



# Climate Action: Directions Report

April, 2022



\*Cover image, "Traverse With Us," courtesy of pikpng



## Introduction

The Town has a longstanding commitment to leadership on sustainability, as demonstrated by being one of the first municipalities to have an Environmental Strategic Plan (2005). It has achieved this leadership through partnerships with the community and the development of strong environmental policies, strategic plans, programs and initiatives. This commitment continues through Council's Strategic Plan for 2019–2022 which has an ongoing goal of protecting greenspace and promoting environmentally sustainable practices. And, in 2019, in concert with over 500 other Canadian municipalities and the federal government, [Oakville's Town Council declared a climate emergency](#). The declaration is a call to action to recognize and address the significant risks and opportunities facing our community as the result of a changing climate (see Appendix A).

Through the Climate Emergency resolution, Council committed staff to the following:

- address the operations of the corporation;
- identify the public's role in the climate crisis, and actions that can be taken to fight climate change;
- embed a climate crisis lens into the Town's asset management program;
- incorporate climate policies into Livable Oakville – the Town's official plan;
- increase action and ambition for the town's climate-related activities;
- include performance metrics to track progress and timelines for achieving key deliverables/major milestones; and
- develop a strategy to report back publicly on the progress of municipal and public efforts.

Since 2019, staff have [reported annually](#) on the progress that has been achieved on all points. The town continues to move forward on climate action; however there is an opportunity to reflect and reassess the town's efforts to ensure ongoing accountability and continuous improvement, particularly given the significant changes brought about by the pandemic, and rapid shifts in understanding around local and global climate risks and opportunities.

Throughout 2021, staff assembled, consulted on and evaluated the Town's existing and planned climate action work to:

- catalogue the Town's climate action efforts across the corporation, including partnerships, to develop a broad-based understanding of the current state;
- benchmark and assess efforts to better understand the opportunities for accelerating climate action progress, and;
- develop recommendations for next steps, based on a more comprehensive understanding of what we are currently doing and where we should be going to ensure accountability in addressing the Climate Emergency.

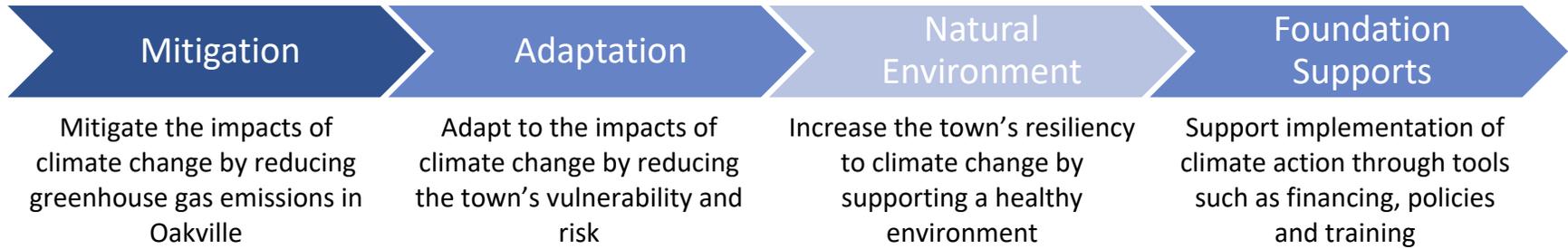
This document summarizes the results of this evaluation.





# KEY AREAS OF FOCUS

Four Focus Areas were confirmed as critical to addressing climate action: Mitigation, Adaptation, Natural Environment and Foundational Supports. These provide a way to better understand and communicate climate action in Oakville.



## MITIGATION

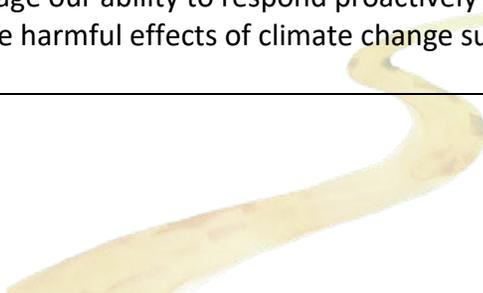
**WHAT IT IS:** A primary cause of climate change is greenhouse gas emissions (GHGs), largely stemming from the burning of fossil fuels for electricity, heat, and transportation. Mitigation refers to the efforts to reduce, prevent or absorb GHG emissions with the goal of preventing further damage from occurring.

**WHY IT’S IMPORTANT:** Mitigation is critical if we want to avoid more catastrophic climate impacts. In Oakville, **efforts need to focus on reducing our highest sources of GHGs: buildings and transportation.** Both the Town and community are responsible for mitigation and efforts will need to include developing and retrofitting buildings to be more energy efficient, making choices that reduce the use of single-occupancy vehicles and creating the systems and infrastructure to support those choices.

