

Summary

The Sustainable Prosperity Research and Policy Network (SP Network) invites proposals for research projects on market-based approaches for environmental protection and economic sustainability. Priority will go to proposals that respond to the research topics below, especially those suggested in Appendix 1. Proposals should be a maximum of two pages and may be submitted on any policy relevant topic. Grants will normally be under \$8,000. We encourage applications by **November 30, 2013 or earlier**, although later applications will be accepted subject to funding availability. Decisions will be made promptly and be based on reviews conducted by a subcommittee of SP's research network.

The Sustainable Prosperity Research and Policy Network

The SP Network is a multi-disciplinary initiative focused on market-based approaches to building a prosperous and environmentally sustainable economy. Formed in 2007, it includes scholars from across the country as well as partners from business, think tanks, civil society and government. The Network focuses on cultivating policy relevant research and disseminating important ideas to key audiences. Its goal is to translate knowledge into policy innovation, to build the knowledge foundation and to support the transition to a greener, more vibrant economy.

Research projects feed into Sustainable Prosperity's knowledge dissemination activities, such as a policy briefs, reports and workshops. SP's objective is to build a knowledge foundation and inform market-based policy reforms. SP's overall research-policy priorities are guided by its Research Committee, which includes scholars from different fields across Canada, as well as the Government of Ontario.

Proposals may be submitted by professors, graduate students and postdoctoral fellows. A letter from a permanent faculty member must accompany all student and postdoctoral applications indicating the faculty member's willingness to supervise the research and take responsibility for the grant's administration.

The SP Network is not a granting agency, but seeks to support interdisciplinary and policy relevant research. Knowledge outreach and translation are key parts of our mandate.

Priority Areas for Research (Fall 2013)

Proposals may be submitted on any topic concerned with market-based policy or flexible regulatory approaches to enhance environmental protection and economic sustainability. However, the following research topics have been identified as priorities for the coming year. Appendix 1 provides additional information on priorities within each research area.

1. Market-Based Instruments (MBIs) and the Low Carbon Economy

- 1.1 Case Studies on the Effectiveness of Carbon Pricing
- 1.2 Principles for the Effective Design of Carbon Pricing Systems
- 1.3 Clean Technology and the Low Carbon Economy

2. Market-Based Tools for Sustainable Communities

- 2.1 Policy, Technology and Market-based Tools for Sustainable Transportation
- 2.2 New Tools for Urban Planning
- 2.3 Land-Use and Economic Instruments

3. Environmental Markets

- 3.1 Markets for Ecosystem Goods and Services
- 3.2 Using Markets to Manage Water
- 3.3 Natural Capital and Productivity

4. Emerging and Economy-Wide Research Issues

- 4.1 Voter/Consumer Attitudes and Political Economy of MBIs
- 4.2 Impact of MBIs on Innovation and Competitiveness
- 4.3 Other Applications of MBIs in Canada

Proposal Format

The process aims to be simple and fast. Proposals should be a maximum of 600 words (two pages) and should include the following information:

- Name of applicant(s): list all researchers and/or students involved
- Proposal title
- Research topic(s)
- Description of the research project, including methods and the role of students
- Description of specific research deliverables, knowledge outreach plan and timing (e.g., prepare a background research report and presentations)
- Budget (including any other revenues)
- Proposals submitted by graduate students and postdoctoral fellows require a brief letter from a permanent faculty member indicating willingness to supervise the research and take responsibility for grant administration.

Potential applicants are encouraged to contact Annie Bérubé (aberube@sustainableprosperity.ca) if they have questions or want to discuss their proposal prior to the deadline.

Important information regarding research proposals:

Funding: The maximum grant size is usually \$8,000, where 1 student is involved, and \$14,000 where 2 or more students are involved.

Students: The Network's main focus is funding graduate students. These grants enable students to build on existing research by adding policy relevant and/or inter-disciplinary dimensions.

Eligible budget items: Eligible expenses include graduate student stipends, research materials, travel to present at conferences or events (not to strictly academic audiences), and relevant administrative costs. Please briefly explain each item in budget. Researchers should adhere to SSHRC guidelines for the use of funds. We do not fund thesis or dissertation research per se, but do support the use of that research for the development of policy-relevant papers, briefs and reports.

Duration: Funding will normally be for 1 year; proposals for 2 years will be considered.

Knowledge outreach: It is expected that those who receive funding will participate in relevant SP workshop (supplementary travel support is available) or knowledge outreach activities (reports, webinars, policy meetings, etc).

Multiple topics: Researchers are allowed to identify more than one topic that they are interested in addressing and are permitted to submit more than one proposal.

Priority will be given to:

- Proposals with strong merit in identified priority areas
- Proposals with high policy relevance
- Proposals with clear outputs that can be published as an SP policy brief, paper or report
- Proposals with an inter-disciplinary dimension (not required)
- Proposals by Network participants (though not required)

Deadline

We encourage applications by **November 30, 2013 or earlier**, although later applications may be accepted depending on the availability of funds. Decisions will be made promptly.

