

JUL 15 2020

The Honourable Jonathan Wilkinson  
Minister of Environment and Climate Change  
Environment and Climate Change Canada  
House of Commons  
Ottawa, Ontario K1A 0A6  
VIA EMAIL: [Jonathan.Wilkinson@parl.gc.ca](mailto:Jonathan.Wilkinson@parl.gc.ca)

The Honourable George Heyman  
Minister of Environment and Climate Change Strategy  
Ministry of Environment and Climate Change Strategy  
PO Box 9047 Stn Prov Gov  
Victoria, BC V8W 9E2  
VIA EMAIL: [ENV.Minister@gov.bc.ca](mailto:ENV.Minister@gov.bc.ca)

Dear Minister Wilkinson and Minister Heyman:

**Low Carbon Economic Stimulus Funding in Response to COVID-19**

On behalf of the Metro Vancouver Board of Directors, I am writing to urge the Federal and Provincial governments to ensure economic stimulus funding is directed to low carbon initiatives.

At its May 29, 2020 regular meeting, the Board of Directors of the Metro Vancouver Regional District (Metro Vancouver) adopted the following resolution:

*That the MVRD Board write letters to the provincial Minister of Environment and Climate Change Strategy, the federal Minister of Environment and Climate Change, and other appropriate government agencies to call for economic stimulus funding to be directed to low carbon initiatives.*

The emergence of COVID-19 has led to dramatic health, social, and economic shifts as our communities face the all-encompassing challenge of responding to and overcoming this crisis. Policy makers at all orders of government have naturally been focused on critical near-term decisions on public health and employment. Unfortunately, this has also lowered the priority placed on climate change action as public health and social security measures have taken precedence.

However, when making decisions with long-term impacts, it is critical that we maintain our focus on reducing greenhouse gas emissions to avoid the worst impacts of climate change. In the past, the Federal and Provincial governments have used stimulus spending to reinvigorate stressed economies. Economic stimulus measures to support economic recovery following the impact of COVID-19 should have a specific focus on economic growth in low carbon jobs and sectors that are sustainable over the long term. The equitable distribution of benefits is essential as the impacts of both COVID-19 and climate change will likely be felt disproportionately by the most vulnerable, so it will be critical to prioritize actions that build resiliency and reduce inequalities.

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Through *Climate 2050*, the region's 30-year climate action strategy, Metro Vancouver is committed to building a carbon neutral and climate resilient region by 2050. The actions necessary to reach carbon neutrality and strengthen the resiliency of the region will only be possible with strong policy alignment and collaboration between all levels of government. Federal and Provincial investment in infrastructure programs and projects that support low carbon alternatives, long-term economic stability and climate resiliency should be central to the composition of new economic stimulus funding. This spending must align with our shared objectives of economic recovery for communities, the equitable distribution of benefits, and the creation of economic growth in low carbon sectors that are sustainable over the long term.

A copy of the staff report is enclosed for your information. We would be happy to provide additional details on specific projects and initiatives and discuss with your staff.

If you have any questions, please contact Roger Quan, Director, Air Quality and Climate Change, by phone at 604-436-6770 or by email at [Roger.Quan@metrovancover.org](mailto:Roger.Quan@metrovancover.org).

Yours sincerely,



Sav Dhaliwal  
Chair, Metro Vancouver Board

SD/NC/mb

cc: Hon. Catherine McKenna, Minister of Infrastructure and Communities, Infrastructure Canada  
Hon. Seamus O'Regan, Minister of Natural Resources, Natural Resources Canada  
Hon. Bruce Ralston, Minister of Energy, Mines and Petroleum Resources  
Hon. Selina Robinson, Minister of Municipal Affairs and Housing  
Hon. Claire Trevena, Minister of Transportation and Infrastructure  
Metro Vancouver Member Jurisdictions

Encl: Report dated May 15, 2020, titled "Low Carbon Economic Stimulus Funding in Response to COVID-19". (39110011)

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To: MVRD Board of Directors

From: Climate Action Committee

Date: May 15, 2020

Meeting Date: May 29, 2020

Subject: **Low Carbon Economic Stimulus Funding in Response to COVID-19**

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#### **CLIMATE ACTION COMMITTEE RECOMMENDATION**

That the MVRD Board:

- a) write letters to the provincial Minister of Environment and Climate Change Strategy, the federal Minister of Environment and Climate Change, and other appropriate government agencies to call for economic stimulus funding to be directed to low carbon initiatives; and
  - b) forward copies of each letter to member jurisdictions for information.
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At its May 15, 2020 meeting, the Climate Action Committee considered the attached report dated April 16, 2020, titled "Low Carbon Economic Stimulus Funding in Response to COVID-19. The Committee noted that some member jurisdictions may wish to consider similar letters to the provincial and federal governments and subsequently amended the recommendation as presented above in underline style.

