

2007-2008

ANNUAL STATEMENT OF PLANS AND OBJECTIVES
GREEN MUNICIPAL FUND



2007–2008 Annual Statement of Plans and Objectives

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1 INTRODUCTION

The Government of Canada endowed the Federation of Canadian Municipalities (FCM) with \$550 million to establish the Green Municipal Fund (GMF) to provide a long-term, sustainable source of financing for municipal governments and their partners. FCM uses GMF to leverage change that will improve quality of life through higher standards of air, water and soil quality, and climate protection.

GMF is managed by the FCM Centre for Sustainable Community Development (CSCD).

To date, the Fund has supported more than 550 projects and studies. That \$316 million investment in municipal sustainability has leveraged more than \$1.7 billion in additional investment from other sources. These initiatives will deliver significant environmental benefits: reduced emission of over 1,200 tonnes of nitrogen and sulfur oxides and 1.2 million tonnes of carbon dioxide equivalents. Appendix A, “Funding allocations to date,” provides details on the allocation of funding by category, region, and community type (urban and rural).

In 2005, the Government of Canada demonstrated its confidence and support for GMF by contributing an additional \$300 million to the endowment. Following that contribution, FCM and the Government of Canada signed a new GMF Agreement. It expands FCM’s ability to respond to the high demand for loans and grants, focus on funding the best projects, increase emphasis on programs to build municipal capacity, and ensure sustainability of the Fund over the long term. After two full years under the new Agreement, FCM has successfully created the new programs and services it envisions.

GMF is now well-positioned as a national fund with resources that address the sustainable development needs of municipal governments. The Fund is a unique national program that provides low-interest loans and grants, builds capacity, and transfers knowledge to support municipal governments and their partners in building socially, economically, and environmentally sustainable communities. Funding is allocated to sustainable development projects in six sectors of municipal activity: brownfields, energy, planning, transportation, waste and water. To ensure the greatest possible impact, GMF supports the best examples of municipal leadership in sustainable development — examples that can be replicated in other communities.

Funding is complemented by a new Capacity Building program, which is designed to inform, inspire and support municipal governments to implement sustainable development projects and practices.

In 2007–2008, FCM will place a greater emphasis on funding exceptional projects and studies. By continuing to shift toward a focus on supporting the best examples, FCM can promote replication and increase the impact of the Fund. GMF thereby moves from being a tool for sustainable change in individual municipalities to becoming a tool that can leverage change in all Canadian municipalities.

1.1 PURPOSE

The purpose of the *Annual Statement of Plans and Objectives* (ASPO) is threefold:

1. To fulfill the requirements outlined in the Agreement with the Government of Canada;
2. To serve as a reporting tool for GMF Council and the FCM National Board of Directors; and
3. To guide CSCD staff in administering GMF.

1.2 SCOPE

The ASPO describes FCM's plans and objectives for GMF in the 2007–2008 fiscal year, and indicators for measuring its success. Specific activities, processes and milestones are captured in each organizational unit's business plan.

1.3 HOW THIS DOCUMENT IS ORGANIZED

The ASPO is divided into four main sections:

1. Section 1, "Introduction," summarizes the present state of GMF and recent achievements.
2. Section 2, "GMF direction 2007–2008," describes GMF themes for 2007–2008, the management of the Fund, and available financial resources.
3. Section 3, "Objectives and activities," identifies FCM's objectives for managing GMF in 2007–2008 and the activities required to meet them.
4. Appendices A to F contain funding allocations, outcome indicators, strategic events, the 2007–2008 budget and an organizational chart.

GMF Highlights:

TOWN OF OKOTOKS, ALBERTA

Feasibility of Large-Scale District Solar Heating Systems Utilizing Seasonal Storage (GMEF 3742) and Community District Heating Utilizing Solar Seasonal Thermal Storage Technologies (GMIF 5182)

Project approval date: August 2003 (GMEF 3742) and April 2004 (GMIF 5182)

Total project value (combined): \$19,497,454

GMF grant (combined): \$2,579,454

- Several solar energy projects undertaken
- Energy consumption reduced by 15 to 80 per cent in all four municipal buildings; annual carbon dioxide emissions cut by 124 tonnes
- New 52-home subdivision constructed that derives approximately 90 per cent of space heating and 60 per cent of water heating from solar energy, reducing annual greenhouse gas emissions by five tonnes per home
- Winner of a 2006 FCM-CH2M HILL Sustainable Community Award, energy category

GMF Highlights:

CITY OF VANCOUVER, BRITISH COLUMBIA
Sustainable Transportation in South East False Creek (GMEF 3188)

Project approval date: September 2002

Total project value: \$60,000

GMF grant: \$30,000

- Sustainable transportation options assessed
- Strategies recommended to reduce car use by 17 per cent
- Improved air quality, increased choice in transportation modes, and reduced travel time anticipated
- Winner of a 2006 FCM-CH2M HILL Sustainable Community Award, sustainable transportation category

2 GMF DIRECTION 2007–2008

This ASPO describes how activities are aligned to implement fully the vision articulated in the new Agreement and to support the realization of the 2007–2008 themes.

2.1 THEMES FOR 2007–2008

Two themes are identified for 2007–2008:

1. Using financial resources to build municipal sustainability; and
2. Maximizing efficiency and effectiveness.

2.1.1 // USING FINANCIAL RESOURCES TO BUILD MUNICIPAL SUSTAINABILITY

Over its seven-year history, GMF has been used to support some of the best sustainable community development initiatives in Canada. Several initiatives have won international acclaim. The continued high demand for GMF financing reflects the strength of municipal activity in sustainable development, and reinforces the long-term need for the Fund.

The allocation of an additional \$300 million to GMF in 2005 required the negotiation of a new Agreement. The increased capital has provided significant new resources to fund projects and studies.

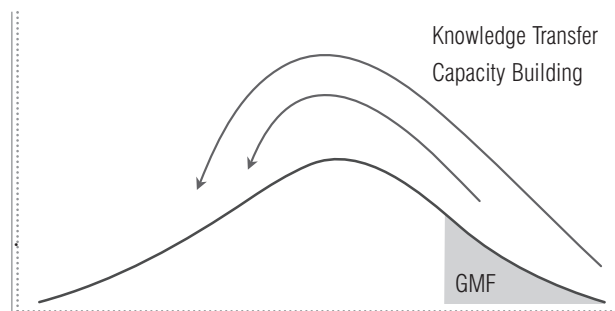
However, after two full years under the new Agreement, the demand for funding continues to greatly exceed supply. In 2006–2007, \$132 million was requested in loans for capital projects through the Request for Proposals (RFP) process, but only \$70 million was available. Up to \$10 million was available for capital project grants, but FCM received requests for seven times that amount. Up to \$8 million was initially available for study grants, which was later increased to \$10 million; up to \$12 million was forecasted as the demand for 2006–2007.

To manage the Fund in a way that preserves its capital and respects the required funding caps, FCM must determine how best to invest resources to build municipal sustainability. This situation provides both a challenge and an opportunity. The challenge is to manage the demand to avoid disappointing large numbers of applicants. The

opportunity is to fund the best projects and studies, which will result in the greatest environmental benefits and provide the best examples for other municipal governments to learn from and apply.

The focus on funding projects that have the potential to provide lessons for a broad range of Canadian municipalities will require the development of RFPs that will attract exceptional projects, representative of the different regions and community types across Canada. Exceptional projects are generally defined in the Agreement as those with very high environmental benefit as well as significant social and economic benefit.

Funding the best projects and studies creates the potential for GMF to increase significantly its influence on municipal sustainability by transferring knowledge gained and building capacity to implement sustainable alternatives elsewhere. The impact of GMF is broadened beyond those municipal governments that receive direct funding. The following figure illustrates this concept:



Sustainability of Municipal Government

Figure 1: GMF and capacity building

Municipalities, both large and small, are dispersed at all points along the curve: those on the left are interested in learning about practical applications of sustainability in their municipalities, those in the middle already have some knowledge of sustainability, and those on the right have significant experience and expertise. GMF focuses on funding exceptional projects and studies with the greatest environmental benefit — the leading edge of the curve. Through its Capacity Building program, FCM collects the knowledge gained from these initiatives and transfers it back to municipalities on the left side of the curve to help them advance.

