

# 2026-2029

## Green Municipal Fund Three-year plan 2026-2029



2026  
2029

# How we developed this plan

This *Three-Year Plan 2026–29* serves as our roadmap to turn a national aspiration into measurable, local transformation. It is the product of a rigorous, evidence-based, six-month and inclusive process involving the Green Municipal Fund (GMF) Council, leadership, employees and national partners. The development process grounded GMF's future in its organizational experience and current market realities.

The resulting direction is deeply aligned with the *Federation of Canadian Municipalities' (FCM's) Strategic Plan 2025–2028*. GMF's *Three-Year Plan 2026–29* is built on the foundation of the FCM Strategic Plan's four strategic imperatives and the enabling crosscutting drivers. As FCM's flagship program and a proven model for local impact, the GMF Three-Year Plan 2026–29 confirms our role as a leading partner in achieving municipal and national sustainability and resilience goals. By capturing diverse perspectives and consistently adhering to Reconciliation + AREI principles, this plan ensures that GMF translates FCM's strategic vision into measurable, local impact across Canada.



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# Our journey

## Who we are

For more than 25 years, the FCM's Green Municipal Fund (GMF) has been a trusted partner, empowering Canadian municipalities to lead the transition to a sustainable future.

Established through an endowment from the Government of Canada and managed by the Federation of Canadian Municipalities (FCM), GMF offers a unique blend of access to funding, technical expertise and collaborative partnerships. We are committed to the three pillars of prosperity for all Canadians: enabling solutions that are *socially* beneficial, *environmentally* sustainable and *economically* healthy and resilient. It's the core of our triple-bottom-line approach.

Our unique value lies in our municipalities-first approach, which blends grants, loans and innovative financing to turn ambitious local ideas into scalable, national projects that advance prosperity. GMF provides the capital, technical guidance and trusted network required to de-risk and implement practical solutions across communities of all sizes in Canada.



# Where we've been

GMF's current position as a national climate finance leader is built on two and a half decades of strategic and financial stewardship of our federal endowments, during which time we've helped municipalities across Canada adapt to the accelerating pace of the climate crisis.

## GMF'S INCEPTION

GMF was established in 2000 with the initial mandate to gain experience in developing and executing municipal sustainability projects. We began by proving the viability of our triple-bottom-line approach—people, the environment, and the economy—across a broad range of community sectors.

Since our inception, the growth of our fund has allowed us to take our impact to an unprecedented scale. To date, we've invested more than \$1.9 billion into more than 2,700 municipal projects. Crucially, we have achieved this while continually preserving the base capital of our endowment and generating sufficient returns from its investments to increase the funds available to Canadian communities. This disciplined stewardship and steady growth allowed GMF to successfully navigate our first quarter century, laying the financial and experiential groundwork for our ongoing expansion.

## MILESTONES

The past 25 years have been distinguished by wins that dramatically increased GMF's scale and scope:

- **Record allocations and disbursements:** We've approved record-breaking levels of funding allocations and disbursements. In 2024-25 alone, we approved \$311 M in funding—a 400% increase since 2018—and disbursed \$147M to communities across Canada.
- **Expanded endowment:** GMF has received several influxes of funding as a result of its successful track record, including \$950 million in *Budget 2019* and \$530 million in 2023 to support the implementation of Canada's *National Adaptation Strategy*.
- **Program innovations:** We've pioneered and scaled innovative financing and delivery models to accelerate the market adoption of climate solutions in key sectors like residential energy efficiency and sustainable affordable housing.
- **Economic contributions:** We've significantly grown GMF's contribution to Canada's gross domestic product and local job creation.
- **Exceptional endowment management:** We've boosted our Environmental, Social and Governance (ESG) performance while achieving competitive financial returns, thus balancing sustainability with performance.



## SIX FOUNDATIONAL ACHIEVEMENTS ENABLE THE NEXT WAVE OF SCALE

From 2023–2026, we accelerated GMF’s evolution and established capabilities that are foundational to our 2026–2029 plan. This was aided by expanded mandates—including resilience and efficiency financing—and relied on six enablers in particular:

- 1. Scaled and mainstreamed:** We proved our ability to take solutions to scale quickly and effectively by combining focused capacity development with funding. This led to the successful mainstreaming of innovative solutions like Property Assessed Clean Energy (PACE) financing and deep energy efficiency retrofits in affordable housing and municipal buildings.
- 2. Unlocked private capital:** We secured the first major, repeatable, project-level leverage investments resulting from intentional design. This validated GMF’s critical role as a trusted financial intermediary capable of attracting and de-risking private capital.
- 3. Expanded into resilience:** We successfully integrated climate resilience into our core mandate, marking a major strategic shift beyond climate mitigation. This established a new, essential business model for building climate-resilient communities, which is now a permanent foundation for GMF’s programming.
- 4. Embedded equity and inclusion:** We successfully integrated a Reconciliation + Anti-Racism, Equity and Inclusion (Reconciliation + AREI) framework into our operations, ensuring that equity is a foundational driver in all our current and future programs.
- 5. Achieved mandate-aligned investments:** We finalized the endowment’s transition to mandate-aligned investments that have strong ESG ratings (see Appendix 3). We are moving forward with implementing our *Climate Strategy*, which outlines our current environmental impacts and articulates the Fund’s pathway to become net-zero across our operations.

- 6. Increased sector influence:** Our internal rigor amplified our external reach, leading to a 5X growth in GMF sector influence as demonstrated by growth in our [LinkedIn](#) following, unique website users, newsletter subscribers, and the sentiment on social media and in our *Capacity Development Annual Survey*. We tracked four industry-accepted measures of influence: expertise, empathy, practicality and brand strength.

## FORWARD-LOOKING FINANCIAL STEWARDSHIP

At GMF, we continually update our financial modeling and scenario testing to ensure that our endowment is preserved over the long term while addressing the urgent need for resources and action in the short term. This disciplined stewardship underpins our current strategy.

Our recently approved financial model is designed to maximize the financial support we provide to communities while preserving the endowment in the long term. This will allow us to support our strategic commitments, including (among others) the ongoing work of the Local Leadership for Climate Adaptation (LLCA) through 2033 and core program renewal. This high-activity period will lead to stable, long-term funding levels for all areas of programming. It’s an approach that guarantees that GMF will remain financially sustainable and ready to meet the major scaling demands required by this *Three-Year Plan 2026–29*.



# The landscape we're responding to

This *Three-Year Plan 2026–2029* is shaped by a new reality. Canadian municipalities are facing intensified climate threats, upward pressure caused by tight local budgets and shifting national priorities. This environment requires GMF to do more than fund projects. We must clearly demonstrate and communicate the economic value of sustainable climate action. In doing so, GMF will help solve five key challenges that are defining the path forward for communities across Canada:

## 1. THE CLIMATE CRISIS AND SHIFTING PRIORITIES

Climate change has escalated from a future threat to an immediate crisis, fundamentally challenging the financial and operational stability of Canadian communities.

