

Powering up GTHA climate action

Context

The science-based approach to limiting average global warming to 1.5°C by 2050 requires meeting 2030 targets. Though acceptance of the need for climate action is at an all-time high in the Greater Toronto and Hamilton Area, and public and private funds are flowing toward low-carbon solutions, these shifts aren't translating into carbon reductions at the pace or scale needed to meet local, national, and international commitments.

As illustrated in [TAF's GTHA Carbon Emissions Inventory](#), we need to reduce emissions by 9% annually to meet the 2030 target of 25 megatonnes (Mt). Yet emissions have increased in all sectors and all single-tier and regional municipalities. Last year's 8% annual emissions increase was the largest since 2015.

TAF operates in and for the GTHA, a contiguous region containing some of Canada's largest and fastest-growing metropolitan areas. It comprises 30 local jurisdictions—26 single- and lower-tier municipalities and four regional municipalities—that vary by size, land use, and economic makeup. In 2031, our population will reach 8.6 million, roughly 20% of Canada's population.

The first [Progress Report](#) on Canada's [Emissions Reduction Plan](#) notes that even if all modelled policies are fully implemented, national emissions will be 36% below 2005 levels in 2030, falling short of the 40-45% target.

Despite numerous commitments and frameworks, some successes, and many available solutions, we are not on track nationally, provincially, or locally.

Governments, utilities, private sector players and citizens are immediately and ultimately responsible for implementing the policies, programs, investments, and actions that reduce carbon emissions. TAF's role and [Theory of Change](#) is to foster the conditions - including resources, capacities, leadership, market conditions and pathways - that drive and enable large-scale carbon reductions in the GTHA.

This strategic plan will guide our work for at-scale implementation of effective, equitable climate action. It builds on TAF's:

- 30+ years of experience
- Strength in grant-making, program delivery, investing, advocacy, convening, and communications
- Unique ability to bring the right mix of tactics to solving complex challenges

Our understanding of the GTHA landscape underpins the plan, allowing us to concentrate efforts and support stakeholders in growing their momentum on carbon reduction opportunities.

Given TAF's mission, the focus remains on the key sources and trends of carbon emissions in the GTHA, tracked in TAF's annual Carbon Emissions Inventory.

Strategic Directions

Three strategic directions will guide us to 2030. Building on TAF's strengths and experience, these directions deepen our focus on implementation. All hands are on deck to ensure emissions reductions in the GTHA are durable and lift up communities.

1. Move the money

Mobilize financing and funding for GTHA climate programs and projects

Rationale:

- Scaling carbon and co-benefit impacts in the GTHA requires well-coordinated funding and financing programs.
- Lack of information about and confidence in investment opportunities are blocking the flow of capital into urban climate solutions despite more funds looking for investible projects and projects looking for funds.
- Public and philanthropic funding, financing, and incentive programs aren't always designed to leverage private capital effectively, yet are critical, particularly in early-stage concepts.
- Private capital is critical to scaling up climate programs and projects.
- Thirty years of active participation in this space has given TAF the relevant expertise, tools, and relationships to help attract and direct investment to low-carbon solutions that deliver.

Activities:

As an endowment manager, prudent, mission-aligned investments are an ongoing requirement for TAF and a significant source of our operating revenue. To really move the money, TAF will:

- Identify and prioritize investments and funding opportunities that need unique attention and may not happen without TAF's involvement.
- Improve the business case for climate investments by securing more concessionary capital from public and philanthropic funders, including the Low Carbon Cities Canada (LC3) network.
- Engage commercial capital providers who wish to achieve financial and environmental impact in the GTHA.
- Foster conditions for more comprehensive investment through, for example, credit enhancements that de-risk private capital, innovative structured financing, or syndication.
- Accept the additional or different risks mobilizing more capital may entail while upholding compliance and accountabilities, including exploring new functions, such as a regional 'green bank,' to improve the GTHA's access to funding.
- Advance and provide grant support for policies and programs that drive investment.