Section 3, “Objectives and activities,” includes strategies to implement this vision by:

- positioning GMF as a vehicle to support increased municipal sustainability, rather than only as a funding source; and
- targeting the available funding to the applications and proposals that provide the best examples of environmentally sustainable projects and practices.

FCM will communicate that GMF is more than a source of funding, it is a program that recognizes municipal leadership in sustainable development and works to help other municipal governments follow those examples by transferring knowledge and engaging leaders in capacity building.

2.1.2 // MAXIMIZING GMF EFFECTIVENESS AND EFFICIENCY

As FCM embraces this transition to a more strategic focus on using GMF to facilitate change, it is timely to review existing practices and procedures to ensure maximum efficiency and effectiveness.

In the fall of 2006, the consulting firm Deloitte Inc. was retained to review GMF operating processes. The first phase of that work was completed in February 2007. Deloitte was instructed to map the existing processes, summarize issues and prioritize opportunities for improvement in response to the following imperatives:

1. Change in vision — using financing to build knowledge and foster change;
2. A more flexible, efficient and client-focused service;
3. Emphasis on product quality and accuracy;
4. Management of the increased volume of proposals and applications;
5. Change in types of projects funded; and
6. New functions — knowledge management and credit risk.

In the course of Deloitte’s work on operating processes, the review team identified a number of opportunities to maximize efficiency and effectiveness. One of the most important recommendations was to refine existing processes to better serve the full lifecycle of a GMF project. The GMF project lifecycle usually begins with outreach and promotion and proceeds to application, contract negotiation, disbursement, reporting and knowledge transfer. This lifecycle is illustrated below.

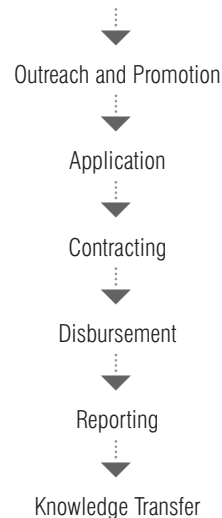


Figure 2: GMF project funding lifecycle

Processes at each step were examined to ensure they anticipate and meet the needs of later steps. FCM is working to improve client service at each step of the cycle, identify opportunities for increasing links between the different steps, and reduce the time it takes projects to progress from initial to later steps of the lifecycle.

Both immediate and longer-term initiatives to increase efficiency and effectiveness were identified through the process review. These initiatives will be prioritized and implemented throughout 2007–2008.

2.2 CAPITAL MANAGEMENT

Sound capital management is critical to ensuring long-term sustainability. By minimizing the risk to GMF financing and projects, FCM maintains the Fund capital and creates the interest income needed to finance operating costs and grants.

In 2006–2007, Deloitte Inc. was hired to analyze the cash-flow forecast for GMF until 2016. This forecast provided guidance on parameters for using interest income to fund potential loans, grants and operating expenses, while preserving the capital. The proposed funding targets for 2007–2008 are based on this forecast.

The cash-flow forecast incorporates the requirements of the Agreement for the overall management and sustainability of the Fund.

The risk profile of the current loan portfolio provides a breakdown of the risk associated with loans that are fully disbursed, in repayment, or both. Currently this loan portfolio comprises 19 loans totalling \$102,901,556.48. Two loans amounting to \$10,050,000.00 have been repaid; the total net value of disbursed loans is currently \$92,851,566.48.¹ Of this amount, the current outstanding exposure of the loan portfolio, after repayments of principal and interest, is \$87,251,622.85.

Six risk levels are now used to develop the risk profile. Within the context of the total portfolio risk profile approved by Council, higher risk levels are accepted for projects with high potential for environmental benefits that also have expected economic and social benefits.

The 2006–2007 ASPO recommended that new projects approved in the 2006–2007 fiscal year fall within the following categories of risk: 20 to 40 per cent low-risk, 40 to 60 per cent medium-risk and 10 to 20 per cent high-risk. It was also recommended that these ratios be the targets for the total loan portfolio. During the year, GMF refined the risk ratings to include six rating levels.

Currently, 38 per cent of the disbursed loan portfolio is rated low-risk (risk level A), 7 per cent is rated low- to medium-risk (risk level B), 53 per cent is rated medium-risk (risk level C), 0 per cent is rated medium- to high-risk (risk level D), 2 per cent is rated medium- to high-risk with indicators/credit watch (risk level E), and 0 per cent is rated unacceptable risk/critical watch (risk level F).

During the year (as of November 30, 2006), new projects were approved and added to the total portfolio (disbursed and committed) such that the portfolio configuration is as follows: 30.04 per cent is rated low-risk, 22.10 per cent is rated low- to medium-risk, 45.31 per cent is rated medium-risk, 2 per cent is rated medium- to high-risk and 1 per cent is rated high-risk.

The majority of borrowers in the loan portfolio in repayment mode are municipalities, municipally owned corporations, or both. Only two loans were extended to the private sector:

- Ensyn — medium- to high-risk with indicators/credit watch (risk level E)
- Highmark Renewables — medium-risk (risk level C)

GMF Highlights:

CITY OF CANMORE, ALBERTA

Canmore Civic Administration Building (GMEF 2956)

Project approval date: February 2002

Total project value: \$68,500

GMF grant: \$34,250

- Green building techniques for new Civic Centre evaluated
- Energy-efficient, simple and innovative options selected, including subfloor ventilation system to improve indoor air quality
- Impact on outdoor environment minimized
- Winner of a 2005 FCM–CH2M HILL Sustainable Community Award, buildings category, and top provincial construction award

¹ Data as of November 30, 2006, by actual disbursed amount.

Table 1. GMF Risk Profile²

Number of contracts	Risk level	Loan amount (\$)	Outstanding loan amounts (\$)	Percentage loans in risk level to total disbursed loans (%)
6	A	35,666,345.89	34,788,365.89	38
3	B	6,100,000.00	5,464,675.26	7
7	C	49,060,220.59	45,177,620.59	53
0	D	0	0	0
1	E	2,025,000.00	1,820,961.11	2
0	F	0	0	0
Total				
17		92,851,566.48 ³	87,251,622.85	

Table 2. Targeted Risk Distribution

Committed and disbursed portfolio ⁴	Percentage of total portfolio (%)	Objectives for 2007–2008 (%)
Low-risk (A)	30.04	30–40
Low- to medium-risk (B)	22.10	20–39
Medium-risk (C)	45.31	40–50
Medium- to high-risk (D)	2	up to 5
High-risk (E)	1	up to 2
Unacceptable risk (F)	0	0
	100.00	

² Data collected as of November 30, 2006.

³ The loan amount does not include the repaid loans (\$10,050,000.00).

⁴ By contract amount as of November 30, 2006.

2.3 FINANCIAL RESOURCES AVAILABLE

As mentioned, GMF management has tasked Deloitte to prepare a 10-year cash-flow forecasting model (the “Base Case” model) ending on March 31, 2016, that ensures the long-term viability of the Fund and provides an outlook for future resource allocation. The model allows GMF to achieve a fine balance between investment income, loan and grant commitments, disbursements and operating expenses while positioning the Fund to continue to meet the financial covenants of the Agreement. For example, the model would enable GMF to have fund assets (excluding the value of reserves and non-performing loans) of \$500 million at all times, and design annual targets for loans, grants and operating budgets.

This 10-year “Base Case” model incorporates the budget for 2006–2007 and assumes that financial covenants in the Agreement are based on the level of commitments, rather than actual amounts disbursed, since the timing of payment of committed funds is outside the control of GMF.

As of March 31, 2006, the start year of the model, GMF managed approximately \$579 million and had an externally restricted opening fund balance of approximately \$530 million.