#### **Attachment**

"Low Carbon Economic Stimulus Funding in Response to COVID-19", dated April 16, 2020

39110011 FINAL

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To: Climate Action Committee

From: Morgan Braglewicz, Policy Analyst  
Parks and Environment Department

Date: April 16, 2020 Meeting Date: May 15, 2020

Subject: **Low Carbon Economic Stimulus Funding in Response to COVID-19**

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### RECOMMENDATION

That the MVRD Board write letters to the provincial Minister of Environment and Climate Change Strategy, the federal Minister of Environment and Climate Change, and other appropriate government agencies to call for economic stimulus funding to be directed to low carbon initiatives.

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### EXECUTIVE SUMMARY

The response to COVID-19 is currently focused on critical near-term decisions on key issues such as public health and high levels of unemployment. Once these issues begin to stabilize, the Provincial and Federal government will turn to decisions on how to stimulate economic recovery. Historically, government stimulus funding has focused on programs and public work projects. Despite support for “green stimulus” measures following the 2008 Great Recession, the potential to invest funding into low carbon initiatives went largely unrealized. Already, there have been public demands for post COVID-19 economic stimulus funding to go to the oil and gas sector. However, many organizations are advocating for low carbon initiatives to form the core of Canada’s economic stimulus spending, rather than investment in oil and gas. Metro Vancouver has an opportunity to add its voice in calling for the development of stimulus spending that is equitable and accelerates the growth of a resilient, low carbon economy, to support achievement of the climate goals that have been established for the region.

### PURPOSE

To provide the Climate Action Committee with an overview of the challenges and opportunities for climate action during and after the COVID-19 crisis, and the potential impact of a letter from the MVRD Board advocating for increased spending on low carbon economic stimulus to align with Metro Vancouver’s climate action goals.

### BACKGROUND

Through *Climate 2050*, Metro Vancouver is committed to achieving carbon neutrality by 2050 and ensuring the equitable implementation of actions to reduce greenhouse gas emissions. Achieving this goal will only be possible with strong alignment and collaboration between all levels of government. As the Provincial and Federal governments implement economic stimulus measures to support economic recovery following the impact of COVID-19, Metro Vancouver should ensure that Provincial and Federal spending align with the shared objectives of economic recovery for communities, the equitable distribution of benefits, and the creation of economic growth in low carbon sectors that are sustainable over the long term.

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**COVID-19 CHALLENGES AND LEARNINGS**

The emergence of COVID-19 has led to drastic health, social, and economic shifts as our communities face the all-encompassing challenge of overcoming this virus. Policy makers at all orders of government have been focused on critical near-term decisions on public health and employment crises. In recent weeks, the Provincial and Federal governments have announced unprecedented levels of economic support for individuals and businesses impacted by COVID-19. Inevitably, in the near term the COVID-19 crisis will lower the priority placed on climate change action as public health and social security measures take precedence. However, as decisions on economic stimulus spending are made, these decisions will have an effect on climate action.

**Supporting a Low Carbon Future**

Now, more than ever before, Canada and BC have an opportunity to accelerate the development of an economy that is sustainable in a low carbon future. It will be tempting for BC and Canada to fall back on existing economic pillars, which include the fossil fuel industry, as decisions are made to stabilize and revitalize the economy. Low oil prices are an additional complicating factor, as they simultaneously illustrate the precariousness of the oil and gas sector while also undermining the business case for energy efficiency or fuel switching. Propping up the oil and gas sector through stimulus spending may support near-term economic recovery for some, but it is at odds with Canada and BC's climate commitments and the need to reduce greenhouse gas emissions. Low carbon programs and projects that support long-term economic stability and climate resiliency should be central to the composition of new economic stimulus funding.

**Implications for Climate Action**

There will be important lessons to be learned from governments' reactions to the COVID-19 crisis that can potentially be applied to a renewed approach to climate action in a post COVID-19 environment. The response to COVID-19 has demonstrated that institutions can be nimble in decision-making, and change their processes quickly under pressure. It has also demonstrated that individuals are capable of changing long-held behaviours, though it remains to be seen how persistent those behaviour changes will be. Finally, impacts of both COVID-19 and climate change will likely be felt disproportionately by the most vulnerable, so it will be critical to prioritize actions that build resiliency and reduce inequalities.