Address for Submission

Send by email to: Annie Bérubé, Network Coordinator, Sustainable Prosperity Network
email: aberube@sustainableprosperity.ca

APPENDIX 1: Specific Topics of Interest for 2013 – 2014

1. Market-Based Instruments (MBIs) and the Low Carbon Economy

1.1 Case Studies on the Effectiveness of Carbon Pricing

- Case studies on the EU's ETS (lessons learned, credit allocation mechanisms, etc.)
- Case studies on Alberta and British Columbia carbon pricing systems (especially the responsiveness of investment following the introduction of a carbon price)
- Case studies on California and Quebec's cap-and-trade system
- Case studies on other national carbon pricing schemes (e.g., Ireland, Australia)
- Analysis on the implicit carbon price of federal/provincial government regulations
- The emergence of shale gas and the potential for using carbon pricing as a policy tool

1.2 Principles for the Effective Design of Carbon Pricing Systems

- Optimal institutional design for carbon pricing systems (oversight, regulatory enforcement)
- Equity-efficiency trade-offs of carbon pricing proposals
- Tax efficiency resulting from a shift from income to carbon taxes
- Competitiveness implications at the industry-level from carbon pricing policies
- Design and evaluation of existing offset policies

1.3 Clean Technology and the Low Carbon Economy

- Policy incentives for clean technology innovation and deployment
- MBIs and private-sector investment in low carbon technology: challenges and opportunities
- Overlooked barriers to clean technology adoption (e.g., information gaps, transaction costs)
- Is there unrealized value in energy efficiency and do behavioural biases prevent investment?
- Studies on potential for fiscal policy instruments in promoting renewable energy

2. Market-Based Tools for Sustainable Communities

2.1 Policy, Technology and Market-based Tools for Sustainable Transportation

- Effectiveness of congestion or road pricing (e.g., commercial transportation sustainability)
- Effectiveness of smart cards/electronic fare cards on transit ridership and economic welfare
- Impacts of parking fees on travel behaviour
- Estimating demand elasticity for car transportation in response to changes in costs of travel (e.g., for Ontario and other jurisdictions)
- Gasoline price effects on travel and transit demand (e.g., in Ontario and other jurisdictions)
- Business models to support the deployment and operation of alternative fuelled vehicle infrastructure (e.g. electric vehicles)

2.2 New Tools for Urban Planning

- Buildings: incentives to reduce GHGs/waste or improve efficiency (e.g., waste fees)
- The use of MBIs for sustainable urban planning (e.g., density, land development etc.)
- Prerequisites for successful community MBI use (e.g., planning, smart budget tools etc.)
- Innovative approaches for designing public-private partnerships (e.g., green incentives)
- Use of prediction markets for municipal planning

2.3 Land-use and Economic Instruments

- What is the relationship between density and municipal tax revenue/expenditures?

- Long-term financial and environmental sustainability of differing land-use patterns
- Effect on local spending and investment from local green taxes/fees
- Legislative authorities: do they limit municipal use of MBIs?
- Market-Based instruments to support sustainable soil management in Ontario (e.g., markets for soil banking and soil re-use)
- Potential use of shadow carbon pricing in municipalities asset management and infrastructure planning

3. Environmental Markets

3.1 Markets for Ecosystem Goods and Services (EGS)

- Distributional implications of EGS markets and repercussions for policy design
- Integrating multiple land-use demands in MBIs (e.g., species, water and recreation, agriculture)
- Analysis of the Alberta carbon offset program (tons of carbon, effectiveness, challenges, etc.)
- Review of US offset markets (e.g., wetlands, endangered species): lessons for Canada
- Role of aboriginal communities in offset creation
- Best practices in ecosystem offset market design (marine, wetland, habitat)

3.2 Using Markets to Manage Water

- Case studies or evaluation of water quality trading and pricing systems (e.g., US, Canada)
- Institutional and policy barriers, opportunities and requirements to effectively establish water quality trading (case study or conceptual)
- MBIs to conserve local water quality and quantity: best practices at local and provincial level
- Obstacles to the implementation of water pricing and recommendations to overcome them
- Is full-cost water pricing politically feasible (e.g., equity implications)?
- Case studies on public-private partnerships with respect to water pricing and infrastructure

3.3 Natural Capital and Productivity

- Is natural resource productivity mismeasured or overlooked in current productivity statistics?
- Adjusting productivity statistics to account for natural capital: theory and empirics

4. Emerging and Economy-Wide Research Issues

4.1 Voter/Consumer Attitudes and Political Economy of MBIs

- Political economy of MBIs (e.g., distributional issues, policy consultation processes, etc.)
- Political factors that influence the adoption of MBIs by governments
- Behavioural economics, social psychology and public perception of MBI implementation and environmental policy change
- Crowding-in and crowding-out voluntary actions: the implications of MBIs
- Politics of offsets
- Post-hoc quantitative analysis of consumer responses to price changes for goods or services with environmental attributes (positive or negative environmental attributes) (e.g. water pricing, time-of-use electricity pricing.)

4.2 Impact of MBIs on Innovation and Competitiveness

- Promoting long-term benefits of energy innovation and demand-side management as part of the regulatory decision-making process
- Impact of specific environmental regulation(s) on trade and/or competitiveness at the firm or sector-level in Canada.
- The impact of regulatory design (e.g. stringency of regulation) on trade and/or competitiveness
- Institutional environments for the use of MBIs to stimulate innovation

- Studies on development and implementation of green economy policies in OECD countries

4.3 Other Applications of MBIs in Canada

- MBIs and land use in Northern Canada
- Responsible resource management in the North: the role of MBIs (e.g. role of remediation bonds)