To ensure the long-term sustainability of the Fund at all times and to manage up to the financial targets set in the Agreement, while respecting the cash-flow forecast for 2007–2008, GMF funding will be available in 2007–2008 as set out below.

2.3.1 // FEASIBILITY STUDIES, FIELD TESTS AND SUSTAINABLE COMMUNITY PLANS

A total of \$8 million will be available for feasibility studies, field tests and sustainable community plans in 2007–2008.

2.3.2 // CAPITAL PROJECTS

A total of \$8 million for grants and \$70 million for low-interest loans will be available for capital projects in 2007–2008 (see Table 3, next page).

The rationale for these funding levels is as follows:

- **Loans:** FCM must approve an average of \$20 million in loans for brownfield projects per year to achieve the \$150 million target for the year 2012 set in the Agreement. The demand for energy project funding has proven to be very strong. For this reason \$20 million in loan funds is recommended for the 2007–2008 energy RFP. The balance available in 2007–2008 was allocated equally among the remaining three RFP categories (i.e. at a level of \$10 million each). Because RFPs for less than \$10 million in loan funds are unlikely to attract a high response from municipal governments, \$10 million is the recommended minimum loan allocation in each sector.
- **Grants:** Brownfield projects are not eligible for grants. The \$8 million available for grant funds will be allocated consistent with the loan allocation (i.e. equal amounts to waste, transportation and water with twice as much to energy).

GMF Highlights:

CITY OF REVELSTOKE, BRITISH COLUMBIA
Revelstoke Community Energy Project (GMEF 5156)

Project approval date: January 2004

Total project value: \$30,000

GMF grant: \$13,000

- Feasibility of a wood residue-fired district energy system studied
- 95 per cent of heat for community buildings to be provided by new system
- 4,000-tonne reduction in annual greenhouse gases anticipated
- Winner of a 2005 FCM–CH2M HILL Sustainable Community Award, energy category

Table 3. Recommended Funding Levels

RFP category	Loan commitments (\$)	Loan commitments (%)	Grant commitments (\$)	Grant commitments (%)	RFP launch date
Waste	10 million	14.3	1.6 million	20	February 14, 2007
Transportation	10 million	14.3	1.6 million	20	May 23, 2007
Energy	20 million	28.6	3.2 million	40	May 23, 2007
Water	10 million	14.3	1.6 million	20	August 22, 2007
Brownfields	20 million	28.6	0	0	August 22, 2007
Totals	70 million	100.0	8 million	100	

GMF Highlights:

CITY OF HALIFAX, NOVA SCOTIA

Climate SMART: Climate Change — Sustainable Mitigation & Adaptation Risk Toolkit (GMEF 5285)

Project approval date: January 2004

Total project value: \$400,000

GMF grant: \$200,000

- Climate SMART, a fully integrated planning approach that addresses the impacts of climate change, implemented
- Climate SMART integrated into district energy plan, anti-idling campaign, and Halifax Harbour Solutions project, among other initiatives
- First municipal program to provide overarching approach to the effects of climate change
- Winner of a 2005 FCM-CH2M HILL Sustainable Community Award, sustainable community planning category

GMF Highlights:

TOWN OF CRAIK, SASKATCHEWAN

Sustainable Living Project — Phase 1 (Straw Bale Eco Meeting Centre) (GMIF 1476)

Project approval date: March 2003

Total project value: \$493,832

GMF grant: \$100,000

GMF loan: \$150,000

- Eco-Centre constructed showcasing green building techniques
- Regular town hall meetings held; volunteer “sweat equity” applied
- Economy stimulated, new jobs created and tourism increased
- Winner of a 2005 FCM-CH2M HILL Sustainable Community Award, citizen engagement category, and 2005 Canadian Environment Award sponsored by Canadian Geographic

3 OBJECTIVES AND ACTIVITIES

CSCD administers GMF through five organizational units. The function, objectives and planned activities of each unit are described below.

3.1 CREDIT AND RISK MANAGEMENT UNIT

The Credit and Risk Management Unit (CRMU) ensures that GMF will continue its work long into the future. The CRMU minimizes the risk to GMF financing and to GMF projects to preserve Fund capital and generate adequate interest income to fund operating costs and grants. The CRMU recommends and monitors the GMF portfolio risk profile; reviews loan applications; comments on risk assessments; recommends loan terms and conditions; and ensures GMF documents reflect the intent and terms of the Agreement, Council policies, and FCM National Board of Directors' decisions as they pertain to credit risk.⁵

3.1.1 // OBJECTIVES

In 2007–2008, the CRMU aims to achieve the following objectives:

- Contribute to the overall portfolio management and the long-term sustainability of the Fund;
- Integrate the credit risk management function within the GMF project funding lifecycle;
- Integrate the credit risk management function with fund management, in terms of risk levels, reserves and cash-flow management; and
- Consider the risk configuration of the loan portfolio and the investment income requirements of the Fund to ensure the Fund capital is preserved, achieving a balance between risk and the cash-flow strategy of the Fund.

3.1.2 // ACTIVITIES

To achieve its goals, the CRMU will conduct the following activities:

GMF portfolio and risk profile

- Develop a limit-per-exposure and risk-per-borrower policy framework, as well as a policy on pricing risk and risk reserves;
- Regularly monitor compliance with loan covenants in loan files;
- Organize training on the basic principles of risk management to integrate the function into GMF processes;
- Create the link between GMF loan risk management and FCM cash management;
- Monitor for credit risk concentration in the committed and disbursed loan portfolio and regularly update the credit rating of borrowers;
- Review loan applications, provide commentary on risk assessments, and recommend loan terms and conditions;
- Structure loan transactions for projects and develop risk mitigation strategies; and
- Monitor compliance with loan covenants in loan files.

⁵ Credit in the GMF context is the assessment of the probability (low, medium, or high) that GMF will be repaid its loan and yield. The credit analysis focuses either on the economic viability of the borrower (the municipality or a municipal partner) or of the project. The analysis of the economics of an initiative involving a project loan may draw on technical or engineering expertise provided by external consultants.

The GMF Agreement allows FCM to increase the financial offer, and related credit risk, for projects with superior or exceptional benefits. The CRMU ensures the Fund's long-term sustainability by monitoring the loan portfolio and risk concentration.

Credit policies and procedures

- Develop guidelines on the credit policy framework, including limits per borrower and a policy on pricing risk and risk reserves; and
- Develop credit risk procedures and methodology.

Documentation and administration

- Coordinate the preparation of standard term sheets and legal documentation for all GMF loans as outlined in Appendix C;
- Ensure that documents reflect the intent and terms of the Agreement, Council policies, and the FCM National Board of Directors' decisions as they pertain to credit risk;
- Recruit a loan documentation officer and a credit analyst to evaluate credit and monitor loan files; and
- Contribute to the planning of investment income as it relates to loan disbursements and risk levels.

GMF Highlights:

TOWN OF LUNENBURG, NOVA SCOTIA

Town of Lunenburg Sewage Treatment Project (GMIF 1399)

Project approval date: March 2003

Total project value: \$4,712,000

GMF loan: \$1,178,000

- New wastewater treatment plant to be constructed
- Treatment level to exceed provincial guidelines
- Significant improvements to water quality anticipated
- Initiative to serve as technology demonstration project for other coastal communities

3.2 DEVELOPMENT UNIT

The Development Unit designs, markets and evaluates loans and grants for capital projects in compliance with the Agreement and with specific directives of the FCM National Board of Directors. The Unit issues RFPs for each of the following funding sectors:

- Brownfields
- Energy
- Transportation
- Waste
- Water

In addition to launching new RFPs in these sectors, the Development Unit will study the feasibility of issuing an RFP for integrated community projects — a category of project funding provided for under the Agreement.

3.2.1 // OBJECTIVES

In 2007–2008, the Development Unit aims to achieve the following objectives:

- Develop RFPs that will attract exceptional projects⁶ that are representative of the different regions and community types across Canada;
- Use grants to maximize the number of sustainable projects; and
- Set high minimum application standards for each RFP.

