

April 25th, 2023

RE IEC 3.4: Carbon Accountability: Institutionalizing Governance, a Carbon Budget and an Offset Credits Policy

Dear Infrastructure and Environment Committee,

We at Clean Air Partnership (CAP) are writing to support Toronto's adoption of the Carbon Budgeting process. CAP is a charitable organization whose mission is to support municipalities and their partners to improve air quality, advance active transportation, and take bold climate action through supports such as network convening, research and knowledge transfer and action implementation.

As a recognized climate leader, Toronto sets an example for cities worldwide, as well as across Ontario and Canada. In 2021, we were excited to see the City pass a new Net Zero Strategy, expediting its net-zero target to 2040, instead of 2050. Implementing a Carbon Budget is a crucial next step in Toronto's progress towards its net-zero targets.

The process of Carbon Budgeting scales international science-based targets down to a local level to showcase the scale of action needed for Toronto to achieve its greenhouse gas (GHG) reduction target of net-zero by 2040. By implementing Carbon Budgeting, the City will more thoroughly consider how expenditure will impact GHG reduction aspirations. Knowing the impact of projects on emissions will help Council make better-informed decisions, provide increased certainty for businesses, and help us meet the goals of the City's net-zero Strategy. Adopting a Carbon Budget will raise the bar on public accountability on climate change and strengthen Toronto's Climate Emergency commitments.

The need to address rising greenhouse gas emissions is critical. According to The Atmospheric Fund's Emissions Inventory, Toronto's emissions rose by 1.3% in 2021 as compared to 2020. With the timeline to reach Toronto's net-zero targets approaching rapidly, this trajectory needs to be reversed and the pace of reductions needs to increase significantly. While Toronto races to

reduce its emissions in the next 17 years, Carbon Budgeting is an important tool that can bring project GHG considerations into decision-making.

While there may be some initial constraints, such as the absence of data to back up estimations of GHG reductions resulting from City-led initiatives, as well as the challenge for the staff to incorporate new tools and resources into the financial budget process, we strongly echo the line mentioned in the Carbon Accountability report “it is better to start from where you stand and improve over time than to delay implementation until data, tools and processes are perfected”.

Below are the key reasons why the City of Toronto should adopt a Carbon Budget:

Plan a Better Future: Carbon Budgets help the City to plan for the long-term and make financial decisions that prioritize sustainability. By understanding the carbon impact of different activities and investments, the City can make informed choices to make investments that prioritize emissions reduction and enhance community resilience.

Save High Carbon Costs: By reducing GHGs, the City can save money. With rising federal carbon pricing, the costs associated with emissions arising from Toronto's projects will keep on rising to a peak of \$170/tonne in 2030. Quantifying emissions and their costs will further enhance public and internal accountability.

Increase Climate Awareness Among the Municipality as well as the Residents: A Carbon Budget puts emissions and climate action at the center of policy and budget discussions. It provides an important mechanism to build carbon literacy among different departments and public awareness about GHGs through transparent reporting.

Lead by Example: By adopting a Carbon Budget, Toronto can demonstrate leadership and set the stage for other Canadian municipalities. The City will be constantly aware of how their decisions are affecting their Carbon Budget. This information will provide Staff and Council with the knowledge they require to ensure they become aligned with the Paris Accord of limiting global warming to 1.5°C and the City's own municipal climate emergency declaration.



Congratulations to the City of Toronto for developing its Carbon Accountability system and Carbon Budget process and paving the way for ambitious municipal climate accountability. We look forward to tracking the results of this decision and sharing lessons learned with other Ontario municipalities.

By implementing a Carbon Accountability system and a Carbon Budget process, Toronto will establish itself as a leading city in demonstrating effective and consistent climate governance as part of its efforts to achieve net zero emissions. Committing to annual accountability for net zero climate action until 2040 will help embed climate action into the City's core identity and inspire other municipalities to follow suit.

Kind Regards,

A handwritten signature in black ink, appearing to read "G. Kalapos".

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