



By **Sean Cleary, PhD**  
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*This series explores the foundations of sustainable finance, one of the most important emerging fields of our time. Sustainable finance aligns financial systems and services to promote long-term environmental sustainability and economic prosperity.*

**+** SUSTAINABLE FINANCE PRIMER SERIES:

## The Canadian Expert Panel Report

### WHAT IS THE CANADIAN EXPERT PANEL ON SUSTAINABLE FINANCE?

The [Canadian Expert Panel on Sustainable Finance](#) was convened in April of 2018 by the Minister of Environment and Climate Change Canada (ECCC) and the Minister of Finance. The panel consulted with a variety of leaders and experts from academia, industry, government, and other organizations to produce an Interim report in October of 2018. That report served as the basis for extensive additional research and discussions, including several roundtables, written submissions and bilateral consultations, culminating in the publication of [their final report in June of 2019](#). One of the panel's main messages is calling on governments, regulators and businesses to "consider these recommendations in charting Canada's course toward a sustainable, prosperous, and resilient future."

### WHO ARE THE MEMBERS OF THE CANADIAN EXPERT PANEL?

[Andy Chisholm](#) is a member of the board of directors of the Royal Bank of Canada and the former head of the Global Financial Institutions Group at Goldman Sachs & Co.

[Tiff Macklem](#) is the Dean of the University of Toronto's Rotman School of Management and the former senior deputy governor of the Bank of Canada.

[Kim Thomassin](#) is Executive Vice-President of Legal Affairs and Secretariat with the Caisse de dépôt et placement du Québec.

[Barbara Zvan](#) is the Chief Risk & Strategy Officer for the Ontario Teachers' Pension Plan.

### WHAT ARE THE PANEL'S KEY RECOMMENDATIONS?

The final report includes the following 15 recommendations, organized along three mutually reinforcing pillars:

#### **Pillar I: The Opportunity**

1. Map Canada's long-term path to a low-emissions, climate-smart economy, sector by sector, with an associated capital plan.
2. Provide Canadians the opportunity and incentive to connect their savings to climate objectives.
3. Establish a standing Canadian Sustainable Finance Action Council (SFAC) with a cross-departmental secretariat, to advise and assist the federal government in implementing recommendations.

#### **Pillar II: Foundations for Market Scale**

4. Establish the Canadian Centre for Climate Information and Analytics (C3IA) as an authoritative source of climate information and decision analysis.
5. Define and pursue a Canadian approach to implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
6. Clarify the scope of fiduciary duty in the context of climate change.
7. Promote a knowledgeable financial support ecosystem.
8. Embed climate-related risk into financial system monitoring, regulation and supervision.

### **Pillar III: Financial Products and Markets for Sustainable Growth**

9. Expand Canada's green fixed income market and set a global standard for transition-oriented financing.
10. Promote sustainable investment as 'business as usual' within Canada's asset management community.
11. Define Canada's clean technology market advantage and financing strategy.
12. Support Canada's oil and natural gas industry in building a low-emissions, globally competitive future.
13. Accelerate the development of a vibrant private building retrofit market.
14. Align Canada's infrastructure strategy with long-term sustainable growth objectives and leverage private capital in its delivery.
15. Engage Canada's institutional investors in the financing of Canada's electricity grid of the future.

### **ARE OTHER COUNTRIES TAKING SIMILAR ACTION?**

Several nations and groups of countries have engaged in similar sustainable finance initiatives including:

- the [United Nations Environment Programme – Finance Initiative](#);
- the [G20 Sustainable Finance Study Group \(SFSG\)](#);
- the [OECD Centre on Green Finance and Investment](#);
- the [Sustainable Stock Exchanges Initiative](#);
- and the [Central Banks and Supervisors Network for Greening the Financial System \(NGFS\)](#).

Like the report prepared by the Canadian Expert Panel, several countries have developed recommendations, roadmaps, or commitments, which provide actionable sustainable finance recommendations. These documents were prepared by expert panels, task forces, working groups or independent think tanks. The countries include: China, Italy, Singapore, France, Australia, New Zealand, Norway, the EU, and the UK. Several of these reports have been followed up by associated Action Plans, such as the one undertaken by the EU in March 2018 with respect to disclosures, fiduciary duty and taxonomies.

### **WHERE DOES CANADA GO FROM HERE?**

The expert panel has provided Canadians with a solid, high-level blueprint for finance to play a critical role in addressing climate change and in supporting the transition to a sustainable low-carbon economy. We must empower our financial sector to design a made-in-Canada sustainable finance system so that over the long-term, Canadian firms can compete successfully among their global peers.

Ultimately, the impact of the report will be determined by whether its high-level recommendations are transformed into practical and specific actions that facilitate a prosperous transition. Future collaborations and discussions across stakeholders and sectors including industry, government, regulators, academia and representatives from civil society will play an important role in making progress. As the report notes "The recommendations across all three pillars of this report are highly interconnected and the success of each will, to varying extents, rely on the implementation of others."

Explore other primers in the sustainable finance series [here](#).  
The new Institute for Sustainable Finance, based out of Smith School of Business at Queen's University, is set to launch this fall.

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