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Green Infrastructure and the Climate Lens

Context

Infrastructure Canada is currently working towards the conclusion of integrated bilateral agreement negotiations under Phase 2 of the Investing in Canada Infrastructure Plan (ICIP), with four provincial agreements still outstanding (Saskatchewan, PEI, Newfoundland & Labrador, and Quebec). The bilateral agreements we've seen to date give municipalities real tools to turn this opportunity into outcomes—better roads and transit, emission reductions, and more.

The bilateral agreements we've seen so far reflect key FCM recommendations:

- Meaningful provincial **cost-sharing** to move infrastructure projects forward.
- Built-in commitments to support a **fair balance** of municipal and provincial projects.
- Commitments to **streamline processes for rural and northern** communities.

These commitments are a ground-breaking recognition of local governments' role in nation-building.

Green infrastructure is a key element of the Investing in Canada Plan, with funding dedicated under the Green and Transit Streams.

On June 3, the federal government announced the Climate Lens, a federal program requirement applicable to the ICIP, Disaster Mitigation and Adaptation Fund, and the Smart Cities Challenge. It essentially requires municipalities to do an up-front analysis of the greenhouse gas (GHG) impacts, and/or the risks posed by climate change to an infrastructure project, as part of the process for applying for federal infrastructure funding, depending on the program, funding stream and estimated project cost.

Municipalities are on the front lines of climate change. Cities and communities are driving local solutions to improve water and wastewater systems, reduce GHG emissions. Federal infrastructure investments provide important support for this work.

On June 3, AUMA President Barry Morishita took part in a meeting organized by FCM with Infrastructure and Communities Minister Amarjeet Sohi and Deputy Minister Kelly Gillis, to give municipal representatives the opportunity to demonstrate the municipal sector's leadership in investing in green infrastructure, and ask questions about the Investing in Canada Plan and climate lens.

Background

Green Infrastructure

The federal government will invest \$9.2 billion over 11 years for green infrastructure investments through bilateral agreements with the provinces and territories, including projects that reduce greenhouse gas emissions, deliver clean water, safely manage wastewater and help communities adapt to challenges that result from climate change.

The stream will have three focus areas for these investments: GHG mitigation, adaptation and environmental quality (i.e. water and wastewater). A minimum of 45 per cent of the total provincial allocation for green infrastructure must go towards projects that reduce GHGs, and provinces and territories are expected to demonstrate how projects funded under this stream contribute to provincial and territorial projects identified under the Pan-Canadian Framework on Clean Growth and Climate Change.

The integrated bilateral agreements to date include a commitment to a fair balance of municipal and provincial projects in all streams, including the green stream. FCM continues to work with the federal government to better understand how that will be implemented.

Climate Lens

The Climate Lens has two components: (1) a GHG mitigation assessment and (2) a climate change resilience assessment, which will employ a risk management approach to the climate change impacts that could affect a project.

FCM has focused efforts on ensuring that the Climate Lens is designed and applied in a way that works for municipalities.

The following features of the Climate Lens respond directly to FCM recommendations:

- Costs associated with undertaking Climate Lens assessments will be considered eligible expenses for all approved projects – i.e. the federal government and PT governments (where applicable) will pay their share of the cost.
- Where provinces and territories have developed an equivalent approach to assessing GHG emissions and/or asset resilience to the impacts of climate change, Infrastructure Canada may choose to deem these approaches as equivalent as the federal Climate Lens.
- Assessments, including verification by certified professionals (e.g. P.Eng.) can be completed by either external consultants or municipal staff.
- The results of the Climate Lens assessments will not be used to determine eligibility for federal funding under the Environmental Quality, Public Transit, Culture and Recreation, and Rural and Northern Communities funding streams of the Investing in Canada Infrastructure Plan.
- For the Smart Cities Challenge and Disaster Mitigation and Adaptation Fund, only projects submitting full applications will be required to apply the Climate Lens. There is no assessment requirement at the Expression of Interest stage for either program.
- In light of capacity limitations faced by some applicants (e.g. small communities with a population of 5,000 or less) exemptions could be granted by the Minister of Infrastructure and Communities on a case-by-case basis. Exemptions may also be considered if the infrastructure asset is unlikely to involve opportunities to reduce GHG emissions nor likely to be at risk from climate change impacts.

Because costs are only eligible for reimbursement in funded projects, Infrastructure Canada is encouraging municipalities to engage regularly with their province/territory to determine their project's likelihood of prioritization before undertaking a Climate Lens assessment.

FCM will continue to work with the federal government and our provincial and territorial municipal association counterparts to ensure that the Climate Lens is integrated into the project selection process at the PT level in a way that doesn't create barriers to municipalities accessing federal infrastructure funding.

Status of Key Components of the Investing in Canada Plan

Program	Funding Details	Status
<i>Investing in Canada Infrastructure Plan</i>	Integrated F/P/T Bilateral Agreements (\$33 billion) – public transit, green, rural and northern, culture and recreation	Agreements have been signed with 6 provinces and 3 territories as of June 4, 2018, allowing P/Ts to begin project identification and prioritization in consultation with their municipalities.
	Trade and Transportation - National Trade Corridors Fund (\$2 billion)	Transport Canada began announcing projects for its first intake in spring 2018, largely focused on rail and port infrastructure and grade separation projects. Subsequent intakes are anticipated including on northern infrastructure.
	Disaster Mitigation and Adaptation Fund (DMAF) (\$2 billion)	The federally-delivered DMAF was launched by Minister Sohi on May 17, 2018. DMAF will support large-scale projects with a minimum cost of \$20 million. Responding to FCM's advocacy, DMAF will support natural assets and allow project bundling for small scale projects under the cost threshold.
	Canada Infrastructure Bank (CIB)	The CIB was formally launched in December 2017 and a chief executive was announced in May 2018. The CIB intends to start approving projects by the end of 2018.
	Smart Cities Challenge	The first round of applications closed in late April 2018, and all challenge statements were subsequently made public . A shortlist of 20 applicants was announced on June 1, 2018. Shortlisted applicants will receive a \$250,000 grant to develop their proposal.