

**Expression of Interest in Serving as a National Office of Low Carbon Cities Canada (LC3)  
November 19, 2018**

INTRODUCTION:

On behalf of Low Carbon Cities Canada (LC3), Alberta Ecotrust is seeking expressions of interest in serving as a national liaison organization for the LC3, pending support of this initiative in the 2019 federal budget.

**Expressions of Interest should be returned to Rod Ruff at Alberta Ecotrust by 5 pm on Friday  
December 14, 2018.**

The submissions should be a **maximum of five pages in length** but may reference supplementary documents that support the applicant's relevant qualifications. The submission must provide evidence of suitability for the role in response to the ORGANIZATIONAL REQUIREMENTS FOR THE ROLE and the SPECIFIC QUALIFICATIONS AND CAPACITY NEEDS, listed below.

Project Scope:

**Timing:** 5 years with possibility of renewal (2019 - 2023)

**Project Budget:** \$183M

**National Office Budget:** \$4.05M over 5 years

Qualified applicants to this call for Expression of Interest may be invited to submit a full proposal in the first quarter of 2019.

Contact:

Rod Ruff  
[r.ruff@albertaecotrust.com](mailto:r.ruff@albertaecotrust.com)  
1-800-465-2147

BACKGROUND:

[Low Carbon Cities Canada](#) (LC3) is a proposed initiative to build new capacity in seven of Canada's largest cities to accelerate the implementation and uptake of urban carbon reduction solutions. The ultimate goal is to ensure that Canadian cities are positioned to play a significant role in helping Canada reach its national greenhouse gas (GHG) reduction targets.

Modelled after [The Atmospheric Fund](#) and building on existing local capacity and relationships, the LC3 proposal requests working capital for each of the seven centres (Vancouver, Calgary, Edmonton, Toronto, Montreal, Ottawa, and Halifax). This capital will be invested and resulting investment earnings will support all local grantmaking expenditures and operating costs. LC3 Centres work in close

collaboration with their municipal governments, but are governed by independent local boards to maximize responsiveness and risk tolerance. A key task of the centres and a differentiating point is their interest in occupying a space that takes proven solutions and prepares them for full scale deployment – transcending a problematic “innovation valley of death” that is preventing good ideas from reaching their optimal impact in cities.

The seven LC3 centres will operate independently, ultimately receiving and investing their own working capital, managing their own operating funds, and securing matching funds locally. In addition, a national organization is needed to serve as a single liaison point with the federal government on behalf of the local LC3 centres, and also to play a convening, collaboration, knowledge-transfer and support role, including commissioning of shared services identified as necessary by the local LC3 centres.

[The full LC3 proposal](#) provides more detail. Please note that due to a recent addition of the City of Calgary as an LC3 member, the full project budget number has been revised to \$165M of working capital and \$18M of operating capital for a total request of \$183M.

#### THE LC3 NATIONAL OFFICE ROLE:

At the front end, the national office will: assist in establishing a national LC3 Board of Directors comprised of representatives from each of the Centres; lead the negotiation of a contribution agreement with the federal government; hold and manage funds on behalf of the centres until local financial management capacity is established (based on specific readiness parameters established by the Board of Directors); and receive and forward operating funds to local centres (for the first three years after which the centres’ investments will cover their operating costs).

On an ongoing basis, the national office will be responsible for: compiling, analyzing and presenting financial and programmatic information and results from the local centres for rolled-up reporting to the federal government; for creating shared supports for the centres; and to support knowledge transfer for continuous learning to improve carbon reduction outcomes. See Scope of Work below for more detail, recognizing that this can evolve based on the capacities and interests of the funder and the local centres and any special capacities of the national office proponent.

#### **National Office Budget:**

- \$2.25M over five years - \$450,000 per year to support National Office staff and expenses
- \$1.8M over five years - for the first three years, we budget an equal amount of funding for external service provision (e.g. research, investment sourcing and structuring, as well as metrics development). This amount will shrink to \$300,000 in year four and \$150,000 in year five as internal capacity increases.
- Total national operating funds will be \$4.05 million over five years.

#### **National Office Accountability:**

LC3 National will be governed by the LC3 National Board of Directors and will report directly to the federal government in accordance with a Contribution Agreement.