3.2.2 // ACTIVITIES

To achieve its goals, the Development Unit will conduct the following activities:

- If required, develop specific definitions of exceptional projects for each major type of community (small, urban or remote), for each region of the country (British Columbia, Alberta, the Prairies, Ontario, Quebec and Atlantic), and for each RFP;⁷
- Evaluate previous RFPs and revise new RFPs as necessary in consultation with CSCD staff who have worked on previous RFPs or are sector experts, with external consultants and with representatives of municipal governments;⁸
- Include in the peer review scores increased weights for replicability and the potential to result in knowledge products;

⁶ Exceptional projects are generally defined in the GMF Agreement as those with very high environmental benefit as well as significant social and economic benefit.

⁷ These definitions may be particularly important where there are barriers to the implementation of one standardized definition of exceptional projects. In the energy sector, for example, provincially owned or regulated electricity utilities set prices for energy. If these prices are relatively low, the implementation of some types of projects may not be economically feasible.

⁸ These municipal governments may or may not have received GMF funding in the past.

- Implement the selected focus areas for the 2007–2008 RFPs, as follows:
 - **Brownfields:** As in 2006–2007, the 2007–2008 brownfields RFP will focus on remediation and redevelopment of brownfield sites.
 - **Energy:** The energy RFP will focus on district energy systems. This focus is more targeted than the one used in 2006–2007.
 - **Transportation:** The transportation RFP will focus on any technology that can reduce emissions from municipal fleet vehicles and on ridership enhancement initiatives, including transportation demand management (TDM). This focus is broader than the one used in 2006–2007.
 - **Waste:** As in 2006–2007, the 2007–2008 waste management RFP will focus on diversion from landfill sites. Criteria will be confirmed with consultants to ensure that only exceptional projects are eligible for funding.
 - **Water:** GMF Council will determine the scope of this RFP at the May 2007 Council teleconference.
- Market and promote RFP opportunities;
- Consult and engage with municipal governments to determine the focus for future RFPs;
- Explore opportunities to assist municipal governments by participating in a Domestic Emission Trading System, if requested to do so by FCM's members and if this is consistent with the federal government's climate change initiatives; and
- Study the feasibility of an RFP for integrated projects (see Section 3.2) and present findings and recommendations to Council.

3.3 OPERATIONS UNIT

The Operations Unit processes submissions for feasibility studies, field tests, sustainable community plans and capital projects in compliance with the Agreement and specific directives from the FCM National Board of Directors. The Unit designs the applications for funding, reviews applications, recommends funding according to consensus assessments (undertaken by the Peer Review Committee), executes contracts, disburses funds and monitors and reports on projects. It supports clients and recommends funding allocations to best meet GMF strategic objectives while remaining within funding caps.

GMF Highlights:

TOWN OF MARKHAM, ONTARIO

Cart-based Organics Collection Pilot Project (GMEF 0526)

Project approval date: May 2001

Total project value: \$300,000

GMF grant: \$100,000

- First fully automated curbside, cart-based household organic waste collection system field-tested in Canada
- 60 per cent of household organic waste diverted
- Average participation rate of 98 per cent for split cart (garbage and recyclables) and 73 per cent for organic cart achieved
- Waste streaming by residents deemed effective

3.3.1 // OBJECTIVES

In 2007–2008, the Operations Unit aims to achieve the following objectives, which pertain to feasibility studies, field tests, sustainable community plans and capital projects, consistent with annual GMF funding caps and targets (see Section 2.3):

- Process applications, contracts and disbursement requests efficiently and effectively;
- Support the transition to a focus on funding feasibility studies, field tests and sustainable community plans that will provide the best examples of sustainable practices for municipal governments; and
- Redesign the Project Performance Reporting System for capital projects to make it more relevant for all GMF sectors.

3.3.2 // ACTIVITIES

To achieve its goals, the Operations Unit will conduct the following activities:

- Revise process or procedural manuals;
- Develop high standards and criteria for each funding category for feasibility studies, field tests and sustainable community plans by performing the following tasks:
 - Consult with staff and other subject-matter experts to determine the key elements of a high-quality feasibility study, field test and sustainable community plan;

- Identify components of study submissions such as category, subcategory, location, total project value, GMF support and opportunities to develop knowledge products;
- Determine which key elements should be mandatory or minimum eligibility requirements;
- Develop the business case for mandatory or minimum eligibility requirements;
- Identify elements of an implementation plan to apply the revised standards and criteria;
- Present progress at the August 2007 GMF Council meeting;
- Inform applicants of the revised standards and criteria;
- Support the Governance Unit in modifying scoring grids and peer review training; and
- Revise current external program documentation.

- Identify potential knowledge products and capacity building tools stemming from GMF-funded projects and studies;
- Engage consultants to develop appropriate methodologies for measuring and reporting on emission and non-emission-type project benefits for each GMF category;
- Redesign the Project Performance Reporting System based on the methodologies identified above; and
- Implement the new reporting system for specific categories as developed. The new reporting system for all categories will be in place by April 1, 2008.

3.4 KNOWLEDGE MANAGEMENT UNIT

The Knowledge Management Unit (KMU) captures the knowledge and lessons generated by GMF-funded initiatives and uses them to leverage change in municipal practices. FCM aims to inform municipal governments of the best examples set by municipal leaders and to inspire and support them to establish and surpass their own sustainable development goals.

The impact of each loan and grant is maximized by transferring knowledge and building municipal capacity to replicate exceptional projects.

The KMU is responsible for three main functions: research, capacity building and communications.

GMF Highlights:

VILLAGE OF MAYO, YUKON

Geothermal Heat Extraction and Distribution in the Village of Mayo (GMEF 5400)

Project approval date: March 2005

Total project value: \$500,000

GMF grant: \$250,000

- Energy consumption profiled
- In-situ acid injection system recommended
- Savings of \$24,000 per year estimated
- New recreation centre planned

3.4.1 // OBJECTIVES

In 2007–2008, the KMU aims to achieve the following objectives:

- Continue to integrate outreach and promotion, capacity building and knowledge transfer activities into the GMF funding lifecycle;
- Maximize engagement of municipal governments;
- Position CSCD as the hub of a network that supports increased municipal capacity to implement sustainable practices;
- Maximize cooperation with existing networks and organizations that advance sustainable community development in the six GMF sectors;
- Seek examples of leadership that will inform and inspire municipal governments;
- Transfer knowledge by analyzing the results of GMF-funded activities and sharing them with municipal governments;
- Build capacity of municipal governments to take action by providing knowledge products and by facilitating networks that promote adoption and implementation of sustainable development practices;
- Investigate and develop new systems to measure and evaluate the impact of GMF programs; and
- Provide communications support for all GMF activities, including outreach and promotion, funding, and knowledge transfer.

AFFORDABILITY AND CHOICE TODAY

Affordability and Choice Today (ACT) is a complementary program to GMF, administered by CSCD. The ACT program is a housing regulatory reform initiative delivered under the direction of its four national partners:

- FCM (administrator);
- Canada Mortgage and Housing Corporation (funder);
- Canadian Home Builders' Association; and
- Canadian Housing and Renewal Association.

Since its introduction in 1990, ACT grants have supported the development of innovative housing types, secondary suites, alternative development and renovation standards, streamlined approval procedures, and strategies for overcoming resistance to change. Many of ACT's projects have contributed to sustainable development by encouraging urban intensification and use of alternative development standards that provide economic and environmental benefits.

In 2004, the four partners agreed that the ACT program should broaden its focus to link with other similar interests, both within and outside of FCM. The ACT program now sponsors the residential development category of the FCM-CH2M HILL Sustainable Community Awards. It has also helped promote GMF's brownfield financing to the housing sector.