Extreme weather events now routinely exceed municipal emergency and insurance capacity, meaning climate action is no longer a policy option, but rather a core issue of community security and financial stability. Consequently, climate adaptation and mitigation are no longer siloed issues; they are now matters of national and local economic competitiveness. Inaction will expose communities to escalating costs and the long-term erosion of their financial resources. This means the performance of Canadian cities on climate resilience and emissions reduction is directly linked to the country's clean-growth future.

Canada's 2050, net-zero targets also place municipalities at the centre of national efforts, requiring local governments to lead on emission reductions, infrastructure renewal and the creation of clean-growth jobs. Despite this strong local ambition, a significant municipal resource gap exists, as many communities—particularly smaller ones—lack the technical, financial and data capacity required to act at the necessary pace and scale. This gap prevents them from translating policy into effective execution.

**GMF's response:** GMF directly addresses this resource gap. We provide the essential capacity, knowledge and funding to enable executable projects that advance both climate mitigation and adaptation. Our commitment is to close the implementation gap and provide a clear economic justification for climate action across the municipal sector.



## 2. FISCAL STRESS AND FUNDING GAPS AT THE LOCAL LEVEL

Canadian municipalities are facing a period of unprecedented fiscal stress. Local governments are dealing with escalating operational costs, rising capital demands for aging infrastructure and legislative or self-imposed debt limits.

With an uncertain economic outlook and lower expected revenues, many orders of government (especially the provinces and territories) are adopting lean budgets, leaving a widening gap between municipal climate ambitions and their financial capacity.

**GMF's response:** GMF is a highly relevant, steady and trusted partner to local governments during this uncertainty. Crucially, GMF fills a major gap by mobilizing capital and providing stable funding for the full project lifecycle, starting with plans and studies that give municipalities the ability to properly assess and try new things, and culminating in pilots and capital projects. This enables initiatives to move forward without putting additional strain on the municipal budget. Our plan focuses on diversifying GMF's investment models by integrating public, private and philanthropic funding to ensure that innovation and impact are still possible despite shrinking public budgets. By demonstrating the economic returns of the projects we fund, GMF helps make the case for investment in Canadian municipalities—funding that cannot be achieved through public funding alone.

## 3. SHIFTING PUBLIC PRIORITIES

National attention is currently focused on urgent social and economic issues, with Canadians ranking the cost of living, healthcare and housing affordability as their top concerns. This focus represents a significant shift in public priorities by moving away from climate action. Notably, this is often driven by a perceived, yet false, tension between immediate cost-of-living concerns and climate action.

To maintain momentum and relevance, GMF must directly address this priority gap by demonstrating how our work solves both problems simultaneously.

**GMF's response:** GMF will articulate how our programs provide climate benefits *and* tangible, long-term economic value while minimizing medium-term costs to Canadians. Our work, which spans energy-efficient buildings, sustainable waste management, resilient infrastructure and more, is fundamentally about securing a cost advantage for communities and a cost-of-living advantage for households, compared to inaction.

By funding projects that lead to lower utility bills, reduced operational costs and avoided expenses from climate damage, GMF demonstrates that sustainable action is not a cost burden, but a strategy for economic resilience and community affordability. The cost-benefit link is clearer in this new plan for 2026–2029 as it is about more than climate; it's about economic resilience as well.

A focus on the business case for climate action is essential to securing public and political support for the entire municipal sustainability sector.

## 4. CANADA'S PRIORITIES

GMF's *Three-Year Plan 2026-29* directly addresses enduring national priorities by establishing economic resilience, infrastructure renewal and climate adaptation as core foundations of community well-being. This positions municipalities as strategic implementation partners for major, national building goals, because infrastructure and climate targets require effective local execution. GMF's triple-bottom line approach ensures that every funded project contributes to community security and economic strength, alongside environmental and social benefits.

### Economic resilience and infrastructure renewal

The federal government now views infrastructure as a core economic and climate resilience strategy, rather than just a capital investment tool. This requires municipalities to both modernize essential systems (transit, waste, etc.) and build new infrastructure that is capable of withstanding the accelerating climate and demographic shifts in our country. These shifts—including rapid population growth, increased immigration and the crises of homelessness and mental health—are placing immense stress on local services, policing and emergency resources. Resilient, well-planned infrastructure is a vital tool municipalities can use to manage and mitigate the direct impacts of these social pressures.

**GMF's response:** GMF's role is catalytic. By specializing in innovative financing and technical de-risking, we ensure that green infrastructure investments are sound, scalable and financially sustainable. Our work leverages and complements large federal transfers by injecting the necessary innovation into project execution.

### Rural, Northern and remote Canada

Increased federal attention to these regions demands inclusive funding models that work effectively outside large urban centres. Municipalities in rural, Northern and remote Canada often lack access to the necessary technical capacity and sophisticated financing mechanisms.

**GMF's response:** GMF is structured to fill this gap through targeted capacity-building and tailored funding streams. We are additionally investing in efficient, lean processes designed to make it easier for communities to access funding. These are core tenets of GMF's Reconciliation + AREI approach, which ensures that all communities can participate equitably in Canada's low-carbon, resilient future.



## Policy implications for GMF

The current federal agenda explicitly reframes municipalities as strategic delivery partners, reinforcing GMF's unique and essential relevance. GMF is the primary vehicle for success in this partnership model, as we're already uniquely positioned to do three things well:

- **Translate national priorities:** We convert high-level federal goals into measurable, on-the-ground, local action.
- **Enable innovation and scale:** We manage the risks and prove the value of pioneering solutions, so municipalities can efficiently take them to scale through larger federal programs.
- **Demonstrate accountability:** We provide technical validation and deliver measurable results that align with federal reporting frameworks.

By connecting local innovation with high-impact federal outcomes, GMF strengthens both municipal autonomy and progress toward our national climate and economic goals.



