

The Provincial Government's Made in Ontario Environment Plan calls for a 17.6MT reduction in greenhouse gas emissions by 2030. This target is challenging to reach based on the existing programs and projections. We urge the Ontario Government to increase its investments in GHG-focused environmental initiatives, particularly in programming to support the small- and medium-sized business community with emissions reductions.

Green Economy Hubs are a proven and effective model for supporting businesses, particularly small and medium enterprises (SMEs), to reduce their greenhouse gas emissions (GHGs). Community-based and business-focused, these voluntary programs are building **Ontario's low-carbon economy**. Accelerating the work of these Hubs by restoring a **\$2.3M budget investment that was established in 2018** will give Ontario businesses the local support they need to reduce their emissions and become more economically competitive.

We would also like to advocate for increased funding to the Ontario Trillium Foundation, which has been a key driver of community-based environmental innovations. **Restoring the funding to the 2018 level** will activate more innovative projects to support the goals of the Made-In-Ontario Environment Plan.



About Green Economy Canada

Green Economy Canada is an Ontario-based non-profit organization that works with community organizations to launch and grow Green Economy Hubs across Canada. **Green Economy Hubs** are social enterprises that support a local network of businesses to set and achieve sustainability targets, improving their energy efficiency, reducing costs, and increasing their competitiveness in the transition to a low carbon economy.

Green Economy Canada currently supports 7 Ontario-based Hubs who are working with 250+ businesses - mostly SMEs - to strengthen their business by reducing their GHG emissions. These businesses have collectively reduced over 200,000 tonnes of GHGs to date. Hubs build the capacity of participating businesses to achieve environmental impact reductions through providing a variety of tools and resources, peer learning events, and 1:1 support.

With a decade of experience working with businesses of all sectors and sizes and their employees on sustainability and emissions reductions, Green Economy Hubs are a proven model for engaging businesses to reduce their environmental impacts while increasing their profitability and growing the low carbon economy.





Supporting Ontario Businesses in Reducing GHG Emissions

The Province's Made-in-Ontario Environment Plan sets a provincial target to reduce GHGs by 17.6MT. The plan both acknowledges the problem of climate change and the challenge of achieving significant GHG reductions by residents and businesses alike. Through increasing awareness, conservation activities, investment in efficiency upgrades, switching fuel types, and adoption of new technology including electric vehicles, Ontario can meet the 2030 targets identified in the plan.

It is vital to continue engaging businesses in meeting the Government of Ontario's targets, particularly in light of the Auditor General's most recent report¹ showing that current plans and implemented programs may result in significantly less reductions achieved by 2030 than projected. However, Ontario's business sector, particularly the diverse SME sector, needs direct support to stay economically competitive while achieving its share of the reductions. Community-based Green Economy Hubs are encouraging and supporting businesses to take the actions laid out in the government's Made in Ontario Environment Plan².

In July 2018, the Government of Ontario discontinued an investment in our network which was funded by cap and trade revenues. The funding built on an earlier provincial investment of \$1M which saw a dramatic increase in target-setting, action-planning and voluntary participation of businesses in reducing their GHG emissions. The loss of funding has led to a dramatic reduction in the ability of Green Economy Hubs in Ontario to engage new businesses while the need to provide support to the local business community to reduce emissions has become more urgent.

By restoring the planned \$2.3M investment in Green Economy Hubs from 2018, the Ontario Government will help launch 2 additional Hubs across Ontario, and support over 500 businesses across 10 Ontario communities to reduce their GHG emissions while becoming more economically competitive. Even restoring a portion of the investment would result in significant benefit to the environment and Ontario businesses.

Green Economy Hubs are an efficient, business-led, voluntary approach to climate action and emissions reductions, consistent with the Made-In-Ontario Environment Plan. Investing in these Hubs will help Ontario reach its 2030 GHG reduction target and strengthen our business community.

¹ Auditor General of Ontario: http://www.auditor.on.ca/en/content/annualreports/arreports/en19/2019AR_v2_en_web.pdf

² Government of Ontario: <https://www.ontario.ca/page/made-in-ontario-environment-plan>



Environmental Innovation Through Ontario Trillium Fund

The Ontario Trillium Foundation has been a key source of funding to establish Green Economy Hubs, and other environmental social innovations. The impact has been the creation of seven effective and ongoing programs actively supporting the success of the economy while enabling businesses to reduce their ongoing environmental impact.

Funding of environmental initiatives is the smallest share of six panels of the Ontario Trillium Foundation, meaning that a reduction in the program's overall budget has a larger impact on environmental initiatives. The 2018/2019 Trillium Fund disbursements were reduced by almost \$20M from the previous year.

Reinstating the Ontario Trillium Fund Budget to 2018 levels will ensure that community-led environmental innovations, including Green Economy Hubs, have the capacity to actively advance the goals in the Made-In-Ontario Environment Plan.

Closing and Next Steps

To close, we wish to express the importance of achieving the Government of Ontario's targets under the Made-in-Ontario Environment Plan, and the increasing difficulty of the task as 2030 approaches. Taking bold action to accelerate the low-carbon economy is vital to the economic as well as environmental success of the province. Green Economy Canada is uniquely positioned to support the plan and the goals of this government to ensure Ontario businesses thrive while also taking steps to protect our environment for generations to come.

For more information, please contact:

Priyanka Lloyd, Executive Director

Green Economy Canada

519-603-8996

priyanka@greeneconomy.ca