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Work Plans

2020

Natural Resources Centre

2020 WORK PLAN

2020 AND BEYOND

As the world population continues to grow, urbanize and be lifted into the middle class, the demand for Canada's resources is both growing and changing. Canada's metal and mineral resources are needed to produce the world's infrastructure, from solar panels to LED light bulbs to electric vehicles. And Canada's energy resources are being used to power a global economic transformation. At the same time, there is increasing pressure for Canadian resources to be produced in a way that is responsible and aligned with both environmental and social values.

Our work in 2020 will address the challenges that come with a world of rapid transformation, immense opportunity, and partisan divides. Regulations, market access, public perception, infrastructure, climate and energy policies – issues that need to be solved for Canada to make its way to the front of the line as a preferred, responsible supplier.

The future of responsible energy

In 2020, we will continue helping Canadians understand what responsible energy development should look like – and we will continue pushing for the choices that make sense both locally and globally. Specific projects include:

- A validated performance framework for the oil sands. Oil sand production is perceived by some – both at home and abroad – as dirty, as a major contributor to global climate change and as something that should be stopped. This negative public opinion has translated into serious and costly regulatory and policy barriers, and growing concerns from global investors. This project will provide recommendations for action by Canadian oil sands producers to build trust. The strategy for a validated

performance framework will build on lessons from the chemical, mining and forestry industries in their efforts to address very similar challenges.

- The Energy Innovation Brief, a monthly round-up of energy innovations, from new technology breakthroughs to smaller system improvements, that are changing the way we think about and use energy.

Carbon and climate policies

Managing carbon emissions and implementing climate policies are intrinsic factors in how natural resources are developed in Western Canada. They present both a risk and an opportunity for existing and prospective businesses, and for society as a whole. While they already receive a lot of attention in the media and among researchers, there are some important gaps in the conversation. In 2020, we will continue to shine a light on what works, and what doesn't.

- We will continue analyzing the new federal Clean Fuel Standard to ensure that good intentions translate into good implementation and good outcomes.
- We will continue looking at current and proposed approaches to national and subnational Green House Gas accounting – and whether these approaches lead to smart decisions around reducing global GHG emissions in a way that doesn't put Canada out of business.
- We will start a project that examines how emissions-intensive trade-exposed (EITE) industries are affected by different types of carbon policies, and what types of policies and trade agreements can be put in place that best protect these industries while also addressing emissions.

The Natural Resources Centre champions
the responsible development of Western Canadian resources
to safeguard Canada's prosperity.

Getting to 'Go'

Getting Energy Innovation Adopted

Innovation is key to Canada's transition to a cleaner energy sector. But there are numerous hurdles facing the adoption of innovations that could reduce GHG emissions and lower costs. These include regulatory processes that aren't optimized to handle innovation; adopters that are reluctant to take on risk; and difficulties in proving technology at a commercial scale. We are working with a broad range of partners – energy innovators, regulators, technology adopters, accelerators and others – on a major study to identify barriers and supports and recommend changes that increase flexibility and adaptability without sacrificing the environment or well-being.

In 2020, we will continue working on this project – including working with the Clean Resource Innovation Network (CRIN) to identify how well the energy innovation ecosystem is functioning.

We will track the progress of oil and gas companies as they move toward their net zero carbon emissions goals.

Getting things built in Canada

Throughout 2020, we will remain focused on the increasingly urgent issue of how to get energy infrastructure built in a way that is both responsible and keeps Canada globally competitive. The regulations for the new *Impact Assessment Act* are still being developed, and we will continue to provide suggestions to ensure the Act is implemented in a way that is both effective and functional. And we will also continue to monitor the progress of applications for proposed energy infrastructure projects – a story that is important to politicians, industry decision-makers, investors and the general public.

Trade & Investment Centre

2020 WORK PLAN

2020 AND BEYOND

Trade has become more complex, and riskier: Canada's largest trading partner, the United States, has turned from being a defender of the rules-based trade upon which Canada depends to becoming an existential threat; and Canada's second largest trading partner, China, is host to equally urgent and fraught challenges. The Trade and Investment Centre will continue to develop pragmatic solutions to help Western Canadian exporters and governments respond to immediate trade challenges, while also building knowledge, capacity and public awareness to prepare for longer-term threats and opportunities.