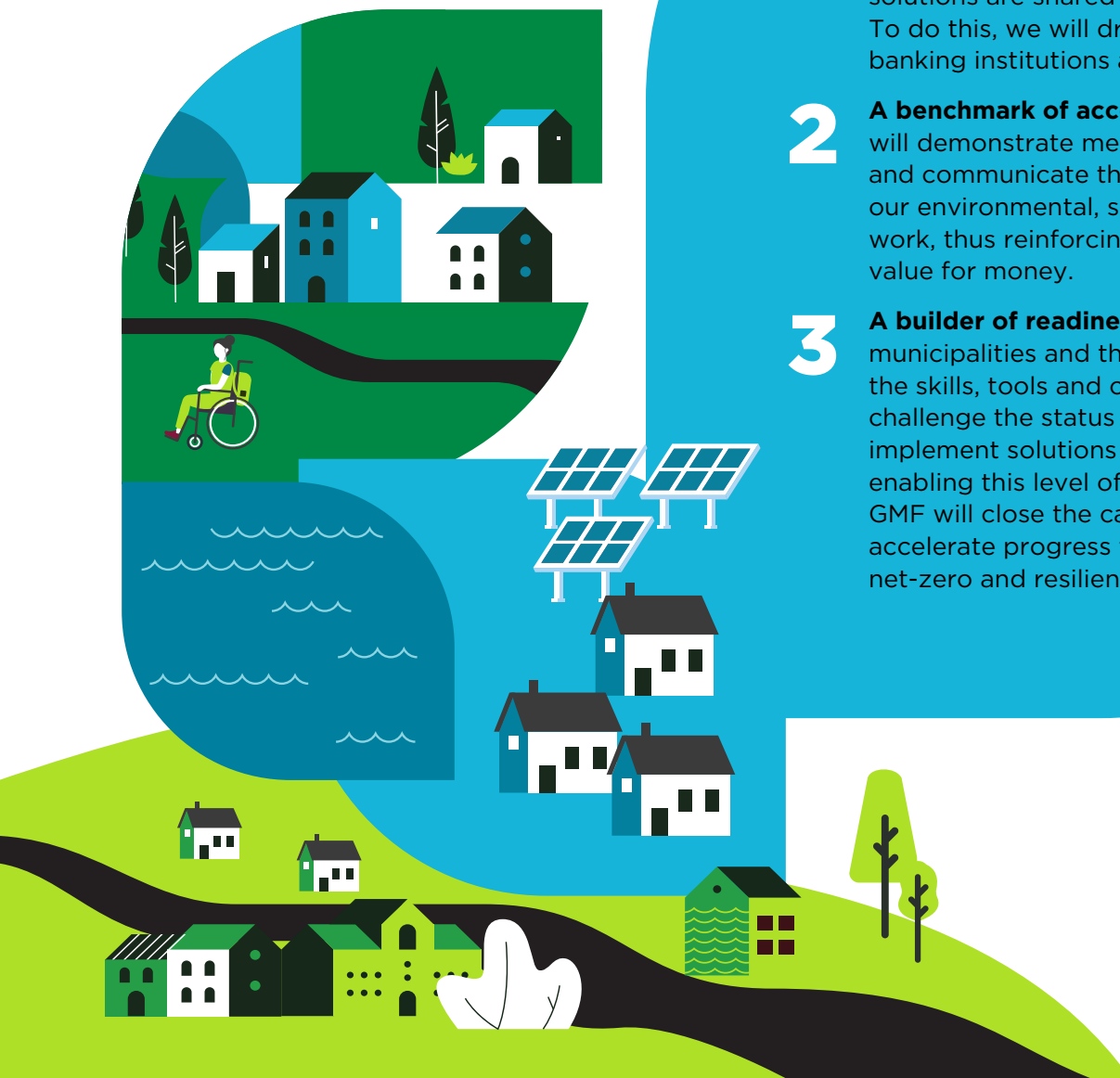
# Where we're going

Building on 25 years of proven financial and program leadership, GMF is now entering a critical chapter. Our last three-year plan laid essential groundwork as we integrated climate resilience into our core mandate and embedded Reconciliation + AREI into our work. With that foundation set, the next three years are paramount.

We're using this *Three-Year Plan 2026–29* to define our shift from being a funding-focused organization to a catalyst for broad-based investments in municipal sustainability. Our core focus is on rapidly scaling municipal impact through collaboration, innovation and inclusion. We're also deliberately building and communicating a clear economic case for climate action.

We will continue to strengthen our role as a trusted partner and thought leader for local governments by mobilizing the capital, knowledge and people required to help all communities thrive in a low-carbon, resilient and inclusive future. To achieve this acceleration, this *Three-Year Plan 2026–29* positions GMF in three key ways:

- 1 A systems connector:** We will link local ideas, diverse investments (public, private and philanthropic) and Canadian communities, and ensure that high-impact solutions are shared and replicated rapidly. To do this, we will draw in credit unions, banking institutions and private developers.
- 2 A benchmark of accountability:** We will demonstrate measurable results and communicate the importance of our environmental, social and economic work, thus reinforcing public trust and value for money.
- 3 A builder of readiness:** We will equip municipalities and their partners with the skills, tools and capital required to challenge the status quo, innovate and implement solutions effectively. By enabling this level of ambitious action, GMF will close the capacity gap and accelerate progress toward Canada's net-zero and resilience goals.



# Our commitment

## Purpose

GMF exists to enhance the quality of life for people in Canada by accelerating a transformation to resilient, net-zero and inclusive communities. We do this by providing grants, loans, innovative financing, leveraged investments, capacity building and strategic support that embed Reconciliation + AREI in all aspects of our work.

## Vision

The GMF vision is that Canadian municipalities lead the way to achieving Canada's sustainable prosperity and climate competitiveness. GMF aims to be the go-to resource and partner for municipalities in Canada that are accelerating their transformation to resilient, net-zero communities. GMF drives municipal progress using solutions that address wider outcomes across sub-sectors. We are committed to the principles of AREI, and reconciliation between Indigenous and non-Indigenous peoples.



# Guiding principles

Six principles guide GMF's program design and decision making:

1. Focus on the needs and expectations of GMF clients (i.e., municipalities).
2. Centre decisions around the urgency of climate change mitigation and adaptation, while demonstrating disciplined stewardship of public funds.
3. Remain innovative and ambitious, enabling transformation while managing risk.
4. Support healthy, empowered teams that deliver organizational growth and respond to a rapidly changing world.
5. Operate as an anti-racist, equitable, and inclusive organization.
6. Create results-oriented designs and efficient delivery models for all programs.

# Ultimate goals

GMF has a set of 10-year ultimate goals that are rooted in the guidance provided by our funding agreement with the Government of Canada. These goals were developed in 2018 and are designed to drive market transformation and advance our vision for resilient, net-zero and inclusive communities across Canada. These goals collectively advance the three essential pillars of sustainable prosperity: social, environmental and economic well-being.

**1 Ultimate goal #1:** Communities can access innovative, technically and economically viable solutions to their climate change mitigation, adaptation and sustainability challenges.

**2 Ultimate goal #2:** Communities have climate change mitigation and adaptation plans, and they and their partners have the capacity, knowledge, decision-making tools and support to scale up the implementation of sustainable, resilient net-zero solutions.

**3 Ultimate goal #3:** Communities can access the capital they need to invest in or fund sustainable, resilient, net-zero solutions.

**4 Ultimate goal #4:** GMF has the means, resources and partner support to lead the transition to sustainable, resilient, net-zero Canadian communities.

These ultimate goals remain highly relevant and continue to guide GMF's priorities. As we approach the end of our 10-year horizon (2018–2028), we are tracking our progress toward these goals using an *Integrated Results Framework (IRF)* (see [Appendix 2](#)).