In 2007-2008, ACT program staff will work with other FCM staff to deliver a workshop to encourage replication of existing regulatory and GMF solutions. When the ACT program renews its multi-year agreement after March 2008, the program partners will consider how to achieve greater synergy across initiatives.

3.4.2 // ACTIVITIES

To achieve its goals, the KMU will conduct the following activities:

Research and analysis

- Analyze GMF feasibility studies, field tests and sustainable community plans and capital project reports to identify results and lessons learned that can be used to develop knowledge products in the six GMF funding sectors;
- Develop a process to ensure newly submitted study and project reports are evaluated for potential knowledge products in a timely manner;

- Evaluate other GMF data (such as the *FCM-CH2M HILL Sustainable Community Awards Best Practices Guide*, and *Community Energy Planning Mission report*) for potential new knowledge products;
- Undertake general external research to stay apprised of developments in the GMF sectors;
- Develop a research network to both share and receive research findings in the GMF sectors;
- Identify opportunities to collaborate with other researchers to advance the work of GMF; and
- Continue with a number of ongoing activities that support GMF, including preparing reports, networking, responding to enquiries and assisting with requests, and engaging municipal governments through various activities and approaches.

Capacity building

- Share knowledge and support the implementation of new technologies and practices through capacity building campaigns in each of the six GMF sectors;
- Manage the Partners for Climate Protection (PCP) program;
- Continue to plan for and deliver the 2007 FCM-CH2M HILL Sustainable Community Awards program and begin to plan for and implement the 2008 program;
- Plan for and implement the 2007 Community Energy Mission to Alberta;
- Develop and coordinate activities to deliver the FCM Sustainable Communities Conference in February 2008;
- Launch and implement a champions network using a phased approach with respect to scope and activities;
- Determine the potential to expand the role and responsibilities of champions based on the first phase of implementation;
- Continue to build on the use of regional facilitators as a mechanism to disseminate information and engage municipal governments;
- Develop and pilot-test a web-based capacity building teleconference;
- Deliver up to six capacity building workshops aligned with new RFP dates where possible;
- Identify and partner with organizations to deliver a minimum of three workshops or presentations to engage municipal governments in the campaign areas; and
- Continue with a number of ongoing activities that support the Capacity Building program, including researching sectors, writing articles, contributing to the identification, development and production of GMF knowledge products, networking, responding to enquiries and engaging municipal governments through various activities and approaches.

Communications

- Continue to provide communications support for all CSCD and GMF corporate and operational activities, including the Sustainable Communities Conference, the FCM-CH2M HILL Sustainable Community Awards, RFP development and promotion, GMF announcements, and the production of reporting documents such as the ASPO and the *GMF Annual Report*;
- Continue to undertake promotion and outreach activities, including attending strategic conferences, making municipal council presentations, and staffing the CSCD trade show booth to engage municipal governments and promote GMF;⁹
- Work with Research and Capacity Building to coordinate the production, promotion and dissemination of new and existing knowledge products created from GMF projects and studies including case studies, other knowledge products, e-bulletins, newsletters and presentations;
- Coordinate the development of a knowledge transfer strategy and identify and implement priority recommendations;
- Communicate the evolving role of GMF as a program that invests in the best projects and studies that will inform and inspire other municipal governments to build socially, economically, and environmentally sustainable communities;
- Initiate focused market research to build a better understanding of the target audiences for GMF and their perception of the Fund and of sustainable community development;
- Continue to implement strategic communications activities with a special focus on those for Quebec;
- Introduce systems for continuous quality improvement and for improving the impact of existing communications and outreach materials and programs; and
- Investigate options for improving the impact and usability of the <www.sustainablecommunities.fcm.ca> website.

KMU DEFINITIONS

The following definitions describe key KMU operational functions:

Knowledge management: The organization of intellectual resources and information, for example, from GMF-funded initiatives, and other knowledge and experience generated or collected by CSCD.

Knowledge transfer: The communication of specialized knowledge, for example, from GMF-funded initiatives and other information generated or collected by CSCD, to a wider group, such as municipal governments.

Knowledge products: Information in various media that FCM can transfer that will help municipalities to implement policies, practices and projects that are more sustainable.

Capacity building: Creating the necessary skills to act on knowledge and to improve an organization's ability to act on the results or learnings from transferred knowledge.

3.5 GOVERNANCE UNIT

The Governance Unit ensures that the process and frameworks for decision making and implementation are transparent, clear, impartial, efficient and effective. The Unit confirms that decisions made are in compliance with and are administered according to the Agreement and manages the production of the reporting and compliance documents. The Unit monitors compliance with the Agreement and other reporting requirements,¹⁰ and with GMF Council and FCM National Board of Directors' policies.

3.5.1 // OBJECTIVES

In 2007–2008, the Governance Unit aims to achieve the following objectives:

- Manage the GMF Council, GMF Investment Committee, and GMF Peer Review Committee;
- Produce and distribute reporting and compliance documents, such as the ASPO, the *GMF Annual Report*, and quarterly reports;

⁹ Outreach activities will include a focus on Quebec and in regions with lower uptake of GMF funds.

¹⁰ A reporting system consisting of the ASPO, quarterly reports, and the *GMF Annual Report*, ensures that the Government of Canada and the public have direct access to information about the performance of GMF.

- Manage the annual GMF budget process;
- Report on the investment of non-allocated GMF funds; and
- Assess, prioritize and implement recommendations from the *Compliance and Operational Review of the Green Municipal Funds, Final Report, September 2004*, conducted by KPMG, according to the implementation plan.

GMF Highlights:

MUNICIPALITY OF FRONTENAC ISLANDS, ONTARIO

Wolfe Island Wind Farm Feasibility Study (GMEF 3076)

Project approval date: September 2002

Total project value: \$312,950

GMF grant: \$100,000

- Wind energy assessed as renewable electricity option
- Preliminary design, environmental screening and business case provided
- Cooperative ownership studied
- Potential 29,750-tonne reduction in greenhouse gas emissions

3.5.2 // ACTIVITIES

Governance

The Governance Unit will conduct the following activities to support the GMF Peer Review Committee:

- Recruit new peer reviewers as required;
- Manage the membership terms of reviewers to maintain appropriate representation;
- Update the *2006–2007 Peer Review Committee Guide*;
- Update members on changes to GMF programs and activities;
- Manage the technical assessment process for GMF applications; and
- Work with the Development and Operations units to revise the peer review decision-making tools and instructions.

The Governance Unit will conduct the following activities to support the GMF Council:

- Schedule three face-to-face meetings, one teleconference, and other teleconferences as required;
- Manage the membership terms of GMF councillors to maintain appropriate representation;
- Recruit new Council members as required;
- Brief new members as required;
- Update the Council Member Orientation package as required; and
- Set production timelines and ensure reports are submitted accordingly.

Investment of non-allocated funds

An Investment Committee was established in February 2005 to oversee matters related to the investment management of the GMF non-allocated funds. The Committee developed an Investment Policy, including components on the non-allocated funds' portfolio of investments. The revised Investment Policy was approved by the FCM National Board of Directors in August 2006.

CIBC Global Asset Management is an independent investment manager that manages the non-allocated or reimbursed funds' investment portfolio according to directives set by the Agreement and the Investment Policy.

The Governance Unit will support the GMF Investment Committee by conducting the following activities:

- Schedule face-to-face meetings and teleconferences as required; and
- Set production timelines and ensure reports are submitted accordingly.

Reporting and compliance

- **Compliance reports:**
 - Manage the production, publication, and distribution of the *GMF Annual Report*;¹¹
 - Manage the production, publication, and distribution of the ASPO;¹² and
 - Manage the production and distribution of the quarterly reports.

¹¹ The *GMF Annual Report* outlines GMF's key achievements throughout the fiscal year and reports on numbers of GMF funding approvals by region and sector, environmental outcomes, capacity building and knowledge transfer activities, and financial performance, including non-allocated funds, loan types and terms, average portfolio interest rate, and leveraging. The annual report is widely distributed.

