

# CARBON GOVERNANCE PROJECT

## BRITISH COLUMBIA: INNOVATION, CAPITAL AND CARBON

### VANCOUVER WORKSHOP FINDINGS REPORT: EXECUTIVE SUMMARY



The Carbon Governance Project workshop on Innovation, Capital and Carbon took place on June 1, 2011. It brought together 48 leading industry experts, scholars and government representatives to focus on understanding factors that enable and constrain British Columbia's transformation to a low carbon economy. The majority of participants were BC business leaders, which included individuals from traditional high carbon emitting industries, clean tech firms, large banks, investment firms and consulting firms.

The workshop employed an interactive format that engaged participants in setting direction, prioritizing exploration and finding consensus. This overview summarizes the findings of the workshop and describes the key strategies identified and supported by the participants for advancing the low carbon economy in BC.

## BC LEADERSHIP ON CARBON

The group displayed a strong consensus that BC should innovate and lead even in the absence of a globally binding agreement. BC's leadership opportunities exist precisely because it is small, has relative autonomy from the federal system, is linked into fast growing international economies, and has found public/political support for innovative climate policy. This leadership is valuable, however, only in so far as government programs and policies avoid undermining the competitiveness of BC businesses in export markets. As one participant noted, "We have world trade without a global agreement, so we can also have world clean trade without a climate agreement too."

## CREATE A LOW CARBON VISION FOR THE FUTURE

BC needs to build a positive vision of a future low carbon economy. This vision must be inclusive, accessible and resonate both broadly and emotionally. It must provide clarity of direction, be grounded in scientific consensus, and tie BC into regional and global alliances and networks. A well-told vision is essential to building broad-based support for changing the Province's entrenched economic routes to export markets, capital and success.

The workshop uncovered and explored several ideas that would support the creation of this positive, low carbon vision of the future for BC.

### Consortium of Business Leaders Supporting a Low Carbon Transition

One of the more surprising developments of the Vancouver workshop was the participants' interest and identified need for a broad, multi-industry consortium for supporting the Province's low carbon, economic initiatives. As one participant noted, if climate policy changes impact BC's traditional, high carbon-emitting, energy sectors, there are immediate, vocal and coordinated actions in opposition. By contrast, the business voices that actually support climate policies are represented by fragmented and narrowly defined, industry groups and little to no support for the policy change is forthcoming.

The opportunity that clearly exists is for a more systemic approach to supporting business collaboration and communication around low carbon issues. The potential consortium (for lack of a better name at present) may best fill the following needs:

- **Advocacy** - Provide a coordinated and powerful business voice for consistent and supportive government climate policy in BC and beyond.
- **Research** - Explore and understand the policy recommendations that best support the business community's efforts to adapt and thrive in local and global markets that will increasingly price carbon emissions.
- **Communication** - Provide the local business community with timely information on emerging issues, convene strategic groups to determine coordinated actions and provide external stakeholders with a 'go-to' group for insight and advice.

### BC as a Living Lab

Since most BC companies require export markets to grow, the concept of the province providing a supportive place for demonstration projects had particular resonance. A 'Living Laboratory' (Living Lab) approach is one that includes communities, companies and local governments; is scaled across the province; creates awareness; and showcases innovation. The cleantech sector is wide not deep at the moment. These demonstrations would allow the 'deepening' of broader support and provide opportunities for capital and technical development.

The key components of a Living Lab approach in BC are:

- **Vision and Brand** - Use projects to tell BC's low carbon economic story and serve as an example for other jurisdictions. Inspire pride locally as well.
- **Market-based Approach** - Avoid picking winners by instead having directed R&D strategies that ensure robust markets exist for proven technologies.
- **Clusters** - BC has specific expertise and strengths (ie. energy) that should be supported rather than spreading, limited financial support widely.
- **Partnerships** - Expand upon the existing cleantech networks by fostering global alliances and linking projects with the carbon neutral mandate of BC's public institutions.

Attracting capital to BC companies is a prevalent concern, but the Living Lab approach combined with the right policy landscape has the potential to entice a few, large capital investors through local "champions" in select technology areas. This would help to build momentum to generate larger capital flows as well as increase the level of locally based capital funds.

## CONCLUSION AND NEXT STEPS

The Vancouver Carbon Governance Project workshop was a valuable first step whose insights are in keeping with those of other BC, clean economy events and sessions. The development of a clear vision and practical examples of how to reach a vibrant, low carbon economy are now needed. The workshop identified that a consortium of interested business entities would be well poised to take this challenge. In response to this need, ISIS at the Sauder School of Business will convene over the coming months a strategic steering committee that will endeavor to make these ideas a reality.

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Carbon Governance Project (CGP) Backgrounder

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