**EXAMPLE:** The Town is making use of available funding from the Investing in Canada Infrastructure Program (ICIP) to accelerate greening its transit fleet. Transitioning to battery-operated electric buses will have a significant positive impact on the Town’s corporate goal to reduce GHG emissions 80 per cent from 2014 levels by 2050. The transition of the entire Oakville Transit fleet from diesel to electric is planned to be complete by 2036.

## ADAPTATION

**WHAT IT IS:** Adaptation refers to how we prepare for and manage our ability to respond proactively to actual or expected future climate challenges. The goal is to reduce our vulnerability to the harmful effects of climate change such as more intense extreme weather events and food insecurity.





**WHY IT'S IMPORTANT:** In Oakville, the 2020–2021 [climate data and projections](#) report demonstrated that we face a number of significant risks due to climate variability and extreme weather, causing floods, droughts and storms. Preparing our community and the Town's services, programs and infrastructure to navigate risks is vital. Efforts to **reduce and adapt to the impacts of increased precipitation** will be critical. The Town, Conservation Authorities and the community all have key responsibilities for adaptation.

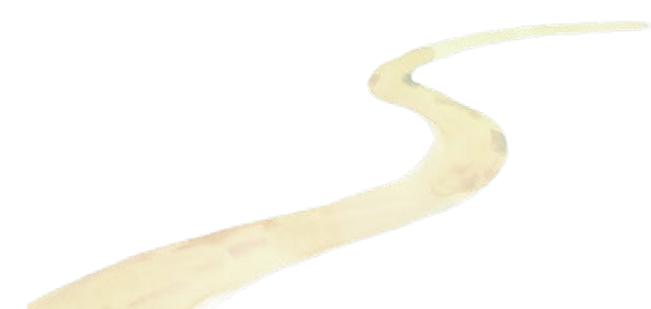
**EXAMPLE:** The Stormwater Master Plan (SWMP) focuses on the town's more established community areas where stormwater infrastructure systems tend to be older and outdated. The work conducted through the SWMP allows us to determine what needs to be improved to ensure these systems remain stable and functional while minimizing exposure to the risk of urban flooding. It sets out actions to enhance the town's approach to stormwater management and climate change issues and provides advice to property owners on what they can do themselves to reduce flood risk and flood damage on their property. The Town has also recently initiated a Rainwater Management Strategy that will provide a long-term capital plan roadmap, a supporting financing plan and will provide residents and Council information about the town's strategy to improve resiliency and adapt to climate change to help protect both our natural assets and rainwater infrastructure.

## NATURAL ENVIRONMENT

**WHAT IT IS:** Oakville's natural environment includes our local air quality, parks, trails, gardens, trees, and woodlands; shoreline, waterways, harbours, wildlife and biodiversity.

**WHY IT'S IMPORTANT:** Natural environments play an important role in regulating climate. At the same time, climate change also impacts natural systems. The continuing loss of biodiversity and degradation of ecosystems weakens their ability to provide essential services to the extent that we risk reaching irreversible 'tipping points'. By conserving nature and restoring ecosystems we reduce vulnerability and increase resilience. One of the most important things we can do to build resilience to a changing climate is to support our natural environment with **a focus on biodiversity that includes a healthy tree canopy.**

**EXAMPLE:** The recently updated Urban Forest Strategic Plan is a 20-year plan that sets out the steps necessary to achieve short-, medium- and long-term goals for urban forests. These include setting out a variety of actions to achieve the Town's goal of 40% forest canopy cover, that will help mitigate the impacts of climate change, and an invasive species strategy to help manage the increasing number of invasive species such as emerald ash borer that threaten our trees.





## FOUNDATIONAL SUPPORTS

**WHAT IT IS:** Foundational supports refers to the elements that are required to develop and implement the strategies, plans, policies, and/or administrative elements needed to address climate change.

**WHY IT'S IMPORTANT:** Climate action does not happen in a vacuum. The actions associated with this Focus Area are the scaffolding required, across the corporation, to ensure accountable, consistent, targeted, and sustained action on climate change. Foundational supports turn plans and strategies into action and include considerations such as financing, governance, data, targets and metrics, education and training and effective communication. **To ensure we can effectively put our climate strategies and plans into action, we need to focus on putting key foundational supports in place.**

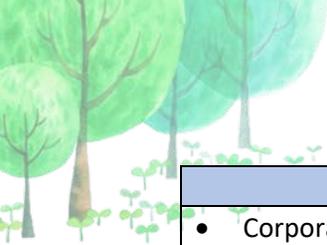
**EXAMPLE:** Targets and metrics are needed to understand how we're doing and whether we're on track to getting to where we need to be. These have been set out for some of our mitigation efforts such as: GHG reductions of 30% by 2024 for the Town's facilities and operations; and for the community overall, a reduction in GHG emissions of at least a 50% by 2041. Appropriate and science-based measurements are still needed for a number of our focus areas and work is currently underway to establish these so we can effectively prioritize our work and report on results. Work being undertaken in 2022 such as the risk and vulnerability assessments with action plans and the climate-related financial disclosures assessment will be supporting the development of a more robust measurement and reporting system.

