

TAF Grants Policy

Note to Readers: This document should be read in conjunction with the [Toronto Atmospheric Act, 2005](#), the [Relationship Framework with the City of Toronto](#), [TAF By-law No. 1](#) and agreements governing TAF's endowments, as may be amended from time to time.

Table of Contents

CONTEXT	1
PURPOSE	2
SCOPE	2
ELIGIBILITY CRITERIA.....	2
<i>Recipient Eligibility Criteria</i>	<i>2</i>
<i>Project Eligibility Criteria.....</i>	<i>2</i>
<i>Funding Apportionment from TAF's Endowments</i>	<i>3</i>
GRANTMAKING PROCESS	3
<i>Application</i>	<i>3</i>
<i>Assessment.....</i>	<i>4</i>
<i>Approval</i>	<i>4</i>
<i>Appeals.....</i>	<i>5</i>
GRANT ADMINISTRATION.....	5
<i>Contribution Agreement.....</i>	<i>5</i>
<i>Reporting</i>	<i>6</i>
<i>TAF Support</i>	<i>6</i>
COLLABORATIVE FUNDING	6
<i>Low Carbon Cities Canada</i>	<i>6</i>
<i>Impact Investing</i>	<i>6</i>

CONTEXT

As a regional climate agency, The Atmospheric Fund (TAF) invests in low-carbon solutions in the Greater Toronto and Hamilton Area (GTHA) and helps to scale them up for broad implementation. TAF also recognizes that many urgent issues are interrelated, and that designing climate solutions with co-benefits and social equity in mind enhances their relevance across multiple constituencies and promotes their long-term durability.

Grants are an important tool for advancing TAF's mandate. TAF's grants program supports eligible recipients in accessing funding for eligible projects in a fair, transparent, and equitable manner.

PURPOSE

This policy sets out:

- Clear eligibility criteria for TAF's grants program;
- Roles and responsibilities at each stage of the grants cycle;
- Requirements regarding the administration of TAF grants; and
- Parameters for collaborating with TAF's Impact Investing Program and the Low Carbon Cities Canada (LC3) network

SCOPE

This policy applies to all grant funding provided by TAF from investment proceeds from its three endowments, specifically the:

- Toronto Endowment, originally \$23 million from the City of Toronto in 1992;
- Ontario Endowment, originally \$17 million from the Province of Ontario in 2016; and
- Canada Endowment, originally \$38 million plus \$2 million operating fund from the Federation of Canadian Municipalities (as agent for the Government of Canada) in 2020.

This policy does not apply to the following:

- Grant funding provided or administered by TAF on behalf of and with funds provided by other entities;
- Initiatives delivered internally by TAF; or
- Direct investments carried out by TAF's Impact Investing arm.

ELIGIBILITY CRITERIA

Recipient Eligibility Criteria

Municipalities, legal non-profit organizations and registered charities are eligible for grant funding from TAF.

For-profit organizations may also be eligible for grant funding, provided that they consent to providing TAF with a reasonable and mutually agreed proportion of the financial returns generated directly or indirectly through the grant project.

Project Eligibility Criteria

TAF funds grant projects with the potential to support the scaling of significant carbon reductions in the GTHA. Projects can employ a wide range of approaches towards this end, including but not limited to:

- Policy reform;
- Technology commercialization;
- Feasibility assessment;
- Strategy and program development; and
- Practical research.

Grant projects must meet the following criteria:

- The project does not engage in partisan political activities.
- The primary activity is not an event such as a conference, workshop, or training session.
- The project does not build on, and is not another phase of, a project by the same proponent currently being funded by TAF. TAF may provide concurrent funding to the same proponent for different projects.
- The requested grant funding must be necessary to undertake the proposed project activities.
- In the rare cases when TAF grant funding covers capital costs, such costs shall not exceed 20% of the TAF contribution.

Where staff and/or the Grants and Programs Committee determine that a project led by a municipality, legal non-profit organization or registered charity has the potential to generate a financial return for one or more project partners, either directly or indirectly, TAF may impose a funding condition on the grant requiring that a reasonable and mutually agreed proportion of the financial return be provided to TAF.

Funding Apportionment from TAF's Endowments

Grant funding drawn from proceeds of the Ontario and Canada endowments must have the potential to advance TAF's mandate within the GTHA. For greater clarity, a project may be considered to have the potential to advance TAF's mandate in the GTHA even if the grantee and/or the project activities are not based in the GTHA.

Grant funding from proceeds of the Toronto endowment must be limited to grant projects that can directly advance the City of Toronto's climate objectives. For greater clarity, a project may be considered to have the potential to advance the City of Toronto's climate objectives even if the grantee and/or the project activities are not based in Toronto.

GRANTMAKING PROCESS

Application

TAF's grant application forms, funding priorities, and decision-making timelines shall be available online through TAF's website.

TAF staff may also cultivate grant projects in priority funding areas. Cultivation approaches can include, without limitation:

- Direct outreach;
- Promotion of grant intake deadlines and grantmaking priorities through TAF’s communication channels; and
- Targeted calls for proposals.

Assessment

TAF staff will undertake an assessment of all grant applications, which will be conveyed to the Grants and Programs Committee to inform its deliberations.