2. Shape the playbook

Advance policies that enable durable, large-scale carbon reductions in the GTHA

Rationale:

- Climate policy is crucial to delivering emissions reductions at scale and creating market certainty to transform our economy to net zero in a stable, equitable way.
- Policies can regulate emissions from specific sources (e.g., building and equipment performance standards), stimulate capital flows into low-carbon solutions (e.g., carbon pricing, tax incentives), and support rapid adoption of emergent low-carbon technologies (e.g., electric vehicle availability standards, renewable power procurement).
- Although municipalities have certain authorities and policy levers related to local emissions, provincial and federal policies are also mission-critical.

Activities:

TAF's experience in formulating, advancing and monitoring the impact of laws and regulations give us a clear view of the path to coordinated, evidence-backed climate policy. Leveraging our local presence and the climate leadership role of GTHA towns, cities, and regions, TAF will:

- Deepen our direct engagement with municipalities to champion and coordinate strong local climate policy development and implementation.
- Elevate the voices of influential GTHA municipalities calling on higher orders of government for priority climate policies.
- Provide grants and support to local stakeholders to increase engagement and ensure effective, inclusive climate policy design.
- Advocate directly for provincial and federal policies that drive carbon reduction in the GTHA where TAF is best placed to contribute.
- Focus on securing policies that reduce emissions while improving the lives of GTHA people, families, and communities.

3. Implement with intent

Deliver key programs to accelerate the scale-up of high-impact climate solutions

Rationale:

- Many municipalities and stakeholders find accessing and deploying climate funding and financing challenging.
- Without well-run, well-resourced, and coordinated program delivery, businesses, industry, and households won't adopt emissions reduction solutions fast enough, and the changes and benefits won't be equitably distributed.
- Institutional barriers can also prevent municipalities, utilities, and other institutions from delivering nimble, innovative, and user-centred climate programs.
- As a result, climate programs that do get resourced are often not fully deployed (or sometimes even initiated), and/or result in duplicated effort across the region.
- A gap in regional coordination also makes it difficult for GTHA municipalities to pursue climate solutions together.

Activities:

TAF will support a few strategically chosen programs within our Focus Areas to optimize delivery and accelerate scale.

- Use our experience demonstrating and de-risking programs, such as our work in LED lighting, building retrofits, EV charging, etc., to deepen program implementation in collaboration with GTHA municipalities and other stakeholders.
- Prioritize initiatives critical to reaching local net-zero goals, where TAF's unique capacities, resources, and tools are needed and where strong stakeholder support for the program and TAF's involvement exists.
- Engage decision-makers and coordinate GTHA municipalities and stakeholders on critical design elements, including scale-up and co-benefits. Monitor, analyze, and share program delivery and impact measurement insights to drive continuous improvement.
- Help secure and manage funding and financing for effective program design and delivery.

Cross-cutting Approaches

TAF's strategic directions will guide our grant-making, policy advocacy, program design and delivery, impact investing, and stakeholder collaboration activities. The following three approaches will inform how TAF maximizes the impact and outcomes of these directions.

1. Engage the whole region

Support coordination, capacity and collaboration among GTHA municipalities

Why:

Carbon emissions profiles vary within the region, however decarbonizing buildings, transport, and the grid are common priorities. Local governments have different capacities and resources to advance climate solutions through policy and program implementation. The resulting patchwork of local programs and policies ranges in ambition, outcomes, and effectiveness. Without a formal governance structure in the GTHA region, deliberate inter-municipal coordination is needed to ramp up, replicate, and scale local climate successes. A regional approach will also build cohesion, keeping momentum strong in the face of industry resistance or political change.

What:

- Build bridges across municipalities, community groups, and other organizations whose priorities, work and reach intersect with our climate mandate.
- Design or advise on model programs and bylaws to facilitate regional adoption and implementation.
- Through collaborations, engage municipal and other decision-makers across the GTHA and amplify their voices for provincial and federal policy and support.
- Foster leadership and capacity development to maximize resources and outcomes.