## ASSESSMENT OF PROGRESS TO DATE

An assessment of the Town's climate action efforts was carried out, benchmarking against priorities outlined in the [Oakville Environmental Sustainability Strategy](#) (2018), the [2014 Climate Change Technical Report](#) and current best management practices. The table below outlines some of the initiatives complete and underway as well as gaps under Foundational Supports.

MITIGATION	ASSESSMENT
<ul style="list-style-type: none"> <li>Corporate targets and metrics in place</li> <li>Corporate energy and GHG reductions meeting or exceeding targets</li> <li>Key corporate strategies and plans in place: Conservation and Demand Management Plan (2020); Renewable Energy Strategy (2022); Greenhouse Gas Reduction Roadmap and Action Plan (2022)</li> <li>Community Energy Strategy (2020)</li> <li>Key partnerships with Future Energy Oakville (FEO), Oakville Hydro, Oakville Enterprises Corp, Danish Consulate</li> </ul>	



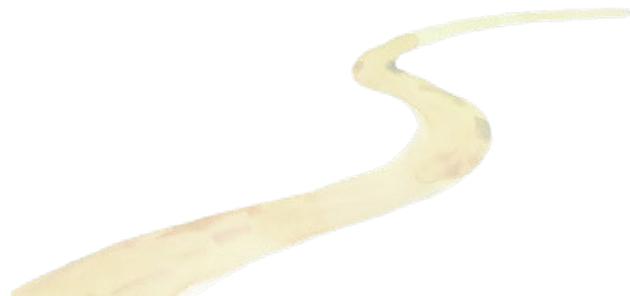


ADAPTATION	ASSESSMENT
<ul style="list-style-type: none"> <li>Corporate targets and metrics are still required</li> <li>Key strategies, plans and programs: Stormwater Master Plan (2019); Rainwater Management Strategy (in progress), Asset Management planning integrating climate impacts, OakvilleReady; Climate Risk Assessments and Action Plans (in progress)</li> <li>Key partnerships with Halton Environmental Network and Conservation Halton</li> </ul>	
NATURAL ENVIRONMENT	ASSESSMENT
<ul style="list-style-type: none"> <li>Some corporate targets and metrics are in place</li> <li>Forestry is resourced. Biodiversity is not currently resourced</li> <li>Key strategies and plans: Urban Forest Strategic Management Plan (2022); Oakville Strategy for Biodiversity (2019)</li> <li>Key partnerships with Oakvillegreen, Halton Environmental Network and Conservation Halton</li> </ul>	
FOUNDATIONAL SUPPORTS	ASSESSMENT
<ul style="list-style-type: none"> <li>Corporate targets and metrics are still required</li> <li>Key gaps: Mechanism(s) to embed climate considerations corporately and within departments (e.g. climate lenses); financing tools; metrics; reporting; governance; communications; climate education and training; overarching strategy to prioritize and focus climate action</li> <li>Majority of foundational supports resourced by Climate Action staff under Corporate Strategy</li> </ul>	

As highlighted in the table, the analysis found that substantial progress has been made under Mitigation. The Town was an active participant in the development of the [Community Energy Strategy](#) (CES) endorsed by Council in 2020. The CES sets out actions, roles and targets for achieving:

- at least a 50% reduction in GHGs from 2016 levels by 2041;
- at least a 40% increase in energy efficiency from 2016 levels by 2041, and;
- a return of at least \$7 billion in cumulative energy cost savings to the community by 2041.

As a community Stakeholder under the CES the Town has already led or partnered on a number of priority projects including a district energy feasibility study, business case development for residential energy retrofits, installation of 46 community EV charging stations and initiating the electrification of the Oakville Transit fleet.





The Town's corporate operations are also progressing, guided by the [Conservation and Demand Management Plan](#) that sets out interim targets of:

- a 30% reduction in GHG emissions by 2024 for facilities, based on 2014 baseline (not including fleet or transit) and;
- a 20% reduction in overall energy consumption by 2024 based on 2014 baseline (not including fleet or transit).

As of 2021 the Town has achieved:

- GHG reduction of 29.3% for facilities, which is substantially meeting the interim 2024 target; and
- Energy use reduction of 24.7% which already exceeds the interim 2024 target of 20%.

Recent initiatives that will push the Town's operations towards even more aggressive targets are the **Greenhouse Gas Reduction Roadmap & Action Plan**, **Net Zero deep energy retrofits** and updated **Sustainable Design Standards** for buildings and the **Corporate Renewable Energy Generation Strategy**. It is recommended that going forward, work should focus on implementation and ensuring sufficient resourcing to support ongoing success.