**ECONOMIC STIMULUS FUNDING**

Historically, governments have put money into programs and public works projects to stimulate the economy following significant economic downturns. Most notably, Franklin D. Roosevelt's New Deal following the Great Depression of the 1920s and 1930s focused on providing relief for unemployed workers, recovery of the economy, and reform of the financial system. More recently, widespread economic stimulus was needed after the Great Recession of 2008. The role of "green stimulus" measures was widely discussed at the time. Despite analysis on the potential for "green stimulus" measures following the recession, this potential went largely unrealized as stimulus spending did not prioritize low carbon initiatives. In Canada, under 10% of all economic stimulus spending in 2009 was spent on "green stimulus" measures, amounting to approximately \$3.4 billion (Reference 1). Additionally, while the New Deal included a strong social component, significant amounts of stimulus spending after the 2008 Great Recession went to large financial institutions, leading to an inequitable distribution of the benefits from stimulus measures.

**Low Carbon Stimulus Funding Mechanisms**

There are numerous examples of mechanisms that can stimulate low carbon economic growth. Job creation and skills training can be focused on new low carbon sectors; investment can flow to low carbon infrastructure and renewable energy; industry investment can be tied to new environmental regulations; and tax instruments such as tax cuts, credits, exemptions, and subsidies can be introduced to direct spending in ways that decrease emissions and increase climate resilience. Many of these tools can be applied in a way that provides support and opportunities for more vulnerable individuals and communities.

**Post COVID-19 Economic Stimulus Funding**

The Federal and Provincial governments have already provided economic support for those impacted by COVID-19, and have indicated that they will announce economic recovery spending in the coming months. There will be a narrow window to determine how this money is spent, and how much of it goes to low carbon initiatives. Notably, the Federal government has already announced \$1.7 billion dollars in funding to go to the cleanup of orphaned oil and gas wells in western provinces, including BC. Given the relatively limited focus on low carbon initiatives in 2009 Canadian economic stimulus spending, and the current call from some Provincial Governments to stimulate the oil and gas sector, advocacy on this issue is likely needed to push significant spending into low carbon initiatives with an equitable distribution of benefits.

Several organizations have already been advocating for low carbon initiatives to drive economic stimulus spending. The International Energy Agency has advocated for clean energy to be at the heart of economic stimulus (Reference 2). In Canada, 265 academics submitted a letter to Prime Minister Justin Trudeau opposing an oil and gas bailout as part of Canadian economic stimulus spending (Reference 3). Some organizations, including the Pembina Institute, Efficiency Canada, and the Canada Green Building Council, have already developed sector-specific recommendations and strategies to support low carbon stimulus spending. Additionally, a number of Metro Vancouver member jurisdictions have raised this issue. Metro Vancouver has an opportunity to add its voice to other organizations' in calling for the development of stimulus spending that is equitable and accelerates the growth of a resilient, low carbon economy.

**ALTERNATIVES**

1. That the MVRD Board write letters to the provincial Minister of Environment and Climate Change Strategy, the federal Minister of Environment and Climate Change, and other appropriate government agencies to call for economic stimulus funding to be directed to low carbon initiatives.
2. That the MVRD Board receive for information the report dated April 16, 2020, titled "Low Carbon Economic Stimulus Funding in Response to COVID-19" and provide alternate direction to staff.

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with Alternative 1 in this report.



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## CONCLUSION

COVID-19 has already transformed our communities in profound ways. As critical near-term decisions help to stabilize public health and social support, the Provincial and Federal governments will begin to make decisions on economic stimulus spending to revitalize the economy. While economic recovery is the priority in these decisions, it is also important that they align with Metro Vancouver's *Climate 2050* commitments, as well as provincial and federal commitments to reduce greenhouse gas emissions and ensure the equitable distribution of benefits. Additionally, the economic transformations that are created through stimulus spending should support growth that is sustainable in the long term in a low carbon economy. However, some Provinces have already been calling for stimulus spending to go to the recovery of the oil and gas sector. Many other organizations are advocating for the implementation of low carbon economic stimulus measures.

Staff recommend Alternative 1, that the Board write letters to the provincial Minister of Environment and Climate Change Strategy, the federal Minister of Environment and Climate Change and other agencies as appropriate, to call for economic stimulus funding to be directed to low carbon initiatives.

## References

1. [Green Stimulus Measures](#)
2. [International Energy Agency Calls for Clean Energy Measures](#)
3. [Letter from 265 Academics on Economic Recovery Planning](#)

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