2. Solve for all

Integrate equity, co-benefits, and Indigenous reconciliation in GTHA climate work to improve resonance and outcomes

Why:

Integrative, intersectional climate action will attract more collaborators, broaden support, create more robust approaches, and lead to a more equitable distribution of benefits. Siloed approaches to climate action that disregard equity or affordability implications shortchange achievable co-benefits and overlook strategically critical areas of reinforcement, such as social license and scale-up pathways.

What:

- In keeping with TAF's mandate, initiatives will be selected first based on their carbon impact. However, the design and delivery of selected climate actions will be informed by affected groups and rights-holders, including those who may have been previously excluded from solution development and decision-making.
- Expanded relationships with groups and communities will require resourcing and commitment and are critical to guide this work and inform TAF's efforts.

3. Get to the root

Surface complexities and address root causes of GTHA emissions to pursue breakthrough results

Why:

Due to institutional barriers and dynamics, many emission reduction opportunities are not fully implemented. Given population growth and the need for housing, mobility, energy, food, and other infrastructure that results in emissions, we must consider the need for more transformative change. As such, while we work on specific climate policies, grants, or investment opportunities, we must remain attuned to systemic issues, institutional failures, misinformation and bias, and entrenched interests that inhibit and undermine progress.

What:

- TAF will strive to understand and spotlight the root causes of local emissions, identify strategies and opportunities to tackle them and be ready to seize the moment when there is social, economic, and political space to affect change.
- This will call for longer-term patient engagement, working with unlikely players, and taking several types of risks to challenge institutional dynamics and structures, status quo business models, and other norms.
- While more challenging to measure and predict success, multi-solving is required to ensure we maintain a transparent and clear-headed view on the scale of change required to achieve net zero by 2050.

Monitoring Progress

Evaluate regularly to ensure focus on priorities and impact

The following outcomes and indicators will be used to track TAF's alignment with the Strategic Directions.

Desired outcomes by 2030

- Priority climate programs are delivered effectively across the GTHA, with pathways for scaled implementation and addressing co-benefits.
- Priority municipal climate policies have been adopted across the GTHA.
- Priority provincial and federal climate policies are in place.
- Capital flows into priority urban climate investments at the necessary pace and scale.
- TAF has a balanced and integrated portfolio of initiatives.

Alignment with Strategic Directions

TAF is on track with Strategic Directions if:

- A growing share of the programs being delivered or supported by TAF (e.g. advising or securing funding) is serving multiple municipalities (and ideally the whole GTHA)
- A growing number of GTHA municipalities are advocating for provincial and federal priority policies identified by TAF.
- A growing number of GTHA municipalities have passed, updated, or materially improved enforcement of priority policies because of TAF's advisory and/or advocacy activities.
- Average equity and co-benefits scores for TAF-delivered and TAF-supported initiatives are increasing year-over-year.

- TAF is providing sustained grant support and leveraging other funders' support for community partners who can lead advancement of priority provincial and federal policies.
- TAF's investment strategy directly and significantly increases total financial capital mobilized and influenced, year-over-year.

Annual key performance indicators

- **Carbon emissions reductions:** potential and direct, realized, and unrealized, including "pathways" activities which support reductions.
- **Financial capital mobilized:** the sum of TAF's investment, TAF-raised external flow-through revenue, and all externally mobilized capital for carbon reduction projects.

Managing priorities

To prioritize our work and resources on the top sources of GTHA carbon emissions, TAF has set "Focus Areas" that are advanced through annual and multi-year objectives and activities. TAF allocates resources among these guided by ongoing assessments of needs and opportunities. Focus Areas can and do evolve when opportunities to catalyze more significant emissions reductions.

Current focus areas

- Accelerating retrofits
- Accelerating EV uptake
- Decarbonizing the electricity system
- Accelerating net-zero new construction.