¹² The ASPO describes GMF activities for the fiscal year and outlines the indicators that will be used to measure progress and performance. These indicators are measured and reported to the GMF Council quarterly.

- **Finance:**
 - Manage the production and submission of the annual budget;
 - Provide Council with statements on non-allocated funds; and
 - Review financial statements.

- **Compliance and operational review follow-up:**
 - Assess and prioritize the outstanding recommendations from the *Compliance and Operational Review of the Green Municipal Funds, Final Report, September 2004*, conducted by KPMG;
 - Develop an implementation plan for the recommendations; and
 - Implement a number of recommendations.

- **Quebec agreement:**
 - Review GMF processes and procedures to ensure they comply with the agreement between FCM and the Government of Quebec.¹³

In addition to the above activities, the Governance Unit will implement changes resulting from the process mapping exercise.

GMF APPLICATION PROCESS

The Peer Review Committee, the GMF Council, and the FCM National Board of Directors are integral to the application process. The Agreement describes the roles and responsibilities of these bodies.

Each application undergoes an independent third-party technical assessment by two or three members of the 60-member Peer Review Committee. These assessments are presented to the GMF Council, which recommends a decision on eligible project proposals to the FCM National Board of Directors. These recommendations are based on criteria outlined in the Agreement, including ensuring an appropriate balance between urban and rural communities as well as among regions within Canada. The FCM National Board of Directors ensures that due diligence is exercised in the decision process and makes the final decision on eligible project proposals.

GMF Highlights:

CITY OF MONTREAL, QUEBEC

Greening the Infrastructure at Benny Farm (GMIF 7091)

Project approval date: March 2005

Total project value: \$24,572,450

GMF grant: \$3,091,100

- 183 vacant units redeveloped at Benny Farm, an 18-acre site developed to house World War II veterans and their families
- Closed-loop, water-to-water geothermal heating system and electrical upgrades implemented
- 313-tonne reduction in greenhouse gas emissions, conservation of 6,700,000 litres of potable water, and diversion of approximately 15,200,000 litres of wastewater per year anticipated
- Winner of international Holcim Award (Bronze) and Holcim Awards' Gold Prize for North America

¹³ This agreement gives Quebec municipalities access to GMF. It was signed in September 2003.

APPENDIX A: FUNDING ALLOCATIONS TO DATE

The following tables outline funding allocations to date by category, region, and community type (urban and rural).

Table 4. Grants and Loans for Capital Projects

Category	Since inception		2006–2007 to date ¹⁴			2005–2006		
	Total (\$)	%	Grant (\$)	Loan (\$)	%	Grant (\$)	Loan (\$)	%
Brownfields	18,604	5.9	0	3,250	6.6	0	15,354	23.8
Energy	136,342	42.9	2,000	33,197	71.9	2,243	18,213	31.7
Integrated projects	23,607	7.4	0	0	0.0	5,912	7,010	20.0
Transportation	35,458	11.2	0	0	0.0	458	0	0.7
Waste	88,209	27.8	2,500	7,250	19.9	80	2,425	3.9
Water	11,927	3.8	0	0	0.0	0	11,927	18.5
PPRGA ¹⁵	3,330	1.0	780	0	1.6	960		1.5
Total approved	317,477	100.0	5,280	43,697	100.0	9,653	54,929	100.0
Less ¹⁶	-42,803		-523	-20,987		-2,108	-17,444	
Net	274,674		4,757	22,710		7,545	37,485	

(Dollar figures presented in \$1,000s)

¹⁴ April 1, 2006, to December 31, 2006 (estimated).

¹⁵ Project Reporting Grant Agreements (PPRGA) grants to capital projects.

¹⁶ For 2005–2006, includes cancelled projects and amounts not disbursed on completed projects.
For 2006–2007 to date, includes only cancelled projects.

Table 5. Capital Project Funding by Region

Region	Population ¹⁷	Percentage of pop. (%)	Since inception		2006–2007 to date ¹⁸		2005–2006	
			Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)
Atlantic	2,344,000	7.3	14	11.8	1	3.8	2	6.5
British Columbia (including Yukon)	4,285,500	13.3	25	21.0	6	23.1	3	9.7
Ontario	12,541,400	38.9	43	36.1	11	42.3	14	45.2
Prairies (Alberta, Manitoba, Saskatchewan, Northwest Territories and Nunavut)	5,501,500	17.0	20	16.8	3	11.5	4	12.9
Quebec ¹⁹	7,598,100	23.5	17	14.3	5	19.2	8	25.8
Total	32,270,500	100.0	119	100.0	26	100.0	31	100.0

Table 6. Study Funding by Region

Region	Population ²⁰	Percentage of pop. (%)	Since inception		2006–2007 to date ²¹		2005–2006	
			Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)
Atlantic	2,344,000	7.3	57	11.4	8	11.6	3	3.6
British Columbia (including Yukon)	4,285,500	13.3	101	20.3	11	15.9	17	20.2
Ontario	12,541,400	38.9	169	33.9	24	34.8	35	41.7
Prairies (Alberta, Manitoba, Saskatchewan, Northwest Territories and Nunavut)	5,501,500	17.0	117	23.5	19	27.5	13	15.5
Quebec ²²	7,598,100	23.5	54	10.8	7	10.1	16	19.0
Total	32,270,500	100.0	498	100.0	69	100.0	84	100.0

¹⁷ Source: Statistics Canada 2005 population estimates (based on 2001 Census).

¹⁸ April 1, 2006, to December 31, 2006.

¹⁹ In March 2004, the first municipal proposals were approved following the signature in 2003 of an agreement between the Government of Quebec and FCM authorizing Quebec municipalities to receive GMF funding.

²⁰ Source: Statistics Canada 2005 population estimates (based on 2001 Census).

²¹ April 1, 2006, to December 31, 2006.

²² In March 2004, the first municipal proposals were approved following the signature in 2003 of an agreement between the Government of Quebec and FCM authorizing Quebec municipalities to receive GMF funding.

*Table 7. Feasibility Studies, Field Tests, and Sustainable Community Plans Approvals:
Urban–Rural Balance*

Municipality type ²³	Population ²⁴	Percentage of pop. (%)	Since inception		2006–2007 to date ²⁵		2005–2006	
			Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)
Small, rural and remote	6,098,883	20.3	169	33.9	20	29.0	26	31.0
Towns and cities	23,908,211	79.7	329	66.1	49	71.0	58	69.0
Total	30,007,094	100.0	498	100.0	69	100.0	84	100.0

Table 8. Capital Projects: Urban–Rural Balance

Municipality type ²⁶	Population ²⁷	Percentage of pop. (%)	Since inception		2006–2007 to date ²⁸		2005–2006	
			Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)	Approvals	Percentage of approvals (%)
Small, rural and remote	6,098,883	20.3	40	33.6	12	46.2	8	25.8
Towns and cities	23,908,211	79.7	79	66.4	14	53.8	23	74.2
Total	30,007,094	100.0	119	100.0	26	100.0	31	100.0

²³ Rural and urban status is based on the Statistics Canada definition of census metropolitan area and census area. All remaining communities are considered rural. Regional organizations are considered rural except in metropolitan areas.

²⁴ Source: Statistics Canada 2005 population estimates (based on 2001 Census).

²⁵ April 1, 2006, to December 31, 2006.

²⁶ Rural and urban status is based on the Statistics Canada definition of census metropolitan area and census area. All remaining communities are considered rural. Regional organizations are considered rural except in metropolitan areas.

²⁷ Source: Statistics Canada 2005 population estimates (based on 2001 Census).

²⁸ April 1, 2006, to December 31, 2006.