Under Adaptation, there has been a great deal of progress, however, many of the initiatives are either new or currently under development so are not as established as the work under Mitigation. Strategic work currently underway to address adaptation includes **Asset Management's integration of climate risks and natural assets**, the **Rainwater Management Strategy** and **Climate Risk assessments and action plans**. Established work includes the [Stormwater Master Plan](#) (2019) and the **OakvilleReady** partnership hubs.

Likewise, under Natural Environment, the Town has established strategies, targets and implementation in place for both forestry ([Urban Forest Strategic Management Plan](#) (update in 2022) and biodiversity ([Oakville Strategy for Biodiversity](#) (2019)). Key partnerships are in place with community and leadership on advocacy to support greenspace acquisition. The Town has a longstanding history of leadership and implementation on its forestry initiatives, however, implementation and resourcing for biodiversity are still under development.

Overall, the Focus Area with the greatest number of gaps was Foundational Supports. This includes elements such as data, governance, targets and implementation tools – elements that support a strong foundation when implementing a major initiative. While there are gaps, staff have already initiated work to address some of them. For example, work is well underway on the development of climate lenses. In simple terms, these are a series of questions or other type of process that can be applied to a given activity to help determine the climate impacts it may have and / or ways to help mitigate it. An example of one of the Town's climate lenses recently developed is found in Appendix B.



## DEMONSTRATING ACCOUNTABILITY

To address accountability, it is recommended that the town adopt an accountability framework based on the Task Force on Climate-Related Financial Disclosure (TCFD) to help disclose, assess and respond to climate-related risks and opportunities. This widely accepted framework is used by both public and private organizations, provides a way to embed climate considerations into critical functions and supports transparency and accountability in an organization’s climate-related activities.

The framework centres around four core Pillars:



More information on the TCFD and the framework is provided in Appendix C.

## ASSESSMENT OF ACCOUNTABILITY

Based on existing information, the Town’s climate accountability processes were assessed at a high level across the four Pillars of the TCFD framework.

GOVERNANCE	ASSESSMENT
<ul style="list-style-type: none"> <li>Reporting to Council is done on an annual basis through a number of departments and reports, although no formal requirements exist</li> <li>Formal management structure for oversight and management of climate risks and opportunities is not identified</li> </ul>	
STRATEGY	ASSESSMENT
<ul style="list-style-type: none"> <li>There are multiple climate-related plans and strategies but no overarching climate strategy</li> <li>Climate-related risks and opportunities are currently being updated and developed</li> </ul>	



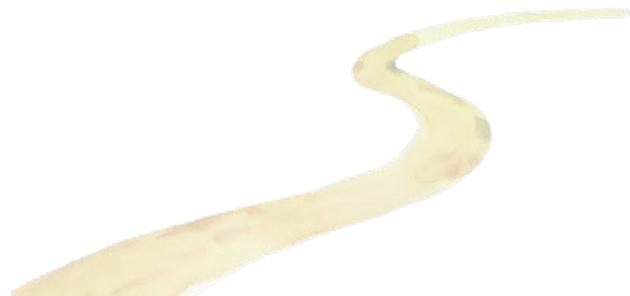
<ul style="list-style-type: none"> <li>• The town has completed scenario planning around climate data and projections and is using this to complete climate related risk and opportunity assessments</li> <li>• A structured process for incorporating climate risks and opportunities is not included as part of the Town’s financial planning</li> </ul>	
<b>RISK MANAGEMENT</b>	<b>ASSESSMENT</b>
<ul style="list-style-type: none"> <li>• There is no formal process for integrating climate risks into the town’s overall risk management although considerations may be done on a departmental basis</li> <li>• Updates to the town’s climate risk assessments and plans were initiated in 2021 and will continue into 2022 using updated climate data and projections</li> </ul>	
<b>METRICS &amp; TARGETS</b>	<b>ASSESSMENT</b>
<ul style="list-style-type: none"> <li>• Metrics and targets have been set for both community and corporate energy and GHGs to address mitigation. These will need to be updated on an ongoing basis to reflect any changes in standards and/or regulations</li> <li>• Metrics and targets for Adaptation are incomplete</li> <li>• Measurement of performance against targets is only partially in place for those areas that have clear targets</li> </ul>	

The majority of the gaps found through this assessment fall under the climate action Focus Area of Foundational Supports. To help address the gaps in the town’s climate actions across the four Focus Areas and those noted in the accountability framework, three priority actions are recommended to build on the existing success of delivering on Council’s direction on Oakville’s Climate Emergency.

