P3.2-1 Green Economy as a Successful Model for Innovation in Developed Countries - Canada

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Firstly, this presentation will feature the main elements of the NRTEE's comprehensive research programme entitled 'Climate Prosperity.' This is an innovative research programme that is exploring the economic risks and opportunities of climate change for Canada through two streams of research: (1) the low-carbon economy stream and (2) the climate impacts and adaptation stream.

For the purposes of this presentation only the low-carbon economy stream will be covered as it relates to creating a successful model for innovation in a green economy. Within the low-carbon economy stream three questions framed our analysis:
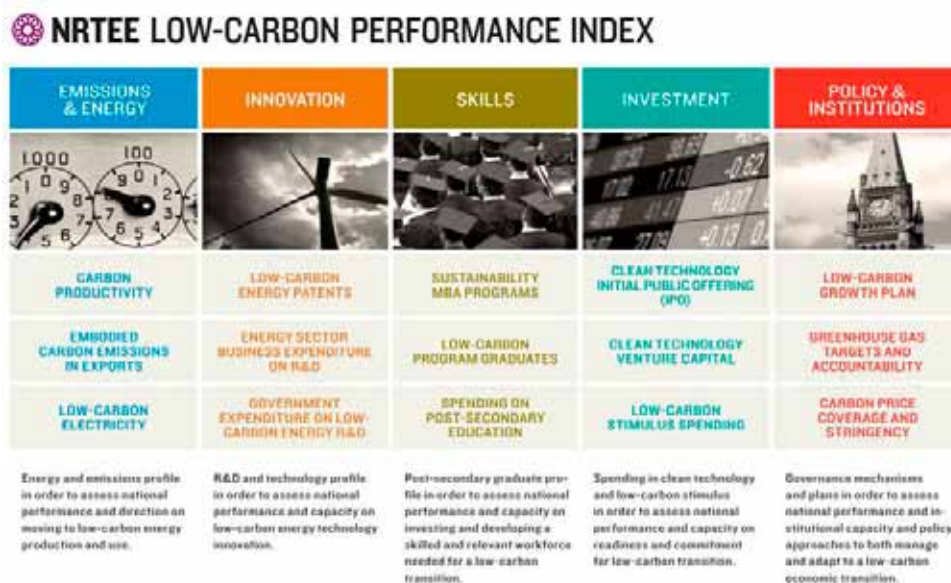
1. **How does Canada's low-carbon performance compare to others?** This question led us to create a low-carbon performance index that compares Canada's performance to G8 nations, along with separate case studies to include China, Australia and Norway.

2. **What climate policy options are best for Canada-U.S. harmonisation?** This question will lead to a report to be released in the fall 2010 that will examine Canadian climate policy choices based on potential U.S. courses of action.

3. **What does a low-carbon growth plan for Canada look like?** This question will lead to a report to be released in the fall 2011 that will provide policy pathways and actions necessary for Canada to thrive in a global low-carbon economy in areas such as energy, innovation, skills, investment and governance.

The purpose is to demonstrate how to develop a research and policy base to formulate a low-carbon growth pathway for Canada.

Secondly, this presentation focuses on the NRTEE's recently released study entitled *Measuring up: Benchmarking Canada Competitiveness in a Low-Carbon World* – this report is the first of the 'Climate Prosperity' research series. The study creates a benchmarking index framework that measures low-carbon performance and capacity across five key categories and 15 comprehensive and meaningful indicators. The categories are: emissions and energy, innovation, investment, skills, and policy and institutions. The composite index equally weights all scores for all indicators across all countries those being

G8 nations, along with separate case studies to include China, Australia and Norway.

We used a five-staged methodological approach to arrive at this index:

1. **A LITERATURE REVIEW** of existing benchmarking studies and relevant reports identified success factors for national low-carbon performance.

2. **A DATA FEASIBILITY** study conducted by the Conference Board of Canada assessed potential indicators and comparator countries, and their applicability to the benchmarking study and Canada's circumstances.

3. **A STAKEHOLDER CONSULTATION** session helped us gain insight from experts on the indicator selection and their utility.

4. **ANALYSIS** by Deloitte & Touche LLP of the benchmarking framework, indicator selection, and methodology used helped us refine and complete the index.

5. **PEER REVIEW** of the framework and results by Vivid Economics, an international economics and benchmarking firm, and other Canadian experts led to further refinements.

The benchmarking step is important for analysis on low-carbon economic transitions and as tool for policy makers. As the report states, 'to succeed and prosper in this global low-carbon transition, we must first know how we stand against others. The index is the first word, not the last, on what we should be tracking to ensure low-carbon competitive success. We can use this to determine where and how we can plan ahead and gain the most.'

Thirdly, we will explore issues and approaches to developing a green economy model for Canada. It takes into account Canada's unique circumstances in terms of its economic and energy relationship with the United States, global climate commitments, and what constitutes an effective low-carbon economic model and policy pathway.