# Accountability and reporting

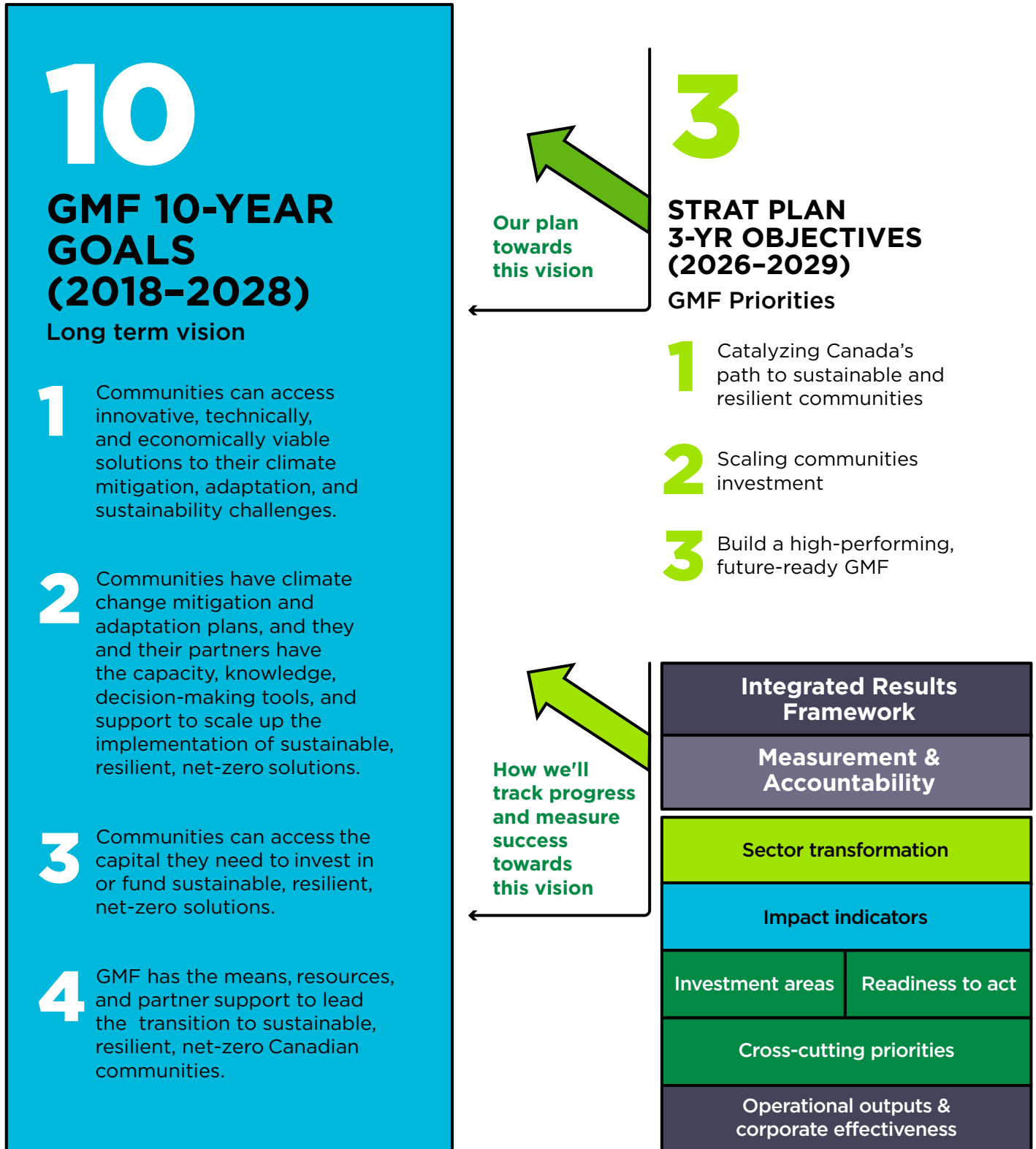
Our endowment reports on its activities and progress in the *GMF Annual Report*. However, as our portfolio has expanded, and we have introduced new funding programs with diverse climate objectives, partners and cross-cutting priorities, we needed to maintain a consistent and streamlined reporting mechanism. We designed the Integrated Results Framework with this in mind. It unifies these diverse requirements and consolidates multiple internal reporting tools into a single, cohesive structure.

Anchored in GMF's Results-Based Management (RBM) approach, the IRF establishes a unified results architecture. This structure is essential to measuring GMF's overall contribution to sector transformation, as well as tracking the specific climate and sustainability achievements of its programs. By centering impact and strategic investment areas, this consolidated approach should significantly improve internal efficiency, reduce redundant reporting efforts and streamline communications.

The IRF will ensure measurable outcomes across our three pillars of prosperity: environmental sustainability (climate action), economic sustainability (viability and growth) and human sustainability (social inclusion and community well-being, including resilience to demographic stress). With clear measures and results, we will be able to appropriately define the next generation of transformational targets for the coming decade.



**FIGURE 1.**  
Bigger picture



# Our plan

GMF's *Three-Year Plan 2026-29* is structured around three interconnected, medium-term themes and their objectives, all of which build on the progress made in the previous two and a half decades. These themes pivot GMF from being a funding program to a catalyst for broad-based municipal transformation. They also define our pathway to accelerating net-zero, building resilience and achieving measurable economic and social value for Canadians. All three themes align with the current and emerging goals and objectives of the Government of Canada.



# 1

## THEME 1:

# Catalyzing Canada's path to sustainable and resilient communities

This theme delivers on our core purpose: ensuring that communities achieve measurable, long-term transformation toward a low-carbon and resilient future. By combining grants, loans and capacity-building solutions, we aim to advance Canada's climate and net-zero goals while strengthening our nation's collective climate resilience and generating local, social and economic benefits.

Our Reconciliation + AREI framework is the cross-cutting lens for this theme. We developed the framework through the leadership of FCM's internal AREI department. It ensures that all communities—especially smaller, rural, remote and equity-deserving groups—have equitable access to GMF programs and the ability to shape their own sustainable and resilient futures. GMF is working to further develop and track evidence-based indicators of our success in these areas as part of this *Three-Year Plan 2026-29*.

### Objective 1:

Fund and scale solutions with triple-bottom-line impact

### OUTCOME

GMF will deliver direct investments to the systemic solutions that have the highest potential for measurable impact on emissions reductions, climate resilience, sustainability and inclusivity. We will do so while ensuring equitable access to funding across all communities.

### WHY THIS MATTERS

Achieving Canada's net-zero and resilience goals requires a shift in municipal investment strategies. Municipalities are ready to lead, but they need capital that rewards innovation, not just compliance. GMF's role is to close the financial and capacity gaps that exists, and we will do this by acting as a major catalyst for this shift, accelerating the change required for climate action to succeed.

To truly achieve scale, climate solutions must be economically viable. Projects can no longer depend solely on grants, and instead, must be designed to increasingly attract follow-on investments from private and institutional sources. GMF's funding will act as the crucial de-risking mechanism, demonstrating the business case for green infrastructure.

This focus on demonstrable success is essential because public scrutiny and accountability demand transparency. With growing competition for limited public and private funds, GMF ensures that every investment delivers measurable impact. This means value for money for local governments through lowered long-term operational costs, and healthier, more resilient and inclusive communities for all Canadians. When we identify high-potential projects with clear, evidence-based outcomes, we reinforce GMF's role as a trusted benchmark for results-oriented climate action.

## Objective 2: Build communities' capacity to act

### OUTCOME

We will equip communities with the appropriate funding and capacity development so they can design and implement climate-resilient solutions that are locally relevant, equitable and inclusive, and that deliver long-term economic, social and Indigenous reconciliation results.