## National Office Tasks:

- A. Foundations and Start-Up (estimated for December 2018 - June 2019)
  - I. To establish an LC3 national governance structure made up of LC3 member representatives;
  - II. To serve as the recipient of working capital and operating funds from the federal government;
  - III. To serve as the primary liaison with the federal government on behalf of LC3 members; To support the final stages of negotiation of terms and conditions, and oversee the development of the Contribution Agreement with the federal government in a manner acceptable to the LC3 members;
  - IV. Supporting common principles development (ie. governance and impact investment principles); and
  - V. Supporting common metrics development and shared measurement approaches;
  
- B. Ongoing Services (estimated for July 2019 to July 2024 with a review in 2023)
  - I. To serve as the primary point of contact with the federal government
  - II. To serve as support for the LC3 Board of Directors
  - III. Support gathering and analysis of information from the LC3 Centres that is required for ongoing reporting to and
  - IV. Overseeing compliance with the federal Contribution Agreement including securing necessary third party legal services as needed; maintaining ongoing liaison with each centre to support compliance with milestones; as well as compilation of financial and results/impact information and for federal reporting.
  - V. As needed, support and/or manage investment activity; this may include undertaking searches for money managers, convening an investment committee to support direct/impact investing, or other functional tasks
  - VI. Supporting the capture and exchange of best practices among LC3 members;
  - VII. Coordinating support services desired by LC3 members (ie. GHG quantification, local investment, due diligence, accounting advice, legal advice - either delivered directly by experts within the host organization or via contractual service arrangements or partnerships);
  - VIII. Convening member discussion;
  - IX. Identifying and cultivating national partner prospects based on ability to support LC3 centre needs and interests (ie Canadian Industry Associations, Canadian funding organizations etc);
  - X. Communications, advocacy, and media: Leveraging the pan-Canadian experience to build support for urban climate solutions at the national level; and
  - XI. Knowledge transfer to extend LC3's reach beyond the seven cities by sharing insights, information, and considering opportunities for project-related collaboration with diverse partners.

## ORGANIZATION REQUIREMENTS FOR THE ROLE

### Alignment with LC3 Mandate and Principles

- LC3 Mandate: a proposed Pan-Canadian network of urban climate centres to help seven city regions reach their greenhouse gas emission reduction targets while at the same time unlocking co-benefits for local communities such as local job creation, accessible mobility services, improved public health and wellness and strengthened community resilience.
- LC3 Pan-Canadian Network Principles:
  - **Trust, Not Control** [emphasizing “return on relationship”]
  - **Humility, Not Brand** [ceding power to collective leadership]
  - **Node, Not Hub** [focused on the larger system, catalyzing dialogue and leadership]
  - **Mission, Not Organization** [putting interests of members first]
  - **Fit for Purpose** [independence, low transaction cost, responsive and risk-tolerant]
  - **Scale, Not Prototype** [Accelerating local actions to nation-wide scale]
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### Ability to hold an independently governed body within its current governance frame

- Organization must make clear how the LC3 initiative retains its own governance and decision-making powers while fitting within the current organizational structure
- Must be willing to work jointly with LC3 members to establish clear roles and responsibilities, board/committee composition, key processes, accountabilities, mediation/conflict resolution process between the program governance entity and the host organization
- Willingness to co-develop accountability and monitoring framework with local centres
- “As much flexibility as credibility will allow” ie a light touch, low transaction cost governance and administration approach

### Experience in Financial Asset Management

- Demonstrated experience in successfully managing significant funding and annual budgets
- Proven ability to invest funds in a prudent manner
- Interest in impact investment strategy

### Stability/Longevity/Robust governance

- Demonstrate that the organization will be able to manage the program for a minimum of 5 years
- Must be seen to be professionally managed and robustly governed

### Excellent Public Reputation

- Must demonstrate that the organization is well regarded by public and government decision-makers
- Demonstrated ability in capacity building and knowledge sharing

**SPECIFIC QUALIFICATIONS AND CAPACITY NEEDS**

<b>Qualification</b>	<b>Weight</b>
Existing capacity to manage endowment funds and to oversee receipt, temporary management and transfer of investment assets in the amount of \$100M+	<b>5</b>
Knowledge of urban low-carbon issues, opportunities, etc.	<b>2</b>
Experience as a membership services organization ie proven convening, knowledge transfer, administrative capacity	<b>4</b>
Ability to work at a national scale, including provision of service in English and French	<b>3</b>
Superior communication, public relations	<b>3</b>
Superior government relations capacity	<b>3</b>
Experience managing a network of related but independent centres	<b>3</b>
Knowledge of Impact investing approaches and capacity to oversee expertise in this area	<b>2</b>
<b>TOTAL</b>	<b>25</b>