## NEXT STEPS ON ACTION AND ACCOUNTABILITY

To close the gaps identified, it is recommended that in the short term, Climate Action efforts invest in Foundational Supports and strengthening climate accountability through the TCFD framework to ensure the town and its partners build on a strong base. To support this, three key initiatives will move this work forward:

### 1) Risk and Vulnerability Assessments; Climate Action Plans; Climate Lens Tools (2021-2022):





To ensure the Town's climate action work is science-based and data-driven, the Oakville-specific [climate data and projections report](#) was completed in 2021. This data is the foundation to better understand how the Town's assets, infrastructure, and programming will be affected by the changing climate in Oakville and is informing the development of cross-departmental **climate risk and vulnerability assessments** and **climate action plans** that are currently in progress and will continue through 2022.



These assessments and plans will guide the actions of the town and inform the development of department-level **climate lenses** that are also underway. Climate lenses are a series of questions or considerations that can be applied to the Town's operations, projects and budgeting to help departments take a critical look at their potential climate impacts and options to address. An example of one type of climate lens is provided in Appendix B.

**2) Climate Disclosure Assessment and Report (2022):** Development of a climate reporting program based on the TCFD framework in 2022. This process will be led by Strategy, Policy and Communications and will:

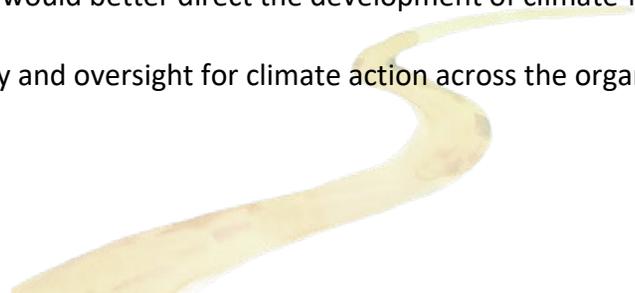
- provide a framework for annual climate reporting that would be included with the corporation's financial reporting;
- provide a climate lens for finance;
- align climate reporting with leading domestic and international organizations;
- identify gaps in the Town's climate action, specifically, around governance, risk management, strategy, and targets/metrics;
- better position the Town for federal climate funding and anticipated requirements around risk-related disclosure;
- help frame the work to be completed for the 2023 Climate Action Strategy; and
- set the stage for developing a carbon budget and carbon accounting for the Town in 2023.

As noted above, the TCFD provides an internationally-recognized path to climate accountability around the four key pillars of governance; strategy; risk management; and metrics and targets.

### **3) Climate Action Strategy (2023)**

The Town's Environmental Sustainability Strategy (ESS) was last updated in 2018 and is approaching its five-year update in 2023. To address the gap of an overarching climate strategy, the ESS will be transitioned to a Climate Action Strategy that would:

- provide a **common vision, goals and commitments** that would better direct the development of climate-related **targets and metrics**;
- identify a **governance** structure to provide accountability and oversight for climate action across the organization;





- set out the mechanisms for how climate action will be **resourced**;
- **prioritize and manage** climate-related risks;
- **engage and build buy-in** with the broader community and external stakeholders;
- provide a way to understand and **communicate** the collective impact of climate-related risks or opportunities from a corporate and community wide perspective; and
- weave together the complexity of this portfolio and focus the Town's and community's actions and **partnerships**.

The climate crisis offers both risks and opportunities. By taking a proactive approach that emphasizes accountability, the Town can more effectively and efficiently address Council's resolutions for addressing the climate emergency as well as close the gaps identified above under the four focus areas. While the Town and its partners are well-positioned strategically in the Mitigation work, the three key priority initiatives outlined above will not only address the gaps under Foundational Supports but also provide key elements to advance efforts around Adaptation and Natural Environment through a more strategic and data-driven approach.

Together, these three key priority initiatives complement and build on each other. First, the corporate-wide Risk and Vulnerability Assessments, Climate Action Plans and Climate Lens Tools will address operational-level initiatives; second, the climate disclosure assessment and report will provide a greater understanding and recommendations for the Town's management and accountability of its climate actions; and third, the development of a Climate Action Strategy will pull all of these pieces together and provide an opportunity to engage with the community and staff, to ensure the Town and Community are coordinated and clear on climate efforts being made.

The Town remains committed to meeting the challenges of the Climate Emergency. Staff will continue to work in concert with community partners and other orders of government to implement actions to move, meaningfully, towards deep and impactful climate action and ensure accountability in all we do.