### WHY THIS MATTERS

“Implementation readiness” is one of the largest barriers between municipal climate ambition and execution. Many communities lack the resources to acquire the specialized engineering, financial or change-management capacity to undertake complex climate projects. Addressing this capacity gap through customizable solutions is both a critical resilience measure and an equity issue; it de-risks the transition by ensuring that a lack of internal expertise does not lead to project failure or the total exclusion of small, rural or Northern communities.

GMF's programs are intentionally designed to overcome this barrier through the combined and customizable approach of funding and capacity development (e.g., coaching and expertise). This approach creates direct value for local government staff and leaders, equipping them with the tools to move from planning to implementation, with confidence and measurable success.

Beyond technical skills, successful implementation relies on public acceptance and support. In an era of increasing misinformation, GMF's role in supporting municipalities as they build stronger public literacy and trust in science-based decision-making is vital. This creates long-term value for local residents, as resilient infrastructure is not just an environmental solution; it's a social solution. It provides the stability and adaptive capacity that local governments need to effectively manage intensifying pressures, such as housing crises, mental health challenges and the integration of new populations. By building this trust, we ensure that climate solutions are not just technically sound, but socially enduring.



# 2

## THEME 2: Scaling community investment

This theme is focused on multiplying GMF's financial reach. By mobilizing diverse capital, strengthening the economic case for climate action and leveraging our network and partnerships, we will accelerate

inclusive, sustainable growth and ensure that GMF remains the leading municipal climate finance intermediary in Canada.

### Objective 1: Setting the stage for co-investment in inclusive climate action

#### OUTCOME

We will create the necessary conditions for this inclusive climate action by communicating its economic, social and environmental value and building a compelling business case that attracts investors and collaborators.

justify every climate dollar spent. By providing this evidence, GMF demonstrates crucial co-benefits (e.g., cost savings, enhanced community resilience, equity outcomes). This sets the table for broad political support and signals a strong business case of high-quality, low-risk opportunities that are attractive to private capital.

#### WHY THIS MATTERS

Evidence builds trust. Municipal leaders, funders and investors need clear proof of the return on their investments across economic, social and environmental dimensions. In an environment of competing priorities (housing, affordability, demographic shifts, etc.), municipalities must

To translate this foundational evidence into tangible investments, GMF will excel at crafting and sharing "investable stories." These will be helpful and valuable to municipal champions who need data to secure approval for municipal projects, as well as under-served community members who will benefit from investments in inclusive projects. We will combine credible data, national visibility and trusted municipal relationships to grow both financial and social capital for climate action, driving mobilization based on proven results.

## Objective 2: Partnering to mobilize sustainable infrastructure capital

### OUTCOME

We will develop partnerships and co-investment models that leverage GMF's endowment to bring together and align diverse capital streams toward shared community outcomes. This will position GMF as the provider of choice for community-level impact and expand our ability to serve more clients.

### WHY THIS MATTERS

Municipalities cannot meet their climate and infrastructure needs through traditional public funding alone. Canada's net-zero transition will require an estimated \$125-\$140 billion annually in climate-aligned investment by 2030, a figure far beyond public budgets.<sup>1</sup>

By developing co-investment models, GMF de-risks the entry of private and philanthropic capital into the municipal space. We can help make things easier for investors who want to fund green projects, but find individual municipal deals too small or complex to navigate.

As the federal government increasingly favours co-funded models that reward readiness, we must leverage GMF's reputation to help align private and philanthropic investors who are actively seeking credible, local impact vehicles aligned with ESG goals. Blended finance can expand our reach, so that each GMF dollar unlocks multiple community dollars.

GMF's credibility, risk frameworks and established municipal network position us as Canada's leading municipal climate finance intermediary. This creates immense value for the federal government and private investors, who gain a high-integrity pipeline for their capital. Ultimately, it delivers the most value to local residents and taxpayers who benefit from essential infrastructure projects that would otherwise remain out of reach.

<sup>1</sup> <https://www.canada.ca/en/department-finance/news/2024/10/government-advances-made-in-canada-sustainable-investment-guidelines-and-mandatory-climate-disclosures-to-accelerate-progress-to-net-zero-emissions.html>

# 3

## THEME 3:

# Build a high-performing, future-ready GMF

This theme focuses on operational efficiency and maturity, ensuring the financial stability of our endowment while optimizing the balance between timely service and stewardship. In taking this approach, GMF will be recognized globally as a

trusted model and benchmark for well-governed, responsible investments that deliver clear value for money and measurable, triple-bottom-line (economic, social and environmental) impact.

### Objective 1:

Deliver high-quality results with stewardship and value for money

### OUTCOME

We will deliver reliable, high-quality results through streamlined processes, strong governance and compliance with relevant requirements. This will reinforce our stakeholders' trust and ensure that every GMF investment delivers maximum value to our funders and our clients.

To maintain this standing and in response to client feedback, our processes must become more efficient. In the coming years, we will achieve this using lean, tech-enabled processes to further reduce funding cycle times or free up staff toward higher-value work. This ensures the consistent service standards and timely delivery upon which our clients rely to meet their own urgent deadlines.

### WHY THIS MATTERS

We earn the trust of our clients and funders by meeting their core expectations, including the delivery of measurable returns and the stewardship of public funds. By modernizing our operations, we deliver services more efficiently, ensuring that municipal partners get the support they need when they need it. Our discipline in these areas helps drive our long-term program success and provides a strong foundation to do even more for the sector.

Robust assurance and compliance frameworks will be critical to this work, as they not only manage risk, but strengthen GMF's credibility and resilience in a demanding environment. The Government of Canada and co-investors can be confident in the integrity of their investments. Ultimately, a more efficient GMF ensures that more resources reach local communities exactly when and where they are needed most.

## Objective 2: Build value for tomorrow

### OUTCOME

We will steward GMF's endowment for long-term growth and stability, ensuring sustainable funding that meets evolving community needs for generations to come.

### WHY THIS MATTERS

The performance of our endowment underpins GMF's ability to serve future generations of municipalities. To ensure our financial sustainability amid market volatility, we have long prioritized responsible investments, and will continue to do so.

This enables greater resilience to the challenge of funding volatility and ensures that our support remains stable, predictable and consistent, regardless of market shifts. Achieving ESG-aligned returns is crucial, as it attracts key partners and reinforces GMF's credibility and impact as a mission-driven fund.

By managing our operational spending carefully, we will be able to maximize our impact per dollar spent, allowing us to sustain our mandate for decades and deploy more resources directly into community transformation. This stewardship creates profound value for future generations of Canadians who will inherit the infrastructure we build today, as well as our long-term municipal partners, who count on GMF as an ongoing part of their transition to net-zero.

## Objective 3: Cultivate a thriving, resilient GMF for tomorrow's demands

### OUTCOME

We will foster a thriving, resilient GMF by empowering people, systems and culture to meet tomorrow's challenges and deliver lasting impact to Canadian communities and their partners.