The Grants and Programs Committee, which is appointed by the Board of Directors pursuant to Section 4.7 of TAF Bylaw No. 1, is responsible for:

- Periodically reviewing TAF’s priorities, policies and procedures related to grants;
- Screening and evaluating all grant requests and making recommendations to approve or reject investment;
- Recommending funding conditions on grant requests for which a TAF investment is recommended; and
- Providing other guidance and advice to the Board and TAF staff, as required.

Terms of Reference for the Grants and Programs Committee can be found [here](#).

Approval

TAF’s Board of Directors is responsible for approving or rejecting all grant applications. Pursuant to Section 4.7 of TAF Bylaw No. 1, the Board considers, and approves or rejects, the Grants and Programs Committee’s funding recommendations regarding grant allocations. The Board also has the authority to consider, and approve or reject, grant proposals in the absence of a funding recommendation from the Grants and Programs Committee.

In support of this responsibility, TAF staff will present a report to the Board including:

- The Grants and Programs Committee’s funding recommendations, if any;
- For each project being recommended by the Grants and Programs Committee:
 - The total TAF contribution with the respective funding allocations from the Toronto, Ontario and/or Canada endowments, as applicable;
 - The project timeline;
 - The location of the applicant and the proposed project activities; and
 - A summary of project goals.
- The number of projects for which funding is not recommended by the Grants and Programs Committee and the total TAF contribution requested for these projects.

TAF staff will present a separate, confidential report summarizing the projects for which funding is not recommended by the Grants and Programs Committee. This project summaries will include:

- The name of the applicant;
- The proposed project timeline;
- The requested TAF contribution; and
- The rationale for the Committee's recommendation.

In addition to and following approval by the TAF Board, the following grants shall be submitted to Council for approval:

- Grants made by TAF in excess of \$1.25 million; and
- Grants that are outside of TAF's mandate.

Appeals

Grant applicants may appeal a funding recommendation by the Grants and Programs Committee. Applicants who choose to appeal the Committee's funding decision will have the opportunity to present a brief case for funding directly to the TAF Board. The Board will then render a funding decision on the grant application which shall be final.

GRANT ADMINISTRATION

Contribution Agreement

Prior to receiving grant funding, successful applicants shall be required to enter into an agreement with TAF outlining the terms and conditions for receiving the grant, including but not limited to the following matters:

- Limits on the use of the grant;
- All applicable milestones and deliverables;
- Reporting requirements to TAF on the use of the grant, deliverables, and outcomes achieved;
- Payment schedule;
- The circumstances under which TAF is entitled to reduce funding or cancel a grant;
- The requirement to obtain TAF's approval for any change to the proposed project;
- Requirements related to acknowledgement of TAF's financial contribution in project-related communications;
- Agreement to comply with all applicable laws, regulations and by-laws and with all applicable policies and guidelines; and
- The requirement to complete and sign the [Declaration of Compliance with Anti-Harassment/Discrimination Legislation and City of Toronto policy](#).

Reporting

- TAF staff will provide a summary of the outcomes of completed TAF-funded grants to the Grants and Programs Committee and the Board.
- TAF will report to its funders on the status and outcomes of TAF-funded grants as required by TAF's contribution agreement with each funder.

TAF Support

TAF may offer additional support to facilitate the achievement of desired outcomes within its portfolio of grant projects. Support may include, without limitation:

- Funding for skills development and training opportunities related to effective project delivery;
- Promotion of project goals, outcomes and/or lessons to relevant stakeholders across TAF's network; and
- Advisory services in the areas of TAF expertise.

COLLABORATIVE FUNDING

Low Carbon Cities Canada

TAF is part of the Low Carbon Cities Canada (LC3) network, a partnership between local centres in seven of Canada's largest urban areas and the Federation of Canadian Municipalities. LC3 centres across the country are working to scale up low carbon solutions in their respective regions. Collaborative granting represents one way that LC3 centres can come together to accelerate low-carbon solutions that generate positive impacts in multiple regions and achieve economies of scale.

To ensure robust governance and enable timely decision-making, TAF participation in an LC3 collaborative grant must adhere to the following requirements:

- The grant funding must be drawn from a dedicated allocation towards LC3 collaborative grants which shall form part of the Board-approved annual grants budget; and
- All LC3 collaborative grants supported by TAF must:
 - Receive funding support from at least one other LC3 centre;
 - Have the potential to advance TAF's mandate within the GTHA;
 - Be approved by TAF's CEO;
 - Comply with the same eligibility requirements as all other grants funded from the endowment proceeds; and
 - Be reported on to TAF's Grants and Programs Committee, Board and funders.

Impact Investing

In addition to providing grant funding to eligible recipients, TAF also invests in low-carbon solutions that both advance its mandate and generate revenue to sustain its operations.

Grantseekers proposing initiatives with the potential to generate financial returns will be encouraged by staff to consider their eligibility for direct investment. Projects with both a granting and impact investing component must meet the selection criteria of both the grants program and the impact investing program and secure a recommendation, including any terms and conditions, from the relevant TAF standing committees and approval from the TAF Board.