## APPENDIX A

### Council Resolution on the Climate Emergency, Declared June 24, 2019

That the [Climate Change Emergency Report dated June 18, 2019](#), be received and the following resolution be approved:

WHEREAS the Intergovernmental Panel on Climate Change (IPCC) has determined the need for a significant and structural reduction in carbon emissions in the next 11 years to avoid further economic, ecological, and societal losses due to the climate change crisis; and

WHEREAS Canada is, according to the Government of Canada's April 2019 Changing Climate Report, experiencing warming at twice the rate of the rest of the world, with Northern Canada heating up at almost three times the global average; and

WHEREAS infrastructure failures linked to the climate change crisis could cost Canada \$300 billion over the next decade unless we change the way we build and move people, goods, and services; and

WHEREAS local governments are at the frontline of taking actions to manage the worst impacts of the climate change crisis, by creating low carbon communities and calling on residents and senior levels of government for a more urgent response in both personal choices and behaviours and governmental policy and operations; and

WHEREAS the Town of Oakville has already experienced consequences attributed to the climate change crisis, such as the 2019 record setting high lake levels, shoreline erosion and flooding of our parks and trails, the ice storm of December 2013, and the effects of Emerald Ash Borer and other invasive species on our local forests; and

WHEREAS Council has adopted key objectives in the Council Strategic Plan 2019-2022 to create a climate change crisis resilient community and transition to a low carbon future; and

WHEREAS the Town of Oakville understands that climate action and a low carbon transition also represents an opportunity for economic stimulation and job development opportunities in a new low carbon economy; and

WHEREAS the Town is currently developing in partnership with Sheridan College and the Oakville Energy Task Force a Community Energy Plan to reduce greenhouse gas emissions in Oakville and advance climate action; and



WHEREAS the Town of Oakville recognizes many local community groups and organizations are already taking collective action on climate change;

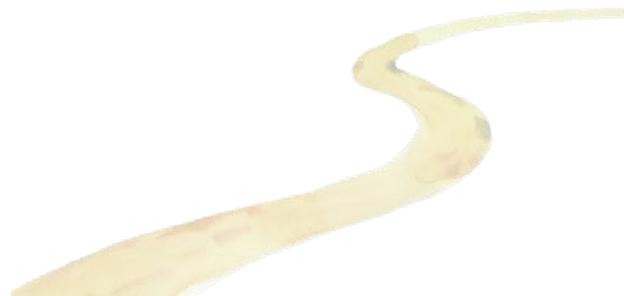
NOW THEREFORE BE IT RESOLVED:

THAT the Town of Oakville declare a climate emergency for the purposes of deepening the Oakville community commitment to protecting our economy, environment and community from climate change; and

THAT Council and staff urge the public to immediately increase the priority of the fight against a climate change crisis and apply a climate crisis lens to the plans and actions of the Town of Oakville's public; and

THAT staff are directed to report annually on climate change actions and update the climate change strategy to:

- a) address the operations of the corporation of the municipality;
- b) identify the public's role in the climate crisis and the actions the community can do to fight climate change;
- c) embed a climate crisis lens into the town's asset management program;
- d) incorporate climate change crisis policies into Livable Oakville;
- e) increase action and ambition for the Town's climate change crisis -related activities; and
- f) include performance metrics to track progress and timelines for achieving key deliverables/major milestones, and a strategy to report back publicly on progress of municipal and public efforts





# APPENDIX B

## Climate Lens Examples (Oakville: SOP Lens and Decision tree)

Environmental Impacts: Check  all that apply – [Link to Decision Tree](#)  
 The process incurs the following impacts:

Utilizes natural resources	 <input type="checkbox"/>	 <input type="checkbox"/>	 <input type="checkbox"/>	 <input type="checkbox"/>
	Water	Wood / Paper	Raw Materials	Energy
Emits GHG and/or reduces air quality	 <input type="checkbox"/>	 <input type="checkbox"/>		
	GhGs	VOCs/ Particulates		
Toxicity	 <input type="checkbox"/>	 <input type="checkbox"/>	 <input type="checkbox"/>	 <input type="checkbox"/>
	Wildlife	Land	Water	Air
Vulnerable to extreme weather	 <input type="checkbox"/>	 <input type="checkbox"/>	 <input type="checkbox"/>	 <input type="checkbox"/>
	Increased Temperatures	High Wind	Flooding	Snow/Ice

No Environmental Impact: This process does not utilize natural resources, emit Ghgs, pollute the air, contain toxic materials, or make the town more vulnerable to extreme weather.

