



Advisory Services

Federation of Canadian
Municipalities

Review of the Green Municipal
Fund

Final Review Report

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Overview of the Review Report

Introduction:

This report provides the findings from the review of the Green Municipal Fund (GMF).

The findings of this report serve to support the GMF's accountability obligations under the terms of its March 31st, 2005 Funding Agreement with the Federation of Canadian Municipalities ("FCM"), Natural Resources Canada, and Environment Canada, which requires the GMF to have an independent performance audit and review completed and reported on by the end of September, 2009.

The review was carried out by KPMG under the contract awarded by the FCM in reference to the Request for Proposal issued in March 2009 to conduct an independent performance audit and review of the GMF. The conduct of both the performance audit and review components over the period of February to August 2009 was overseen by the FCM / GMF Steering Committee.

This review component is in essence a "formative" evaluation of the GMF since its inception in 2000, wherein this review has examined a number of GMF funded program elements, with a particular emphasis on the effectiveness of the GMF program implementation, program delivery, and whether the GMF is on-track to meet its objectives.

The overall objective of the review component was to assess aspects of the GMF's success and relevance. Specifically, the following six questions were the focus of the review component:

1. **Does the GMF continue to be consistent / aligned with the intent of the Funding Agreement objectives?**
2. **Does the GMF continue to be consistent / aligned with federal government priorities?**
3. **Does the GMF realistically address an actual need?**
4. **What is the distribution of the funds with respect to (a) the five sectors, (b) the three funding streams, and (c) size of loan/grant?**
5. **What have been the results of GMF so far?**
6. **Specifically, for the capital projects, what have been the impacts of these projects on sustainable improvements in air, water, soil quality, and reduction of greenhouse gases?**

The scope of the review covered the GMF's operational and funding activities since its inception in March 2000 to March 31st, 2009.

Methodologies: 1) Review of background documentation and the Seibel database; 2) Interviews with GMF representatives; 3) Survey of recipients of funding for studies; 4) Interviews with recipients of funding for capital projects; and 5) Case studies of GMF-funded capital projects.

Main Review Findings:

1 – Does the GMF continue to be consistent / aligned with the intent of the Funding Agreement objectives?

Findings:

1. The GMF continues to be both consistent and aligned with the intent of its Funding Agreement principles;
2. Through its five funding sectors (Brownfields, Energy, Transportation, Waste, and Water), the GMF helps to enhance the quality of life of Canadians by improving air, water and soil quality, and protecting climate; and
3. Through its funded projects, the GMF is making an important contribution towards achieving the objective of gaining experience in the development and execution of municipal environmental projects.

2 – Does the GMF continue to be consistent / aligned with federal government priorities?

Findings:

1. The GMF's program funding sector areas were found to be consistent with and aligned to the federal government's priorities of enhancing the quality of life of Canadians via improvements to air, water and soil quality, and climate protection;
2. The GMF's program funding sector areas established by the Funding Agreement were also found to be consistent with and aligned to evolving federal government budget, policy and program announcements, as well as NRCan, EC, Transport Canada and Infrastructure Canada strategies and programs; and
3. The GMF is not the only source of municipal infrastructure investment support; however, it is a key player in supporting environmentally sustainable municipal infrastructure investments and offers municipalities a valuable opportunity to leverage funding in conjunction with other federal and provincial infrastructure programs.

3 – Does the GMF realistically address an actual need?

Findings:

1. The studies funded by the GMF are highly "incremental" (i.e., most of them would not have been carried out in the absence of GMF funding), and they are providing important information to the municipalities.
2. GMF funding is also a critical source of support for capital projects — only about one-quarter of the capital projects would have gone ahead without GMF funding; and
3. Some program delivery processes require streamlining and the GMF has taken action to address stakeholder needs.

4 – What is the distribution of the funding with respect to (a) the five sectors, (b) the three funding streams; and (c) size of loan / grant?

Findings:

1. Overall, the GMF has met the majority of its funding distribution commitments as outlined in the Funding Agreement;
2. The GMF is not on pace to meet its approved funding targets for brownfields projects; however, is making efforts to identify potential opportunities; and
3. Some regional funding disparities exist towards the province of Quebec; however, the GMF has addressed this via a dedicated Quebec Outreach Strategy.

5 – What have been the results of GMF so far?

Findings:

1. GMF study and capital project funding have made direct contribution towards supporting Canadian municipalities to achieve their environmentally sustainable investment objectives; and
2. The GMF has implemented numerous efforts to engage and understand the needs of its municipal stakeholders as a means of improving GMF sector program funding, achieving results for municipalities, and ultimately to allow the GMF to achieve its Funding Agreement mandate.

6 – Specifically, for the capital projects, what have been the impacts of these projects on sustainable improvements in air, water, soil quality, and reduction of greenhouse gases?

Findings:

1. Indications are that the GMF-funded capital projects are on track to meet the program's goals in the areas of environmental, economic, and social benefits. The vast majority of the projects examined in the interviews and case studies are demonstrating significant benefits in these areas; and
2. There is work to be done by the GMF to tangibly measure these benefits and impacts. A new performance measurement system that will address this need is currently being pilot tested.