At the same time, we will work to increase the West's ability to rediscover other markets through new trade agreements and continue to provide research and policy recommendations to improve Canada's trade infrastructure as a national priority.

We will also continue to highlight western interests in Ottawa and in the foreign markets most critical for the West.

The West's relations with its largest trade partners

The United States: The new NAFTA agreement will not resolve all trade tensions with the U.S., nor will it protect exporters from continued trade policy shocks from the current U.S. administration. Country of origin labelling, grain grading and the omnipresent threat of new unilateral tariffs all require proactive engagement to defend Western Canadian interests in the U.S. For western provinces far from Ottawa, these interests require direct engagement with U.S. state counterparts. In 2020, the Trade and Investment Centre will build on groundwork done last year:

- Work with a consortium of Canadian academics on a Social Sciences and Humanities Research Council grant to map sub-national, or state-provincial, engagement. The research will identify how engagement is conducted across the Canadian provinces and what organizations and options exist for engagement in the U.S. The research will enable government and business to learn from what others are doing and to make better informed choices on where and how to apply limited resources to engage.

- Research and recommendations for new pacts between states and provinces to improve the economic competitiveness of western North America.

- Continue to provide research for provincial engagement activities including continuing as an active member of the North American competitiveness initiative by the G.W. Bush Presidential Institute.

China: China is the second largest trade partner for each of the western provinces and largest importer of key agricultural commodities – trade that is increasing every year. Finding a Canadian path to more fully engage with China is critical for the West. Over the past five years, the Trade and Investment Centre has made a concerted effort to build knowledge, competence and capacity to work on China-Canada issues. In 2020, the centre will apply that capacity to:

- Translate experience from Australia, Brazil and the U.S.'s recent phase one trade deal with China into policy recommendations for the Canadian government to engage China on non-tariff barrier issues in agricultural trade.

- Publish the *China Brief* news summary of major issues in Western Canada's relations with China, an important tool for increasing knowledge on China in Western Canada and highlighting western issues in the relationship in Ottawa and abroad.

The Trade & Investment Centre advances the interests of Western Canada's export economy to hold on to existing markets, open new markets and have the trade infrastructure to reach both.

Rediscovering other markets

For Canada, the easiest way to lessen its over dependence on its two largest markets is by getting more out of its existing trade relationships, including striking new agreements. From Mexico to Japan to Europe, Canada has privileged access to good, secure, large, open markets. Before targeting new markets, Canada needs to improve export performance in markets to which it already has privileged access. In 2020, the Trade and Investment Centre will:

- Conduct modelling under the World Customs Organization's Harmonized System, using the most detailed (HS 6-digit level) code, to identify new trade opportunities and total potential new market share in Japan. Modelling will produce specific information for each of the western provinces.

Getting to market

Improving Canada's trade infrastructure

In 2019, despite significant investments by the private sector, global perception of the quality and reliability of Canada's trade infrastructure declined significantly, dropping from perceived 15th best to 31st in the World Economic Forum's rankings. This confirms complaints from key markets and reveals that Canadian mitigating steps are not registering abroad. New action at home and more vigorous communication abroad are needed. In 2020, the Trade and Investment Centre will:

- Model the impact of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade agreement on Canada's trade infrastructure to enable western provinces and stakeholders to more effectively engage the federal government and demonstrate to foreign markets work that is being done in Canada. The modelling will build on work done by the federal government on the CETA agreement but not planned for CPTPP.

- Finish a strategic framework to guide trade infrastructure planning and prioritization in Canada including translating elements of Infrastructure Australia and other global best practices.
- Wage an aggressive public education campaign to raise awareness around the importance of improving trade infrastructure and turn policy recommendations from the research into action.

Other work

A principle strength and benefit to Western Canada of the Trade and Investment Centre is its ability to respond, often proactively, to challenges and opportunities that emerge unexpectedly. The Centre will continue small-scale support for some such initiatives begun in 2019.