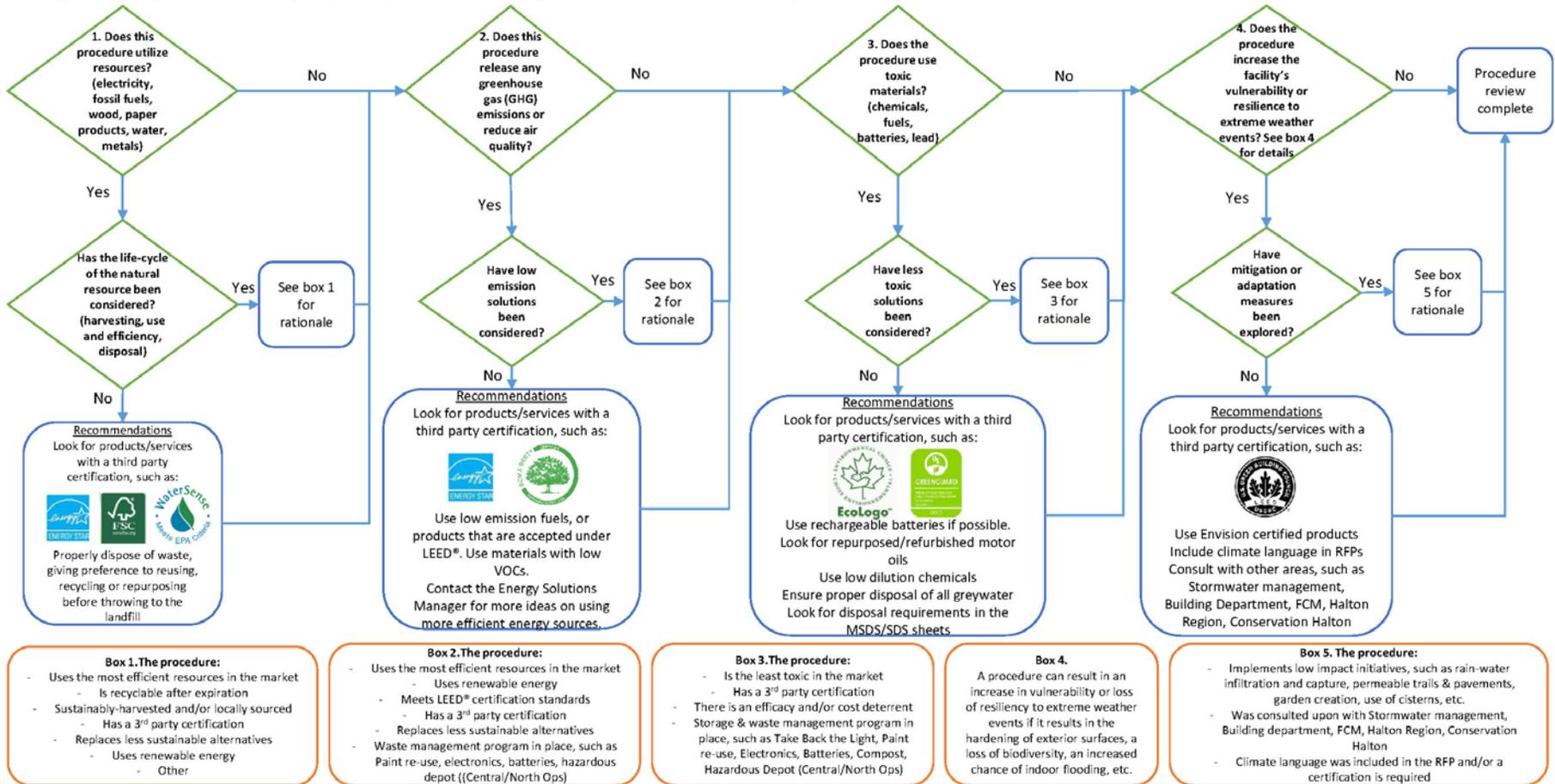
If applicable, please recommend how this could task or its materials can be made more environmentally friendly. Notes: \_\_\_\_\_

\_\_\_\_\_

# Decision Tree: Guidance for SOP Climate Lens

## Climate Lens

As you review the standard operating procedure, consider the following questions to determine the impacts it has on the environment. As you identify these impacts, look at the recommendations offered to help mitigate them through sustainable procurement and disposal practices, as well as modifying operation and maintenance tasks as required, whenever possible.



**Box 1. The procedure:**

- Uses the most efficient resources in the market
- Is recyclable after expiration
- Sustainably-harvested and/or locally sourced
- Has a 3<sup>rd</sup> party certification
- Replaces less sustainable alternatives
- Uses renewable energy
- Other

**Box 2. The procedure:**

- Uses the most efficient resources in the market
- Uses renewable energy
- Meets LEED® certification standards
- Has a 3<sup>rd</sup> party certification
- Replaces less sustainable alternatives
- Waste management program in place, such as Paint re-use, electronics, batteries, hazardous depot ((Central/North Ops)

**Box 3. The procedure:**

- Is the least toxic in the market
- Has a 3<sup>rd</sup> party certification
- There is an efficacy and/or cost deterrent
- Storage & waste management program in place, such as Take Back the Light, Paint re-use, Electronics, Batteries, Compost, Hazardous Depot (Central/North Ops)

**Box 4.**

A procedure can result in an increase in vulnerability or loss of resiliency to extreme weather events if it results in the hardening of exterior surfaces, a loss of biodiversity, an increased chance of indoor flooding, etc.

