




AGENDA INFORMATION	
<input checked="" type="checkbox"/> Regular Meeting	Date: <u>May 31, 2021</u>
<input type="checkbox"/> Other:	Date: _____

 Dept. Manager	 GM/ Director	 CAO
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The District of North Vancouver

REPORT TO COUNCIL

May 19, 2021

File: 13.6770/Climate Change/File

AUTHOR: Caroline Jackson, Manager, Climate Action, Natural Systems and Biodiversity

SUBJECT: Cancellation of the Climate Action Revenue Incentive Program (CARIP)

RECOMMENDATION:

THAT the Mayor be authorized to send a letter to Premier Horgan regarding the cancellation of the Climate Action Revenue Incentive Program.

REASON FOR REPORT:

The purpose of this report is to provide an update to Council regarding the recent provincial announcement of the end of the long running Climate Action Revenue Incentive Program and to seek Council's direction regarding potential correspondence to the Province.

SUMMARY:

The Province recently announced an end to the long running Climate Action Revenue Incentive Program (CARIP). The CARIP program provides consistent and flexible funding of approximately \$150,000 annually to the District in exchange for annual reporting on District corporate emissions and actions to mitigate and adapt to climate change. The loss of a stable and reliable source of revenue combined with the loss of a global best practice in carbon reporting and accountability is a significant setback to local government climate action efforts in B.C. A similar or better replacement program offering consistent and flexible funding is required to avoid losing momentum on local government climate action.

BACKGROUND:

The Climate Action Revenue Incentive Program is a conditional grant program that provides funding to local governments who have signed the B.C. Climate Action Charter¹. The B.C. Climate Action Charter is an agreement between the Province, municipalities, and the Union of B.C. Municipalities intended to build local government capacity to implement climate action initiatives. The District is one of 186 B.C. local governments who have voluntarily signed the Climate Action Charter. In exchange for providing an annual report detailing corporate greenhouse gas emissions from District operations along with an overview of organization-

¹ https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/planning-land-use/bc_climate_action_charter.pdf

wide climate change mitigation and adaptation actions, the District receives an annual grant equivalent to 100% of carbon taxes paid to support its operations.

ANALYSIS:**Internal capacity and reporting**

Through the annual CARIP reporting process, the District has joined other communities in contributing to over a decade of publicly accessible and transparent data on municipal climate action, an example of global best practice in coordinated climate reporting. Local governments have spent significant effort building internal capacity and structuring reporting systems to align with CARIP and the process has supported the development of regular cross-departmental collaboration necessary to celebrate accomplishments, build climate literacy, and identify further opportunities to advance actions to reduce emissions and adapt to future climate changes.

Flexible and reliable funding

Many municipalities have directed CARIP funds specifically to climate-related initiatives, thus providing consistent and reliable funding. Such consistent and stable funding can be used for a number of different purposes, including wages, community partnerships, and projects. CARIP funding has contributed to the development of a number of important initiatives such as the B.C. Energy Step Code. In contrast to CARIP funding, competitive senior government grant programs require significant staff time and financial resources to fund the analysis needed for an application with no guarantee of success along with an extended timeline for review, evaluation, award, and reporting. Such grant programs also usually rely on match funding or financial contributions from the local government partner.

There are two main concerns regarding the termination of the CARIP program:

- The lack of a clear replacement program providing a reliable and flexible funding source and a potential shift towards solely competitive funding streams; and
- The termination of transparent annual municipal climate action reporting.

Proposed solutions

The CARIP program has existed in its current form since 2008, and some amendments could strengthen a future version of the program. As the District reduces our corporate (operations) emissions, the District pays less carbon tax. Also, funding based on fossil fuel consumption could be perceived as rewarding a lack of progress. Thus, transitioning the program from a carbon tax refund to other models (for example, funding based on municipal population) should be considered.

A draft letter to Premier Horgan outlining the District's concerns and suggestions regarding a prompt and effective replacement program for CARIP is attached (Attachment 1).

The cost of the Provincial CARIP program in 2020 was \$8.4 million, a small portion of the \$1.3 billion expected in carbon tax revenues in 2021. There is considerable benefit to maintaining a consistent, stable, non-competitive funding program tied to the delivery of a simple annual climate report.

Concurrence:

This report has been developed with concurrence from the Finance department.

Financial Impacts:

The District has participated in the CARIP program since 2008, and has received funding totalling \$1.5 million. In 2021, the District's final CARIP funding contribution is expected to be \$156,515. The loss of the program will contribute to funding pressures on the District's 2022 budget.

