



Growing Greener: Funding Programs Propelling Canada's Cleantech Sector Forward

December 23, 2019

By *Isi Caulder and Claire Phillips*

Canada is emerging as a global leader in clean technology, a sector that is fast growing and expected to exceed \$2.5 trillion by 2022 in global activity¹. No less than 12 Canadian companies made The Global Cleantech 100 list for 2019, gaining recognition for their likelihood to have a significant market impact over the next 5-10 years².

Canada's growth in the cleantech sector is no doubt partially the result of an increased national focus on the establishment of funding and support programs. On the Global Cleantech Innovation Index of 2014³, Canada ranked 18th out of 40 countries for cleantech innovation drivers, falling near the back of the developed nations⁴. However, on the Global Cleantech Innovation Index of 2017⁵, Canada's rank increased to 4th⁶. The report indicates that this is due to the tripling in the number and value of Canadian funding and investments targeting cleantech⁷.

Recent additions to the [growing landscape of funding programs](#) in Canada cover a wide array of cleantech sub-sectors. The Agricultural Clean Tech Program is a \$25 million investment between 2018-2021 that supports research, development and adoption of cleantech in agriculture and agri-based bioproducts⁸. The Clean Growth in the Natural Resources Program launched in 2017 is a four-year, \$155 million investment that provides funding to cleantech projects in Canada's energy, mining and forest sectors⁹. The SD Tech Fund further extends funding coverage, providing support to pre-commercial projects in any of climate change, clean air, clean water, and clean soil. The Tech Fund was recently renewed in the Government of Canada's 2017 Budget with \$400 million over five years¹⁰.

A new initiative, Impact Canada - Initiative Cleantech Impact Program, focuses funding on the Canadian cleantech sector as a whole. The program is investing \$75 million over four years in five challenges meant to accelerate efforts to solve problems in the Canadian cleantech industry. Challenges include increasing diversity, stimulating the development of sustainable aviation fuel, and supporting the development of innovative cleantech processes to liberate minerals from extracted rocks¹¹.

Developments have also occurred in the intellectual property field that will continue to profoundly impact Canada's cleantech sector. The Canadian Intellectual Property Office (CIPO) has a "Cleantech Fast-track" program, which allows applicants to request fast-track examination of patent applications related to clean technologies¹². In 2017, CIPO also became a WIPO GREEN partner, joining an organization that promotes innovation and diffusion by connecting providers with seekers of clean technology¹³.

With the current array of available funding programs, there are strong opportunities for Canadian cleantech companies to continue to capture shares of the global market while helping Canada meet its climate change targets¹⁴. Programs offered by the Trade Commissioner Service are dedicated to helping Canadian cleantech firms become world leaders and capitalize on growing global market opportunities¹⁵. However, the Clean Technology Table report issued in fall of 2018 identified a number of domestic factors that are hindering this potential growth. Factors included low adoption rates of new cleantech, and a disconnect between environmental policy targets and regulations¹⁶. If these issues are addressed, the report predicts that cleantech could be one of Canada's top five exporting industries by 2025 as Canadian leadership in the global cleantech sector continues to improve¹⁷.



1 Clean Technology Economic Strategy Table. (2018). *Report of Canada's Economic Strategy Tables: Clean Technology*. Ottawa: Government of Canada, p. 2, available at <https://www.ic.gc.ca/eic/site/098.nsf/eng/00023.html>.

2 Government of Canada, "Backgrounder: Canadian companies on the 2019 Global Cleantech 100 list", retrieved on July 16, 2019 from https://www.international.gc.ca/gac-amc/news-nouvelles/2019-01-29-backgrounder-document_information.aspx?lang=eng.

3 Parad, M., et al. (2014). *The Global Cleantech Innovation Index 2014*. San Francisco: Cleantech Group/WWF, available at https://www.cleantech.com/wp-content/uploads/2014/08/Global_Cleantech_Innov_Index_2014.pdf.

4 *Ibid*, p. 21.

5 Sworder, C., et al. (2017). *The Global Cleantech Innovation Index 2017*. San Francisco: Cleantech Group/WWF, available at <https://wwf.fi/mediabank/9906.pdf>.

6 *Ibid*, p. 20.

7 *Ibid*, p. 22.

8 Government of Canada, "Clean Growth Hub: Clean technology programs", retrieved on July 16, 2019 from <https://www.ic.gc.ca/eic/site/099.nsf/eng/home#p1>.

9 *Ibid*.

10 *Ibid*.

11 *Ibid*.

12 Government of Canada, "Cleantech and intellectual property", retrieved on July 16, 2019 from <https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04431.html>.

13 *Ibid*.

14 Clean Technology Economic Strategy Table, *supra*, p. 2.

15 Government of Canada, "The Canadian Trade Commissioner Service: Canada's clean technologies poised to lead sustainable future", retrieved on July 16, 2019 from <https://www.tradecommissioner.gc.ca/canadexport/0003164.aspx?lang=eng>.

16 Clean Technology Economic Strategy Table, *supra*, p. 4.

17 *Ibid*, p. 3.

Content shared on Bereskin & Parr's website is for information purposes only. It should not be taken as legal or professional advice. To obtain such advice, please contact a Bereskin & Parr LLP professional. We will be pleased to help you.