APPENDIX B: COMPLIANCE INDICATORS 2007–2008

GMF AGREEMENT REQUIREMENTS

The following table outlines the requirements of the Agreement and the associated compliance indicators against which FCM will measure and report on its progress in 2007–2008. **FCM will report on its progress against these indicators quarterly.**

Table 9. Compliance Indicators 2007–2008

GMF Agreement requirement ²⁹	Indicator ID	Indicator	Objective 2007–2008
FCM shall use its best efforts to commit to granting \$8 to \$12 million per year, from April 1, 2005, to March 31, 2009, at which time all the remaining GMEF funds will have been disbursed (for a total of \$50 million).	B1.1	GMF feasibility study, field test and sustainable community planning grant amount approved	\$8,000,000
	B1.2	Cumulative net amount of grants committed to feasibility studies, field tests and sustainable community plans	\$48,000,000
	B1.3	Cumulative net amount of grants disbursed to feasibility studies, field tests and sustainable community plans	\$25,000,000
FCM shall use its best efforts to commit to granting \$7 to \$10 million per year from April 1, 2005, to March 31, 2009.	B2	GMF capital project grant amount approved	\$8,000,000
FCM shall use its best efforts to commit to lending \$50 to \$70 million per year to Eligible Projects.	B3	GMF capital project loan amount approved	\$70,000,000

²⁹ Entries in this column are extracted from the Agreement.

GMF Agreement requirement	Indicator ID	Indicator	Objective 2007–2008
FCM shall maintain at all times Fund Assets, excluding the value of the Reserve for Guarantees and the Reserve for Non-Performing Loans, of at least \$500 million.	B4	Amount of Fund assets	\$525,000,000
FCM shall use its best efforts to commit to having 80% to 90% of Fund Assets in loans to Eligible Projects by March 31, 2016, and thereafter.	B5	Percentage of Fund assets in loans to eligible projects	50%
FCM shall use its best efforts to commit to lending or guaranteeing loans to support brownfield remediation and development totalling in aggregate at least \$150 million by March 31, 2012.	B6.1	Cumulative net amount of loans or loan guarantees to brownfield remediation capital projects	\$38,000,000
	B6.2	Net amount of loans or loan guarantees to brownfield remediation capital projects	\$20,000,000
The total amount of loan guarantees made in respect of Eligible Projects will not exceed an amount equal to twenty (20) per cent of the Amount.	B7	Per cent of the amount of loan guarantees made to eligible projects	0%
FCM shall use its best efforts to ensure that at least fifteen per cent (15%) of loans outstanding at any time will be to borrowers other than Municipal Governments.	B8	Per cent of approved loans outstanding to borrowers other than municipal governments	14%
FCM shall use its best efforts to attempt to earn on average at least one and fifty one-hundredths per cent (1.5%) per annum above the Government of Canada Bond rate for equivalent terms on loans to borrowers other than Municipal Governments.	B9	Per cent of approved loans outstanding to borrowers other than municipal governments that earn at least 1.5% per annum above the Government of Canada bond rate for equivalent terms	1.5%

GMF Agreement requirement	Indicator ID	Indicator	Objective 2007–2008
<p>FCM shall maintain separate accounts for the Fund and agrees to obtain and have carried out annually an independent third-party audit of the financial operation of the Fund, including investment of the unallocated portion of the Fund Assets, and loans, grants and loan guarantees to Eligible Recipients for Eligible Projects according to a framework and timeframe approved by the Board which measures its overall performance in achieving the purpose as described in Article II. FCM will convey the audited annual financial statements to Canada no later than five months after FCM's Fiscal Year end, along with a statement of goals and objectives for the following Fiscal Year.</p>	B10	<p>Third-party audit of the 2007–2008 financial operation of the Fund, including investment of the unallocated portion of the Fund assets, and loans, grants and loan guarantees to eligible recipients for eligible projects</p>	<p>Report on March 31, 2008</p>
<p>FCM will make public an Annual Report of the Fund's activities and performance no later than five months after FCM's Fiscal Year end, and will convey it to the Minister for tabling in Parliament. The report will be based on information derived from a result-based management framework developed by FCM, on recommendation of Council and approved by the Board.</p>	B11	<p>Publication of the 2006–2007 <i>GMF Annual Report</i> and distribution to the Minister of Environment and the Minister of Natural Resources, for tabling at Parliament, and other stakeholders.</p>	<p>Report on August 31, 2007</p>
<p>FCM will provide an Annual Statement of Plans and Objectives annually to each of the Ministers at least 2 months before the Fiscal Year begins.</p>	B12	<p>Publication of the 2007–2008 ASPO and distribution to the Minister of Environment and the Minister of Natural Resources, for tabling at Parliament, and other stakeholders</p>	<p>Report on April 30, 2007³⁰</p>
<p>The Board will establish a Council to oversee and advise the Board on Regional Balance of Approved Feasibility Studies, Field Tests and Plans.</p>	B13.1	<p>Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Atlantic Region (pop. 7.3%)</p>	<p>Report quarterly</p>
	B13.2	<p>Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in British Columbia Region (pop. 3.3%)</p>	<p>Report quarterly</p>

³⁰ The Government of Canada accepts and agrees that the ASPO is published a month after the end of the fiscal year to permit for its development and approval process timelines.

GMF Agreement requirement	Indicator ID	Indicator	Objective 2007–2008
The Board will establish a Council to oversee and advise the Board on Regional Balance of Approved Feasibility Studies, Field Tests and Plans.	B13.3	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Ontario Region (pop. 38.9%)	Report quarterly
	B13.4	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Prairie Region (pop. 17%)	Report quarterly
	B13.5	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Quebec Region (pop. 23.5%)	Report quarterly
The Board will establish a Council to oversee and advise the Board on Rural/Urban Balance of Approved Feasibility Studies, Field Tests and Plans.	B14.1	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in urban communities (pop. 77.7%)	Report quarterly
	B14.2	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in rural communities (pop. 22.3%)	Report quarterly
The Board will establish a Council to oversee and advise the Board on Regional Balance of Approved Capital Projects.	B15.1	Cumulative percentage of approved capital projects in Atlantic Region (pop. 7.3%)	Report quarterly
	B15.2	Cumulative percentage of approved capital projects in British Columbia Region (pop. 13.3%)	Report quarterly
	B15.3	Cumulative percentage of approved capital projects in Ontario Region (pop. 38.9%)	Report quarterly

GMF Agreement requirement	Indicator ID	Indicator	Objective 2007–2008
The Board will establish a Council to oversee and advise the Board on Regional Balance of Approved Capital Projects.	B15.4	Cumulative percentage of approved capital projects in Prairie Region (pop. 17%)	Report quarterly
	B15.5	Cumulative percentage of approved capital projects in Quebec Region (pop. 23.5%)	Report quarterly
The Board will establish a Council to oversee and advise the Board on Rural/Urban Balance of Approved Capital Projects.	B16.1	Cumulative percentage of approved capital projects in urban communities (pop. 77.7%)	Report quarterly
	B16.2	Cumulative percentage of approved capital projects in rural communities (pop. 22.3%)	Report quarterly

APPENDIX C: OPERATIONAL INDICATORS 2007–2008

The following table outlines the operational indicators against which FCM will measure and report on its progress in 2007–2008. **FCM will report on its progress against these indicators quarterly.**

Table 10. Operational Indicators 2007–2008

Function	Indicator ID	Indicator	Objective 2007–2008
Knowledge transfer	C1.1	Number of knowledge products disseminated	Report quarterly
	C1.2	Number of requests for knowledge products	Report quarterly
	C1.3	GMF mentions in national or regional media	35
	C1.4	GMF local coverage received	120
	C1.5	Average monthly web page views	40,000
Building the network hub	C2.1	Total number of CSCD/GMF e-mail subscribers	900
	C2.2	Number of peer-to-peer connections facilitated	Report quarterly
Engagement	C3.1	Number of municipal governments engaged	Report quarterly
	C3.2	Number of individuals engaged	Report quarterly