Conclusion:

The CARIP program provides a consistent, flexible funding source to B.C. municipalities and plays a key role in supporting annual reporting on District corporate emissions and actions to mitigate and adapt to climate change. Action by the Province to replace the CARIP program with a new, stable, non-competitive funding program that works for communities of all sizes would reflect our collective commitment and ambition to address the climate crisis.

Options:

1. That the motion, as presented, be supported.
2. That the motion, as presented, not be supported.


Respectfully submitted,



Caroline Jackson

Manager, Climate Action, Natural Systems and Biodiversity

Attachment 1: Draft Letter to the Honourable John Horgan, MLA

REVIEWED WITH:					
<input type="checkbox"/> Community Planning	_____	<input type="checkbox"/> Clerk's Office	_____	External Agencies:	
<input type="checkbox"/> Development Planning	_____	<input type="checkbox"/> Communications	_____	<input type="checkbox"/> Library Board	_____
<input type="checkbox"/> Development Engineering	_____	<input checked="" type="checkbox"/> Finance		<input type="checkbox"/> NS Health	_____
<input type="checkbox"/> Utilities	_____	<input type="checkbox"/> Fire Services	_____	<input type="checkbox"/> RCMP	_____
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<input type="checkbox"/> Parks	_____	<input type="checkbox"/> Solicitor	_____	<input type="checkbox"/> Museum & Arch.	_____
<input type="checkbox"/> Environment	_____	<input type="checkbox"/> GIS	_____	<input type="checkbox"/> Other:	_____
<input type="checkbox"/> Facilities	_____	<input type="checkbox"/> Real Estate	_____		
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<input type="checkbox"/> Review and Compliance	_____	<input type="checkbox"/> Planning	_____		

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Mayor Mike Little
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mayor@dnv.org

<Date>

File: 13.6770/Climate Change/File

The Honourable John Horgan, MLA
Premier of British Columbia
Office of the Premier
PO Box 9041 Stn. Prov. Govt. Victoria BC
V8W 9E1

The Honourable Josie Osborne, MLA
Minister of Municipal Affairs
PO Box 9056 Stn. Prov. Govt. Victoria BC
V8W 9E2

The Honourable George Heyman, MLA
Minister of Environment and Climate Change Strategy
PO Box 9047 Stn. Prov. Gov. Victoria BC
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Dear Premier Horgan:

Re: Cancellation of the Climate Action Revenue Incentive Program (CARIP)

I am writing to you on behalf of Council regarding the recent unexpected announcement of the end of the long running Climate Action Revenue Incentive Program (CARIP). The program provides consistent and flexible funding of approximately \$150,000 annually to the District of North Vancouver in exchange for annual reporting on District corporate emissions and actions to mitigate and adapt to climate change. The loss of a stable and reliable source of revenue combined with the loss of a best practice in carbon reporting and accountability is a significant setback to local government climate action efforts in the Province.

Through the annual CARIP reporting process, the District has joined other communities in contributing to over a decade of publicly accessible data on municipal climate action. Local governments have spent significant effort building internal capacity to meet reporting requirements and the process has supported the development of regular cross-departmental collaboration necessary to celebrate accomplishments, build climate literacy, and identify further opportunities for climate action projects and programs.

The CARIP program provides consistent funding which can be used for a number of different climate related purposes including wages, community partnerships, and projects. CARIP has contributed to the development of a number of important initiatives such as the B.C. Energy Step Code. Competitive senior government grant programs, in contrast, require significant staff time for an application with no guarantee of success along with an extended timeline for review, award, and reporting and very specific restrictions on how funds are spent.

While the CARIP program has served the Province well in supporting local government climate action and accountability, some amendments to the program would be valuable, such as a shift away from funding based on fossil fuel consumption to one based on another metric such as municipal population, with flexibility in the general program approach for smaller communities.

The climate emergency demands unprecedented collaboration and the District appreciates the Province's partnership on a number of recent initiatives including the Clean BC municipal top-up programs and recent policy announcements regarding home energy labelling and local government ability to set carbon pollution limits on new buildings.

On behalf of the District, I request that the Province work with municipalities to develop a new stable and non-competitive funding program for the 2022 fiscal year that supports local government climate action efforts and that works for communities of all sizes.

Sincerely,

Mayor Mike Little

Cc: Mayor and Council
Councillor Brian Frenkel, President, Union of B.C. Municipalities