**Box 5. The procedure:**

- Implements low impact initiatives, such as rain-water infiltration and capture, permeable trails & pavements, garden creation, use of cisterns, etc.
- Was consulted upon with Stormwater management, Building department, FCM, Halton Region, Conservation Halton
- Climate language was included in the RFP and/or a certification is required



## APPENDIX C

### Task Force on Climate-Related Financial Disclosure (TCFD) Overview

#### What is it?

The [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#), co-founded by Mark Carney, Governor of the Bank of England and Michael Bloomberg in 2017 is a standardized framework that organizations can use to **disclose, assess and respond** to climate-related risks and opportunities. It provides guidance rather than prescriptive rules to follow and provides a way to embed climate considerations into critical functions such as finance and asset management. It does not take the place of climate change plans.

The framework centers around four core elements:

1. **Governance** of climate-related risks and opportunities
2. Actual or potential impacts of climate-related risks and opportunities on **Strategy** and financial planning
3. **Risk management** including processes to identify, assess and manage climate-related risks
4. **Metrics and targets** used to assess and manage climate-related risks and opportunities.

#### Canadian Context

In the 2021 federal budget, the Government of Canada pledged to “engage with provinces and territories, with the objective of making climate disclosures, consistent with the TCFD, part of regular disclosure practices for a broad spectrum of the Canadian economy.” Currently, all Crown corporations are required to adopt TCFD requirements and standards as part of corporate reporting by 2024.

In the Fall of 2021, the Canadian Securities Administrators (CSA) also proposed a requirement for all public companies to make climate-related disclosures informed by the TCFD starting in 2024. A majority of financial related organizations (banks, ratings agencies, pension funds) have also adopted the TCFD and greater requirements and regulations to do so are anticipated going forward.

#### Application to Municipalities

Canadian municipalities are not yet required to implement TCFD, but leading municipalities including [Mississauga](#), [Vancouver](#) and [Toronto](#) now include it as part of their annual financial reporting. This helps build both internal and public support for climate action, demonstrate good governance and transparency, and actionize municipal climate emergency declarations.

Over the course of 2019, Chartered Professional Accountants (CPA) Canada worked with municipal staff from Montreal, Toronto, and Vancouver (through the [Canadian Urban Sustainability Professionals network](#)) along with other partners such as the Public Sector Accounting Board (PSAB), C40 cities, Federation of Canadian Municipalities (FCM), and others to develop a [guide](#) for municipalities that included the following recommendations to consider as part of a TCFD process:



TCFD Recommendation Areas	TCFD Recommended Actions (Adapted for Cities)
<b>Governance</b>	Describe mayor and council’s oversight of climate-related risks and opportunities.
	Describe management’s role in assessing and managing climate-related risks and opportunities.
<b>Strategy</b>	Describe the climate-related risks and opportunities the city has identified over the short-, medium-, and long-term.
	Describe the impact of climate-related risks and opportunities on the strategy and financial planning of the city’s businesses.
	Describe the resilience of the city’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
<b>Risk Management</b>	Describe the city’s processes for identifying and assessing climate-related risks.
	Describe the city’s processes for managing climate-related risks.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the city’s overall risk management.
<b>Metrics and Targets</b>	Disclose the metrics used by the city to assess climate-related risks and opportunities in line with its strategy and risk-management process.
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.
	Describe the metrics used by the city to manage climate-related risks and opportunities as well as performance against targets.

Benefits to municipalities noted by CPA include:

- Supporting the application of a **climate risk lens** on short- and long-term financial planning, operational budgets and capital investments;
- Enhancing **data collection** and sharing to improve decision-making and enable comparability across local governments;
- Using cross-functional teams to integrate climate change considerations into existing risk assessment processes and build internal capacity for managing climate risks;
- Quantifying climate-related information in financial terms, such as infrastructure;
- Investment needs and the costs of inaction, health and other social costs, economic;
- Growth potential from clean-economy investments, and the creation of “green” jobs;





- Integrating climate-related risks and opportunities into operational budgeting and long-term capital planning to allocate resources where needed
- Enhancing access to government and other sources of external funding for green infrastructure and projects, as well as attracting new investors and businesses
- Supporting the transition to Net Zero by 2050 as mandated by the Canadian Net-Zero Emissions Accountability Act (June 29, 2021)
- Building public awareness of climate change impacts, and enhancing local support for action

Implementation of the recommendations of TCFD represents a multiyear phased opportunity for municipalities to begin disclosing, assessing, responding to and ultimately quantifying climate-related risks and opportunities.

### **RESOURCES**

Task Force on Climate-Related Financial Disclosure. <https://www.fsb-tcf.org/about/>

CPA (Chartered Professional Accountants Canada). Enhancing Climate-related Disclosure by Cities: A Guide to Adopting the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). <https://www.cpacanada.ca/en/business-and-accounting-resources/financial-and-non-financial-reporting/sustainability-environmental-and-social-reporting/publications/tcf-guide-for-cities>

Webinar [TCFD 101 Back to Basics - Manifest Climate](#)