### WHY THIS MATTERS

GMF's investment in its people, systems and culture enables it to lead by example, demonstrating how an impact fund can be both high-performing and human-centered. This investment is essential because GMF's people and culture are its greatest assets in navigating complexity and change.

Internally, we know that strong engagement, inclusion and leadership continuity are what sustain performance and innovation. Externally, a healthy and values-driven organization builds trust with partners and funders by delivering visible, measurable ESG performance. Ultimately, demonstrating robust accountability and good governance reinforces GMF's credibility and long-term impact.

# Appendix 1.

## Objectives: How we'll measure success

### Summary table

THEME	OBJECTIVE	KEY RESULT AREA	THREE-YEAR KEY RESULT
<b>1. Catalyzing Canada's path to sustainable and resilient communities</b>	1.1 Fund and scale solutions with triple-bottom-line impact	Investment impact	<ul style="list-style-type: none"> <li>Allocate \$665 million across all funding programs</li> <li>Disburse \$740 million across all funding programs</li> </ul>
		GMF funded projects achieve key IRF targets	<ul style="list-style-type: none"> <li>Achieve equitable, population-aligned distribution (rural/urban, regional)</li> <li>Funded projects result in direct greenhouse gas emission reductions that exceed 50 kT/yr CO<sub>2eq</sub></li> <li>Funded portfolio exceeds 47,000 individuals with (direct) increased resilience<sup>2</sup> (Note: Individuals indirectly benefitting are expected to exceed 2.3 million people)</li> </ul>

2 GMF has adopted this indicator to qualify the benefits of adaptation projects for individuals and communities, aligning with international best practice, including, but not limited to: **Adaptation Fund**. (2014). *Methodologies for reporting Adaptation Fund core impact indicators* (Adaptation Fund Board, 2014) [PDF]. <https://www.adaptation-fund.org/wp-content/uploads/2016/04/AF-Core-Indicator-Methodologies.pdf>

**Green Climate Fund**. (2021). *Integrated results management framework policy* (Board decision B.29/12) [PDF]. <https://www.greenclimate.fund/sites/default/files/document/irmf-policy.pdf>

THEME	OBJECTIVE	KEY RESULT AREA	THREE-YEAR KEY RESULT
		GMF impact evaluation	<ul style="list-style-type: none"> <li>Develop and implement GMF's cross-program <i>Impact Evaluation Framework</i>, by: <ul style="list-style-type: none"> <li>Retroactively assessing emissions reductions, resilience gains, financial contributions and equity co-benefits to Canadians across funded projects</li> <li>Establishing a roadmap for continuous improvement over the next decade</li> </ul> </li> </ul>
	1.2 Build communities' capacity to act	Demonstrate the reach and benefits of GMF's investment in capacity development	<ul style="list-style-type: none"> <li>Outputs (<i>Note: Outcomes will also be reported annually</i>): <ul style="list-style-type: none"> <li>Host 5,000 participants in webinars and information sessions</li> <li>Convene 1,725 participants in peer learning networks, communities of practice and in-person learning forums</li> <li>Deliver workshops, e-courses and coaching programs to 3,400 participants</li> </ul> </li> </ul>
		Support municipalities in championing sustainable, resilient infrastructure development	<ul style="list-style-type: none"> <li>Establish and sustain <math>\geq</math> three cross-sector partnerships to equip municipal staff and elected officials to champion investments in low-carbon and resilient infrastructure, including correcting inaccurate and misleading information</li> <li>Co-create and deploy a practical toolkit and training offer adopted by <math>\geq</math> 500 municipalities</li> </ul>
<b>2. Scaling community investment</b>	2.1 Setting the stage for co-investment in inclusive climate action	Evidence and Impact Showcase	<ul style="list-style-type: none"> <li>Publish enhanced annual impact reports and <math>\geq</math> 15 impact studies highlighting the economic and community return on GMF investments to: 1) the Community 2) Canadians 3) Canada</li> </ul>

THEME	OBJECTIVE	KEY RESULT AREA	THREE-YEAR KEY RESULT
		Brand Visibility National awareness of GMF as an investment partner	<ul style="list-style-type: none"> <li>Increase by 5% (over 2026 baseline) by end of third year, as measured through industry engagement metrics</li> </ul>
	2.2 Partnering to mobilize sustainable infrastructure capital	Capital Mobilization	<ul style="list-style-type: none"> <li>At least \$600 million in new public, private and philanthropic capital mobilized through co-investment models that improves GMF's overall leverage ratio and demonstrates scalable, high-impact co-investment approaches</li> </ul>
<b>3. Building a high-performing, future-ready GMF</b>	3.1 Deliver High-Quality Results with Stewardship and Value for Money	Client Trust	<ul style="list-style-type: none"> <li>Meet or exceed GMF service standards and achieve 80% client satisfaction across measures of service quality, timeliness and alignment</li> </ul>
		Productivity	<ul style="list-style-type: none"> <li>Part 1 – Staff-led leaning initiatives: Complete at least 30 staff-led learning initiatives that lead to at least one of the three key results: <ul style="list-style-type: none"> <li>KR1: Average process time reduction of 20%</li> <li>KR2: Reduction in average cost per unit of output of at least 10%</li> <li>KR3: Average productivity gain of 20% (measured as increase in output per staff hour)</li> </ul> </li> <li>Small-grant process “Leaning”: Conduct an end-to-end “Leaning” of the process of administering small grants (&lt;\$100,000) resulting in productivity gains at each stage of the process and reduced cycle times for clients.</li> </ul>

THEME	OBJECTIVE	KEY RESULT AREA	THREE-YEAR KEY RESULT
		Governance & Compliance Integrity	<ul style="list-style-type: none"> <li>Implement the second and third lines of defence in GMF’s risk management system, resulting in a sound method for demonstrating assurance of GMF compliance and proactively identify and manage risks to GMF</li> </ul>
	3.2 Build Value for Tomorrow	Endowment Stability	<ul style="list-style-type: none"> <li>Increase the pace and scale of GMF’s impact by directing and disbursing at least \$400 million in capital from the endowment’s investments into impact-generating municipal loans</li> <li>Achieve a sustained 3.94% annual average return on GMF investments, aligned with ESG and responsible investment benchmarks</li> <li>Cap GMF’s operating costs in 2026–27 at \$32.8M (before investment fees or other costs outside the GMF operating cost cap), resulting in a downward trend in year-over-year spending by 2028–29</li> </ul>
	3.3 Cultivate a Thriving, Resilient GMF for Tomorrow’s Demands	ESG Scorecard on GMF’s Corporate Performance	<ul style="list-style-type: none"> <li>Maintain or exceed GMF’s corporate performance targets across ESG dimensions covering: <ul style="list-style-type: none"> <li>Corporate emissions reductions</li> <li>Inclusive, sustainable and resilient operations</li> <li>Responsible endowment investment and good governance</li> </ul> </li> </ul>