Function	Indicator ID	Indicator	Objective 2007–2008
Engagement	C3.3	Number of municipal governments engaged in Quebec	Report quarterly
	C3.4	Number of individuals engaged in Quebec	Report quarterly
Capacity building	C4.1	Number of submissions to the Awards program	60
	C4.2	Number of CSCD-led workshops	15
	C4.3	Increase in municipal sustainability initiatives	Report quarterly
Peer Review Committee	C5.1	Number of federal representatives on the Peer Review Committee (maintained at 20 members)	20
	C5.2	Number of members on the Peer Review Committee (max. 60 members)	60
Council	C6.1	Number of federal representatives on GMF Council (maintained at 5, excluding alternates)	5
	C6.2	Number of members on GMF Council (max. 15)	15
Feasibility study, field test and planning application process	C7.1	Intent to apply – preliminary review	>75% at <15 working days
	C7.2	Application – preliminary review	>75% at <5 working days

Function	Indicator ID	Indicator	Objective 2007–2008
Feasibility study, field test and planning application process	C7.3	Application – technical review	>75% at <15 working days
	C7.4	Peer assignment/independent and consensus assessments	>90% at <10 working days
	C7.5	Disbursement processing	>75% at <20 working days
Capital (RFP) projects	C8.1	Peer assignment, independent and consensus assessments	>90% at <13 working days
	C8.2	Preparation and delivery of term sheets	>75% at <15 working days
	C8.3	Preparation and delivery of draft contracts	>75% at <20 working days
	C8.4	Preparation and delivery of final contracts	>50% at <60 working days
	C8.5	Disbursement processing	>50% at <30 working days
Loan portfolio	C9.1	Per cent of total loan portfolio in low-risk loans	30–40%
	C9.2	Per cent of total loan portfolio in low- to medium-risk loans	20–39%
	C9.3	Per cent of total loan portfolio in medium-risk loans	40–50%

Function	Indicator ID	Indicator	Objective 2007–2008
Loan portfolio	C9.4	Per cent of total loan portfolio in medium- to high-risk loans	Up to 5%
	C9.5	Per cent of total loan portfolio in medium- to high-risk loans with indicators/ credit watch	Up to 2%
	C9.6	Per cent of total loan portfolio in unacceptable risk/critical watch loans	0%
Sectoral balance of approved capital projects	C10.1	Amount of approved grants for capital projects in energy sector	\$3,200,000
	C10.2	Amount of approved grants for capital projects in water sector	\$1,600,000
	C10.3	Amount of approved grants for capital projects in waste sector	\$1,600,000
	C10.4	Amount of approved grants for capital projects in transportation sector	\$1,600,000
	C10.5	Amount of approved loans for capital projects in energy sector	\$20,000,000
	C10.6	Amount of approved loans for capital projects in water sector	\$10,000,000
	C10.7	Amount of approved loans for capital projects in waste sector	\$10,000,000

Function	Indicator ID	Indicator	Objective 2007–2008
Sectoral balance of approved capital projects	C10.8	Amount of approved loans for capital projects in transportation sector	\$10,000,000
	C10.9	Amount of approved loans for capital projects in brownfield remediation sector	\$20,000,000

APPENDIX D: EVENTS 2007–2008

The following table lists events to be organized and delivered by FCM.

Table 11. Events 2007–2008

Key event	Event date
2008 Sustainable Communities Conference	February 14 to 16, 2008
2007 Sustainable Community Awards	June 2, 2007
2007 Community Energy Mission	July 28 to August 4, 2007
Council teleconference	May 17, 2007
Council meeting	August 16 to 17, 2007
Council meeting	November 15 to 16, 2007
Council meeting	February 21 to 22, 2008
Brownfields RFP launch	August 22, 2007
Energy RFP launch	May 23, 2007
Transportation RFP launch	May 23, 2007
Waste RFP launch	February 14, 2007
Water RFP launch	August 22, 2007

APPENDIX E: GMF BUDGET 2007–2008

The following table outlines the GMF budget for the 12 months ending March 31, 2008.

Table 12. GMF Budget 2007–2008

Expenses	Budget 2007–2008 (\$)
Management	
Personnel costs	2,918,800
Professional services	247,000
Travel, meetings and functions	304,600
Other operating expenses	1,885,500
Total management	5,355,900
Total Council	315,600
Total Peer Review Committee	560,200
Total Development	160,000
Total Credit and Risk Management	280,000
Total Operations	388,300
Total Communications	831,500
Total Capacity Building	750,000
Total Research	350,000
Total expenses	8,991,500
Maximum budget allowed	10,500,000

APPENDIX F: ORGANIZATIONAL CHART

The following organizational chart situates CSCD within FCM and illustrates the structure of the Centre.

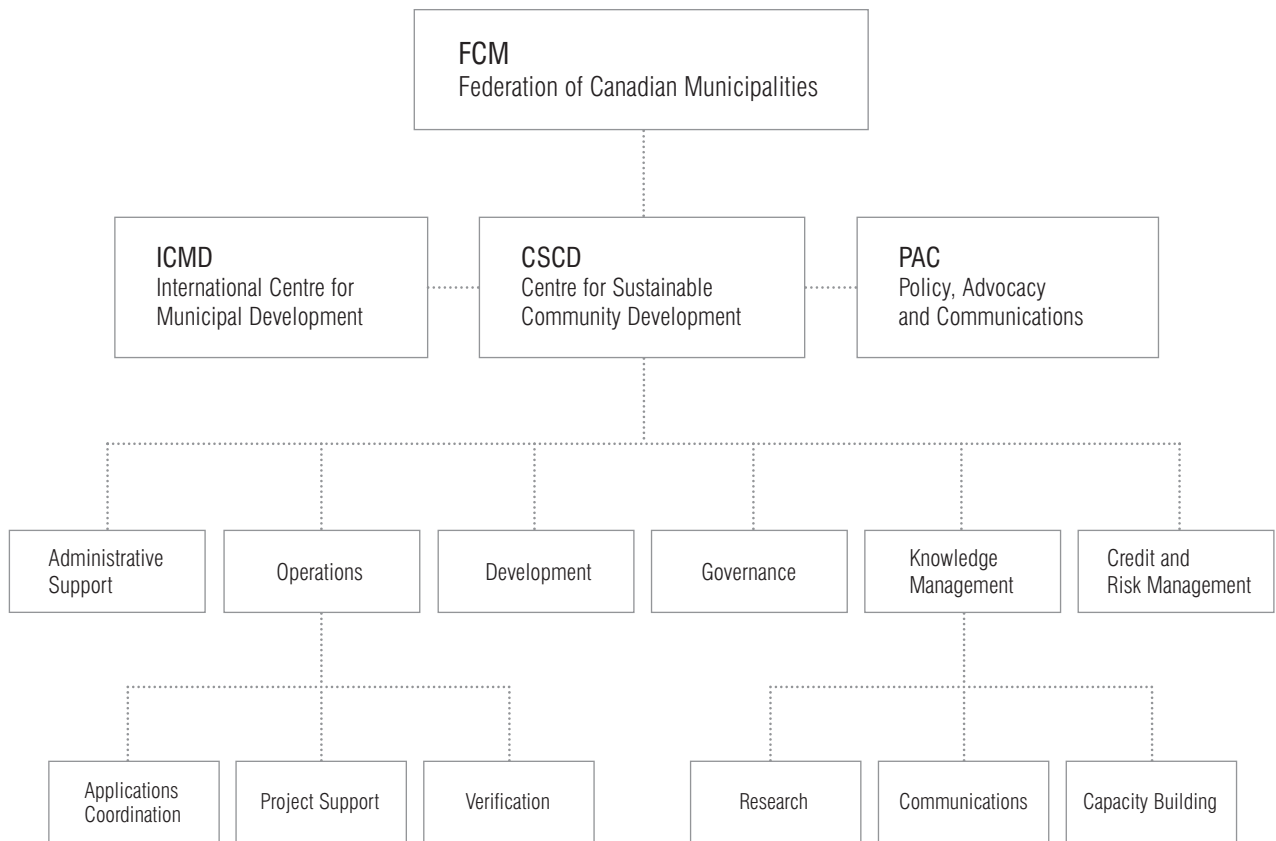


Figure 3: CSCD organizational chart

