

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By ClimateFast



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Recommendations

Recommendation 1. Establish a **climate framework** to ensure Canada meets its Paris Accord climate commitments and achieves a net zero carbon economy by 2050.

1. **Legislate** emissions limits, accountability, and a roadmap for planning and reporting results.
2. **Continue the carbon price**, increasing it to incent emissions reductions, and providing refunds directly to taxpayers.
3. **Establish policies** (model building code, ZEV sales mandate), regulations, workforce development and training, and labelling and public disclosure.
4. Place a **moratorium on all fossil fuel exploration**, development and expansion.
5. **Remove fossil fuel subsidies**, redirecting revenue to clean energy and climate solutions.

Recommendation 2. Invest in **climate solutions** that reduce Canada's GHG emissions to [60% below 2005 levels by 2030](#).

1. **Clean energy**- Invest in renewable energy production, energy storage capacity, and transmission grid upgrades to [put the country on track for net-zero electricity generation by 2040](#).
2. **Deep retrofit of buildings**- Finance mass, deep [retrofit of residential and commercial buildings](#) to complete 60% of homes and workplaces by 2030.
3. **Zero-emission transportation**- Invest charging infrastructure, incentives to purchase zero-emission vehicles, high-speed rail, affordable public transit and active mobility. achieving [100% zero emission light duty vehicle sales by 2030](#).
4. **Decarbonize cement and steel**- Offer a [premium for low-carbon cement and steel](#) in public procurements to cover the cost and risk of innovation.
5. **Forests and agricultural practices**- [Fund reforestation](#) and transition of agricultural practices to restore soil's carbon content.
6. **R&D in emerging technologies**- Invest in research and innovation preparing Canada to be a world supplier of zero-carbon products.
7. **International Climate Finance**- Provide [contributions totalling \\$6.76 billion](#) for the five years to 2025 to the UN Green Climate Fund.

Recommendation 3. Implement climate action to stimulate just recovery from COVID19 and support the transition to a zero-carbon economy.

1. Implement programs in such a way as to provide needed **employment opportunities** for women, and for Indigenous and racialized communities.
2. Invest in **services that provide a safety net** (childcare, healthcare, income supports, and worker protection).
3. **Reform taxes** to fund investments in climate solutions.

“What we’re learning from COVID is that you can’t just wish away systemic risk. The climate crisis is COVID on steroids in many respects. It’s not just a risk — it’s the central scenario. You can’t self isolate from [climate change], we’re all going to be brought into it.” - [Mark Carney](#)

Canada’s Climate Crisis

It is crucial that the 2021 budget set Canada on a path to meet its share of the 1.5C Paris Accord target and the government’s stated commitment to a zero-carbon economy by 2050. The cost of inaction is vastly higher than the cost of acting now. We have no time to lose -- heat impacts, flooding, forest fires and weather anomalies are already upon us and the world appears to be quickly reaching a tipping point leading to irreversible tragedy.

Canada’s record in curbing GHG emissions is shameful. Canada has the dubious honour of producing the [highest per capita GHG emissions](#) in the world, due largely to emissions from our oil and gas sector, transportation habits, and inefficient buildings. Recent analysis of the [carbon impacts of forests](#) has suggested they are net contributors to GHG emission, rather than the carbon sink previously assumed, meaning that Canada’s emissions are far higher than current measures show. Of G20 countries, [Canada is far below requirements to meet the 1.5C goal](#), with only South Korea demonstrating less ambition than Canada. Other countries are making [major investments](#) in innovation and implementation of green technologies that will challenge Canada’s potential leadership in these fields.

The top priority for the 2021 budget, as we recover from COVID19, must be **achieving the immediate GHG reductions** necessary to reduce Canada’s emissions to [60% below 2005 levels by 2030](#). Climate solutions will produce needed employment and drive a just recovery if they are implemented in a way that provides opportunities for women, and for Indigenous and racialized communities. Complementary investments (childcare, healthcare, income supports, and worker protection) must address the inequities and weak public services highlighted by the pandemic. Funding should include revenue from cancelling all subsidies for the fossil fuel industry as well as tax reform.

A Just Recovery

Investment in climate action can drive a just transition for fossil fuel workers and their communities, leaving no one behind. Spending on renewable energy projects, for example, [creates up to three times the number of jobs](#) as the same commitment to fossil fuels. Deep retrofit of buildings is a labour-intensive activity that provides opportunities for training and transitional employment, but must be organised on a mass basis to meet the country’s goals for greenhouse gas reductions and job creation.