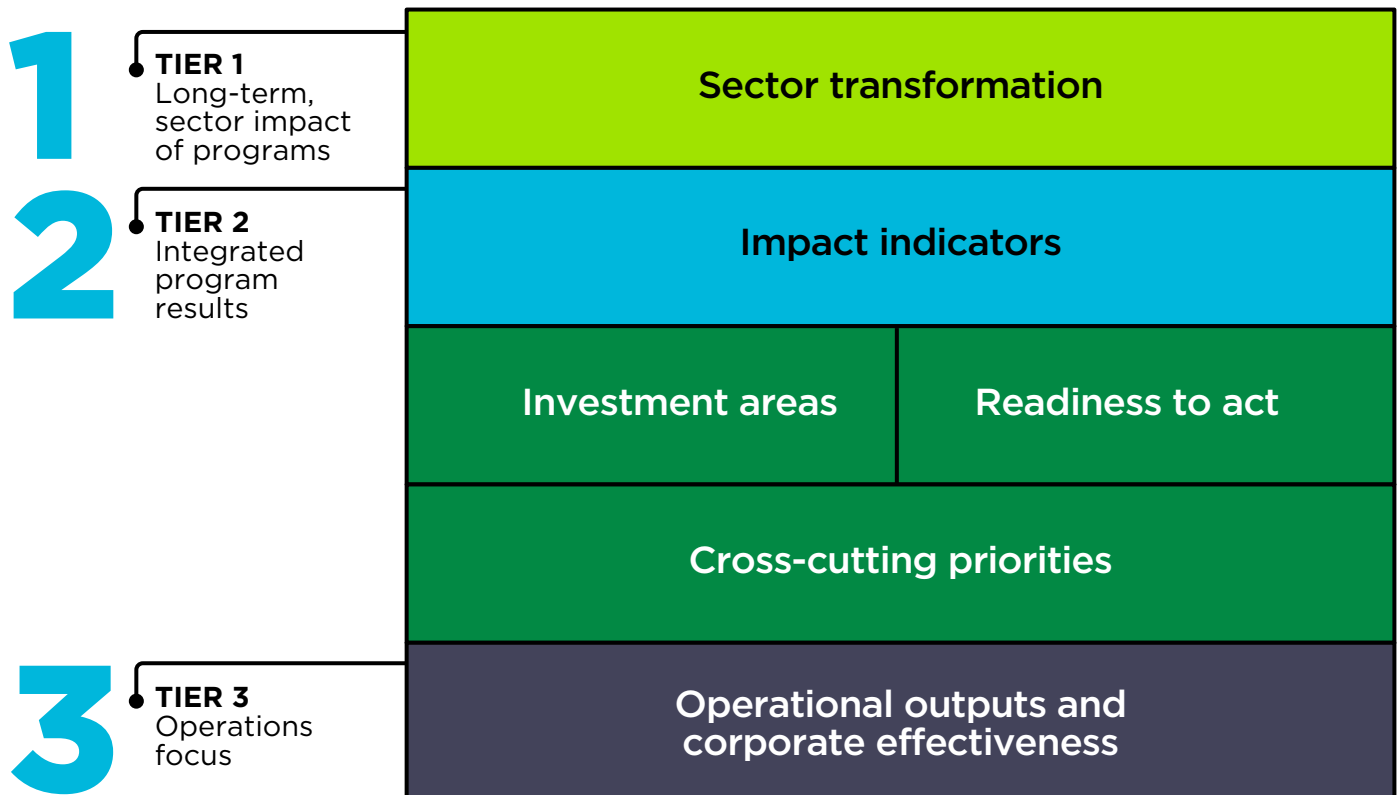
# Appendix 2. GMF's Integrated Results Framework (IRF)

The growth of GMF's portfolio has enabled new funding programs with diverse climate objectives, partners and cross-cutting priorities. The IRF was designed to unify these varied priorities and multiple internal reporting frameworks into a single, unified structure.

The IRF establishes a results architecture that enables GMF to track the contribution to sector transformation, as well as the climate and sustainability outcomes of our programs. This puts impact and investment areas at the centre of GMF's work and will streamline reporting, reduce duplication and improve our internal efficiency.

The framework's structure includes three tiers:

**FIGURE 2**  
Framework structure

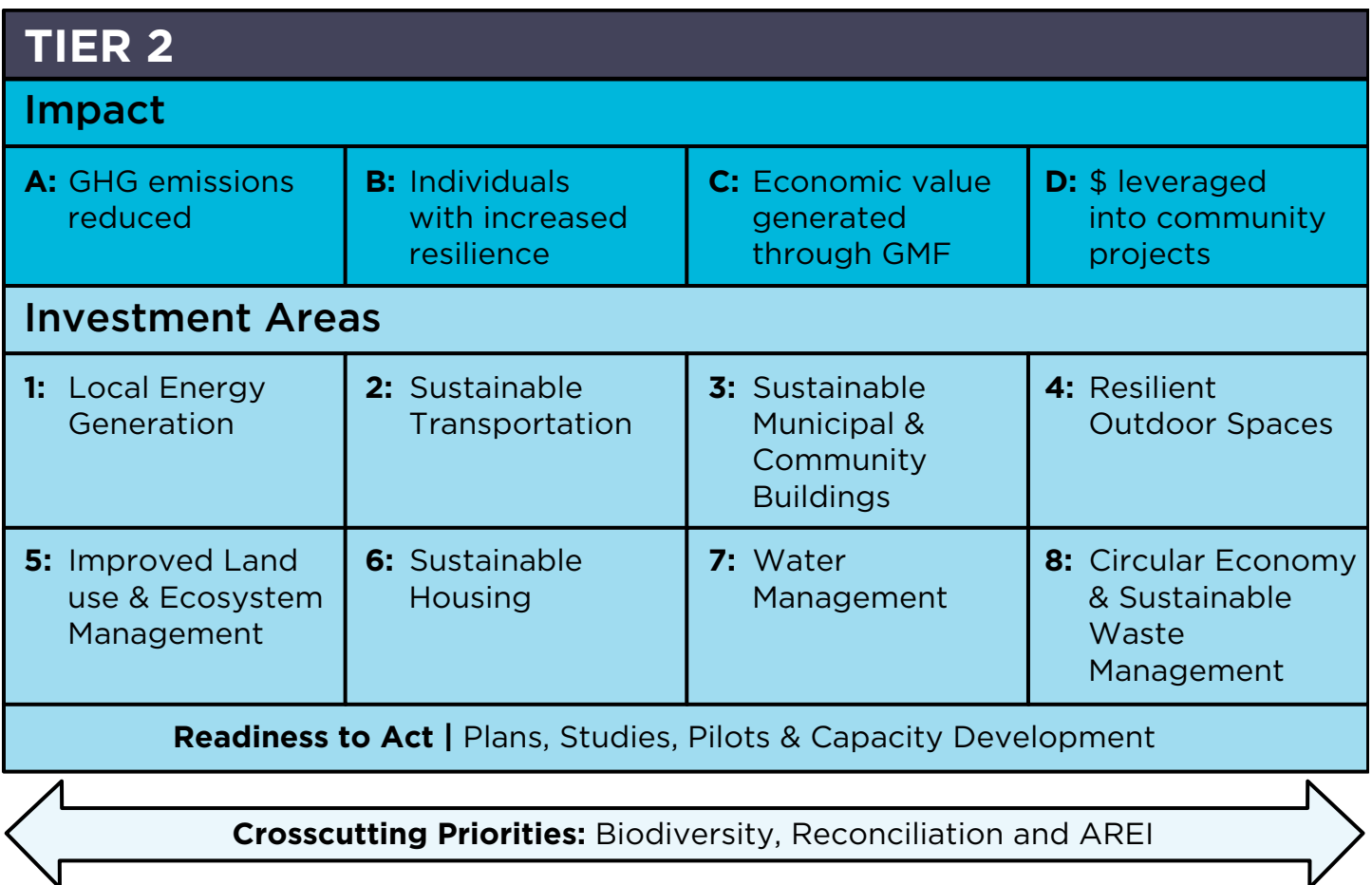


**Tier 1**, sector transformation, will define a set of criteria that will be used to evaluate the extent to which programs contribute to GMF’s long-term goals and intended impact. Typically, these dimensions can be assessed through an impact evaluation of a program or GMF’s portfolio. By including common criteria in the IRF, GMF will be better equipped to understand our system-level impact over time.

The development of this criterion is included in theme one, strategic objective one of this *Three-Year Plan 2026-29*.

**Tier 2** reorganizes the endowment-level impact work completed to date, as well as the existing measurement frameworks, to demonstrate both program-level performance and the overall impact of GMF’s investments on communities across Canada:

**FIGURE 3**  
GMF Updated IRF Structure



We have identified four top-level impact indicators to track results towards the endowment’s purpose. Individual projects will report into one or more of the eight investment areas that focus on a specific sector or priority where municipal action can have a significant impact. Investment areas are structured around the eligible project characteristics in the *GMF Funding Agreement* to ensure space for reporting past, present and future funding impacts.

Each impact indicator and investment area has associated supplementary indicators that provide additional depth, context and flexibility in performance tracking. These help to create a fuller picture of what we are achieving across our endowment through reporting on theme one, strategic objective one of the *Three-Year Plan 2026-29*.

**Readiness to act captures** GMF’s investments in building foundational capacity for action in municipalities. By funding the essential groundwork through plans, studies and pilots, we ensure that municipalities are equipped to move quickly from ideas to implementation. The IRF also recognizes capacity development as a critical enabler of municipal action and measures impact at both the immediate and intermediate level, aligning with theme one, strategic objective two of the *Three-year Plan 2026-29*.

**Cross-cutting priorities** integrate key themes or strategic priorities—such as biodiversity, equity and Reconciliation + AREI—into program planning, design, implementation and evaluation. This approach supports more holistic, inclusive and impactful outcomes. Where relevant, programs may use tools such as integration scales to report on how cross-cutting priorities are integrated into projects and capacity development activities.

**Tier 3** includes operational outputs that focus on the direct, tangible measures that are related to the allocation and delivery of funds. An initial set of metrics has been compiled to measure the reach, scope and immediate financial activity of GMF. These metrics will be used to support reporting on theme one, strategic objective one of the *GMF Three Year Plan 2026-2029*.

Operational and corporate performance will reflect GMF’s delivery capacity and internal effectiveness. The development of these metrics is included within theme three, strategic objective three of the *GMF Three Year Plan 2026-2029*.

The IRF indicators will be confirmed, defined and implemented during the period covered by the *GMF Three Year Plan 2026-2029*.

IRF tier	Link to the <i>GMF Three-Year Plan 2026-2029</i>	Examples of metrics
<b>Tier 1: Sector transformation</b>	To be developed through theme one, strategic objective one; GMF impact evaluation	—
<b>Tier 2: Impact indicators</b>	Metrics will be used to support reporting on theme one, strategic objective one: Fund and scale solutions with triple-bottom-line impact	<p><b>Impact indicator A:</b></p> <ul style="list-style-type: none"> <li>• # GHG emissions reduced (tonnes CO<sub>2e</sub>/yr)</li> <li>• A1: Criteria Air Contaminants (CAC) emissions avoided (kg/yr)</li> <li>• A2: Energy and fuel use (electricity, diesel, gasoline, natural gas)</li> </ul>

IRF tier	Link to the <i>GMF Three-Year Plan 2026-2029</i>	Examples of metrics
<b>Tier 2: Investment areas</b>	Metrics will be used to support reporting on theme one, strategic objective one: Fund and scale solutions with triple-bottom-line impact	<b>Investment area 1:</b> Local energy generation <ul style="list-style-type: none"> <li>• 1.1 # of energy systems built</li> <li>• 1.2 Installed capacity of local energy systems (kW or MW)</li> </ul>
<b>Tier 2: Crosscutting priorities</b>	Metrics will be used to support reporting on theme one, strategic objective one: Fund and scale solutions with triple-bottom-line impact	<b>Biodiversity</b> <ul style="list-style-type: none"> <li>• Level of integration of biodiversity consideration into projects</li> </ul>
<b>Tier 2: Readiness to act (capacity development)</b>	To be measured through theme one, strategic objective two: Build communities' capacity to act	<b>CD immediate indicators:</b> <ul style="list-style-type: none"> <li>• % of participants who report increased knowledge and/or skills</li> <li>• % of participants who report feeling equipped to apply the new knowledge and resources.</li> </ul>
<b>Tier 3: Operational outputs</b>	Metrics will be used to support reporting on theme one, strategic objective one: Fund and scale solutions with triple-bottom-line impact	Total dollar amount requested/ approved/disbursed (fiscal year approved and since inception) by: <ul style="list-style-type: none"> <li>• Investment areas</li> <li>• Regional distribution</li> <li>• Urban/rural</li> <li>• Grant vs loans</li> </ul>
<b>Tier 3: Corporate effectiveness</b>	To be developed though theme three, key result area #3: ESG scorecard on corporate performance	—

# Appendix 3.

## The United Nations Principles for Responsible Investment (UNPRI)

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The UN Principles for Responsible Investment (UN PRI) is an independent, non-profit organization that works to promote the incorporation of environmental, social and governance (ESG) factors into investment and ownership decisions. Supported by the United Nations, the PRI is a globally recognized framework for embedding sustainability into the financial system.

The PRI recognizes that ESG issues—such as climate change, human rights and corporate corruption—can affect the performance of investment portfolios and that integrating them aligns investors with the broader objectives of society.

Signatories (including asset owners, investment managers, and service providers) report annually on their progress, and voluntarily commit to implementing six core principles:

1. **Incorporation:** Integrate ESG issues into investment analysis and decision-making processes
2. **Active ownership:** Be active owners and incorporate ESG issues into ownership policies and practices
3. **Appropriate disclosure:** Seek appropriate disclosure on ESG issues by the entities in which they invest
4. **Promotion:** Promote acceptance and implementation of the principles within the investment industry
5. **Collaboration:** Work together to enhance effectiveness in implementing the principles
6. **Reporting:** Report on activities and progress toward implementing the principles

By committing to the UNPRI, organizations like GMF signal a commitment to long-term value creation by acknowledging the importance of a sustainable global financial system.