- Support development of plant protein and ingredient industry in Western Canada, primarily through service on the board of the Plant Protein Alliance of Alberta and collaboration with Protein Industries Canada.
- Investment attraction and economic diversification, primarily through initiatives such as expansion of the Cascadia Innovation Corridor to include Calgary and removing regulatory barriers to grow the food processing industry in Alberta.

Human Capital Centre

2020 WORK PLAN

SKILLS, COMPETENCY FRAMEWORKS AND POST-SECONDARY RENEWAL

Competitiveness pressures and demographic changes make efficient development of the skills and competencies of Canada's workforce imperative. There is increased demand for the skills that enable us to work more productively both with each other and with disruptive technologies; and for the competencies required to transform today's industries into tomorrow's global success stories.

In 2020, the Human Capital Centre will continue to recommend methods to identify these skills and competencies and develop them in our current and future workers.

Skills and Competencies

The world of work is changing, and the most demanded skills and competencies are often transferable between jobs. Many of the thousands of people who were laid off from Canada's oil patch are now working in different sectors. Many more could be if they and their potential employers better understood the transferability of their skills.

- In 2020 we will examine the need for labour market information, including national occupation classifications to better reflect the transferability of skills in occupational profiles.
- The development of a series of pan-Canadian competency frameworks remains a priority for the Human Capital Centre. One way to achieve this goal is to develop the competency profiles of specific jobs in specific sectors and to amalgamate them into more comprehensive frameworks

over time. In 2019, we followed the development of competency profiles and competency-based assessment and accreditation for three sectors. In 2020, we will document what we have learned about building competency frameworks since we published *MatchUp: A case for pan-Canadian competency frameworks* and use these three examples to illuminate the commonalities and challenges of this work.

- In 2020, the Human Capital Centre will revisit the issue of modular stackable credentials for Canada's trades, to better ensure apprentices have the skills they need to succeed in their workplaces – and to be recognized for what they know. We will look at the progress of Ontario, B.C. and other jurisdictions move to modular, stackable competency-based training and assessment for their apprentices.
- Digital skills are critical for success in every sector. What does it take to build digital skills and create opportunities for people living in rural and remote areas? High-speed connectivity is an issue, but there are other problems that need to be addressed. Can we learn anything from other countries? Are there lessons from other economic development strategies that will inform decisions for policy and programming to improve digital skills and opportunities?
- We will continue our advisory role with Employment and Social Development Canada's committee working to renew the essential skills framework with the inclusion of some of the so-called soft skills.

The Human Capital Centre advances a competency-based approach to workforce development and deployment that will allow more Western Canadians and their employers to reach their full potential.

Reshaping the post-secondary education system in Western Canada

Post-secondary institutions in Western Canada are facing an increased focus on performance-based funding, and an overall reduction the total government funding. At the same time, the number of domestic undergraduate students is decreasing, the number of international students may soon peak and there is a huge need to offer solutions for mid-career professionals who are looking for just-in-time learning opportunities rather than traditional credentials and delivery models.

- The Human Capital Centre will examine designs for a sustainable and effective college and polytechnic sector that meets the changing needs of students, builds the competencies required by employers, and respects the resources provided by taxpayers.
- If you believe everything you read in the media, you might think that Canada needs more STEM graduates. However, Statistics Canada reports that in 2016, only 47 per cent of Canada's STEM bachelor's degree graduates and only 66 per cent of engineering graduates worked in the STEM fields. In 2020 we will investigate potential reasons for the underemployment of some of our most expensively trained people, including a persistent gap between what is taught, and the actual competencies required in the work force.
- Post-secondary institutions across the country are taking up the challenge of developing modular courses that meet the needs of employers and offering competency-based assessment and micro-credentialing to students. We will highlight best practices in competency-based assessment and micro-credentialing.

Other topics that we are keeping an eye on in 2020 include:

- A competency approach to economic development: If funding becomes available, we may submit a proposal to identify the competency profile of a region affected by large-scale job displacement.
- Valid and reliable measurement of the soft skills included in the renewed essential skills framework.

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