

Canada Cleantech Policy Platform 2021

What Cleantech offers Canada

1. Cleantech fights climate change: The Canadian cleantech sector plays a crucial role in the fight against climate change and the protection of biodiversity. It also represents a **significant opportunity to create well-paying jobs in communities across Canada.**

2. It's good for the economy (jobs, jobs, jobs): Clean Energy Canada and Abacus Data recently surveyed Canadians and learned that three-out-of-four (72%) believe that countries with ambitious carbon reduction targets will end up stronger economically than countries which don't pursue bold targets.¹

3. Canadians want investment in cleantech: According to a recent study conducted by the Environics Institute, Canadians support a climate change plan that strengthens our regional economies and keeps business competitive with our trade-partners in the US.²

In order to meet these targets, Canada can rely on its innovative cleantech sector.

Cleantech in Canada, at a glance:

- In 2018 cleantech accounted for \$66 billion, or 3.2% of Canadian GDP
- "Pure-play" cleantech (= meeting the Stats Canada definition) accounted for 122,601 jobs according to Stats Canada
- By 2030 that number will grow to half-a-million
- With a target of \$20 billion by 2025, cleantech accounted for nearly \$12 billion in exports in 2019
- Cleantech will employ 28 million people and exceed \$3.3 trillion in GDP globally by 2022.

¹ <https://abacusdata.ca/climate-targets-canadians-2/>

²

https://www.environicsinstitute.org/docs/default-source/default-document-library/cot2021-report3-final_jun-18c83cfe0dd49c4cfc936522ae59fb396b.pdf?sfvrsn=3ea0b29a_0

How to create a clean growth environment

1. Close the capital gap: With an average of 4.7%, the cleantech sector has had strong growth over the last 5 years³, but several barriers to reaching its full potential remain. The sector is struggling with limited access to capital and markets. Canadian cleantech ventures are significantly undercapitalized relative to comparable ventures from the US. According to Sustainable Development Technology Canada (SDTC) and Cycle Capital, Canadians raise roughly half the equity and debt as comparable ventures in the US.⁴

2. Keep pace with the US: The US Congress just passed President Biden's \$1.2 trillion infrastructure bill, allowing for massive investments in America's green economy. The US is becoming increasingly attractive for clean technology companies. To remain competitive, Canada needs to create similarly attractive conditions.

Key Policy Recommendations

At a glance: Reduce risk, level the playing field, and increase Canada's global competitiveness.

The Canada Cleantech Alliance has identified **3 high-priority policy recommendations** that will contribute to making Canada a frontrunner in the race against climate change, and the best place on earth to develop clean technology. We ask that they be considered in the federal election platforms of our national political parties:

1. Reduce risk by including Crown corporations in the Greening Government Strategy.

Government procurement helps minimize the risk of investment in cleantech by reducing financial exposure of private-sector purchasers. Including Crown corporations to the Greening Government Strategy will add their significant purchasing power and create opportunities to

³ https://octia.ca/wp-content/uploads/2021/03/EDC_canada-cleantech-future.pdf

⁴ http://www.cyclecapital.com/wp-content/uploads/2017/04/CCM-SDTC_Forging-a-cleaner-economy.pdf

pilot cleantech in a Canadian market. A “buy-Canadian” stipulation will help support a wide-range of domestic cleantech companies. Through this policy, the government can encourage growth in the domestic cleantech sector.

2. Level the playing field with our competitors.

The world’s major economies have passed massive green stimulus packages that benefit their cleantech ventures and are aimed at attracting cleantech ventures to locate where the business climate is friendliest. To keep cleantech companies, jobs, and economic benefits in Canada we can:

- Implement a 30% refundable capital investment tax credit for any significant low carbon or clean technology
- Broaden the scope of the Canadian Renewable Conservation Expense (CRCE) to include all significant clean technologies

3. Adopt world-leading low-carbon targets to position Canada as the best place to invest in cleantech.

Increase the global competitiveness of Canada’s export industries (automotive, natural resources, agriculture, etc.) by reducing their carbon footprint through the adoption of Canadian made cleantech solutions across the value chain. This can position Canada as the go-to exporter for low-carbon commodities and products. The following three ideas will start us on that path:

- Identify and support Canadian clean technologies that are important to help manufacturers lower carbon emissions. This would enable clean technology companies grow their market share and, but also help decarbonize Canada’s top exporters, helping them reduce their carbon footprint and fight climate change both at home and abroad.
- Extend the Canadian Infrastructure Bank’s mandate to administer an encompassing Loan Guarantee Program (LGP), that includes loan guarantees for cleantech projects abroad. We recommend that such a Loan Guarantee Program includes flexible, customized financing according to the borrowers’ needs. Projects should be supported by a team of experienced financial, technical, legal, risk

mitigation, portfolio management, and environmental professionals.

List of Supporters

Matt Schaubroeck, CEO, ioAirFlow Incorporated
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About Canada Cleantech Alliance

As a Canadian non-profit organization, we leverage provincial and territorial strengths and expertise to be the reference for the cleantech sector nationwide. Aside from the six sustaining members – Foresight, Alberta Innovates, Ontario Clean Technology Industry Association (OCTIA), Smart Prosperity, Innovation Guelph and Écotech Québec - our network extends to 200+ cleantech CEOs and over 20 provincial/territorial organizations. Canada Cleantech Alliance identifies and crowdsources issues and mobilizes for change. It uses a comprehensive and coordinated approach that takes regional realities into account.



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