Climate investments, and the budget as a whole, must provide a just recovery from the pandemic. The [Green New Deal](#), the [Alternative Federal Budget Recovery Plan](#), and

the [Green Strings Principles](#) all provide pathways to integrate climate action with progress toward a more equitable society. Climate actions must provide opportunities and reduce inequities through consultation with women and with Indigenous and racialized people followed by implementation that addresses the needs they identify. Projects on Indigenous homelands must be based on equitable partnerships. Important programs such as childcare, improved healthcare, employment protections, and EI/income supplements will be essential to address the issues that have been highlighted by the pandemic.

Revenue and Financing

Revenue should be raised in ways that support a just and green recovery. Subsidies of all types (including loan guarantees through EDC and other channels) to oil and gas must end, freeing up billions of dollars each year to invest in climate solutions. Tax reform to remove loopholes, crack down on avoidance, cover revenues in Canada from digital services, and increase the contributions made by corporations and the very wealthy will provide revenue and help reduce systemic inequities.

Projects should be publicly funded, owned and operated. Experience has shown that P3 partnerships divert funds to profits of participating entities and are poor value for taxpayers. Instead, Canada should pursue innovative financing options, such as green bonds, and interest-free public bank loans.

Climate Legislation

Canada's repeated failure to meet its past climate commitments shows the importance of legislation to make progress toward our climate goals. Two recent reports, by the [Canadian Institute for Climate Choices](#) and the [Climate Action Network-Canada](#), have reached similar conclusions about the legislated framework that will be required:

- a. Ambitious carbon reduction targets that move Canada toward its fair-share commitment to a 1.5C limit on average global warming,
- b. Five-year carbon budgets that cap greenhouse gas emissions and distribute emission reductions fairly across the country,
- c. Five-year impact reports to Parliament,
- d. Planning and reporting requirements for carbon reductions and climate adaptation,
- e. An arm's length expert advisory committee to advise on targets and carbon budgets and independently monitor progress.

Recommended Climate Investments

In the absence of a federal plan there are numerous thoughtful reports identifying the climate actions the country needs, including:

- [5 Bold Moves for a Resilient Recovery](#)- Task Force for a Resilient Recovery
- [Healthy Recovery Plan](#)- Canadian Association of Physicians for the Environment

- [Building Back Better](#)- Corporate Knights

Our recommended climate investments are a robust selection of essential actions from these plans.

1. [Clean energy](#) Invest in renewable energy production, energy storage capacity, and transmission grid upgrades to [put the country on track for net-zero electricity generation by 2040](#). Fund interprovincial transmission facilities, intra-provincial facilities to support distributed generation, and deployment of energy storage in locations where hydro is not available.
2. [Deep retrofit of buildings](#) Invest in mass, deep [retrofit of residential and commercial buildings](#) to complete 60% of homes and workplaces by 2030. Improvements must include energy-efficient windows, insulation and replacement of gas heat and water heaters. A program of zero-interest loans, forgivable for an initial, capacity-building period, is estimated to create at least 3 million jobs over 10 years.
3. [Zero emission transportation](#) Invest in charging infrastructure for long-distance commercial trucking and passenger travel. Expand incentives to [purchase Electric Vehicles for passenger, commercial, and public transportation](#), achieving 100% zero emission light duty vehicle sales by 2030. Fund high-speed rail service in the Quebec City-Windsor corridor and in other locations where rail should be available as an alternative to air travel. Invest in safe, accessible, affordable public transit systems with special attention to underserved areas. Fund expedited build-out of cycling and walking infrastructure plans.
4. [Decarbonize cement and steel](#) Offer a [premium for low-carbon cement and steel](#) in public procurements to cover the cost and risk of innovation.
5. [Forests and agricultural practices](#) [Fund reforestation](#) on marginal agricultural lands and other suitable locations. Support transition of agricultural practices to reduce use of nitrogen-based fertilizers and restore soil's carbon content. Invest in advancing [Canada's Biodiversity Strategy](#) and [Indigenous stewardship programs](#).
6. [R&D in emerging technologies](#) Invest in research and innovation preparing Canada to be a world supplier of zero-carbon products such as EV components, hydrogen and other energy storage alternatives to lithium batteries.
7. [International Climate Finance](#) Provide [contributions totalling \\$6.76 billion](#) for the five years to 2025 as Canada's fair share contribution to the UN Green Climate Fund.

Time for Bold Action

The 2021 budget should be built on bold commitments to drive climate change action, reduce inequities, and build public finance and service delivery for the good of all Canadians, rather than the financial benefit of the few. The pandemic, while bringing hardship and tragedy to many, has highlighted what works and what does not work for our communities. We must learn from these lessons. We must not return to the status quo.

About ClimateFast

Our purpose is to build and support a strong, informed civic movement that ensures our elected representatives make climate change a top priority and take decisive, urgent and just action. Our vision is a thriving world where the climate is safe for all people and ecosystems. Representing over 2000 people, ClimateFast was founded in 2012.