



**2012 COMMUNITY EXCELLENCE AWARDS
Category Worksheet**

PARTNERSHIPS

Name of Local Government: Regional District of Nanaimo

Project/Program Title: Memorandum of Agreement – Regional Emission Reduction Projects for Carbon Neutral Operations

Project Summary Paragraph

Please provide a summary of your project/program in 150 words or less.

The Regional District of Nanaimo and member municipalities have endorsed a Memorandum of Agreement that lays out the obligations and processes for collaborating on regional emission reduction projects for the purpose of collectively achieving carbon neutral operations.

The MOA requires each partner to consolidate corporate emission inventories into a Regional Inventory; to establish reserve funds for investing in regional emission reduction projects, and to collaborate on the implementation of mutually beneficial projects.

This Agreement ensures that achieving carbon neutral operations contributes directly to the social, economic and environmental well-being of regional communities, providing tangible benefits to residents.

With this formal commitment to act together, local emission reduction projects are achievable in the RDN. The combined local government inventory is large enough to support economically viable projects; and together, local jurisdictions comprise an area that can support projects of sufficient scale and diversity to generate the needed reductions.

Project Analysis

Please answer the question in 300 words or less in 11 pt Arial font (our judges value directness and brevity). If you experience difficulty answering a particular question, consider the aspects of your program that may relate to the question and show us how they are linked.

1. OBJECTIVE

Please explain the decision-making and thought process behind your decision to take on this initiative.

The decision to take on this initiative emerged from the recognition that approximately \$50,000 in RDN tax revenue could flow out of the region annually in the form of offset purchases (\$250,000 including member municipalities). Concerned over this use of taxes during uncertain economic times, regional directors approved research into options to ensure this tax revenue remained invested within the region.

The ensuing research made it apparent that the RDN corporate emission inventory (+/- 2,000 t CO₂e) would likely be too small to support the fixed costs of project development, implementation and validation, at a reasonable rate per tonne. The same is generally true for

the member municipalities, which are further constrained by smaller geographical areas in which to implement projects.

Having worked closely with member municipalities to develop corporate emission inventories, the RDN knew the combined inventory for local governments in the region approached 10,000 t CO₂e, an amount that could improve the financial viability of local emission reduction projects. Additionally, by focusing on the region as a whole, rather than five separate jurisdictions, geographical scale constraints, particularly for member municipalities, could be overcome.

This general idea was presented to the CAOs of the five jurisdictions that comprise the RDN. Acutely aware of the tension between the pragmatic need to use tax dollars judiciously and the desire and commitment to take action on climate change, the CAOs recognized the benefit of a collaborative partnership in pursuing carbon neutral operations, and supported the approach within their organizations.

The RDN took the lead role in this initiative due to its focus on regional scale initiatives and experience in delivering services best provided in a collaborative manner, its ability to build partnership across jurisdictions in the region, and its staff capacity to do the work – something many smaller municipalities often lack.

2. CHALLENGES

Please provide examples of challenges you faced in taking on this program/project and how you overcame them.

The primary challenge in developing an MOA that could be endorsed by all Parties was to construct it in a way that reflects each jurisdiction's desire to maintain a level of autonomy, despite operating within a collaborative partnership. This was overcome by including provisions specifically designed to provide all Parties with the ability to propose projects of their choice and the flexibility to opt out of proposed projects without withdrawing from the Agreement as a whole, while retaining a sufficient set of obligations to ensure that the Agreement had some force, requiring some level of participation.

As examples, section 2.4 of the MOA states:

Nothing in this agreement obliges any or all Parties to participate in a particular regional emissions reduction project, or prevents any or all Parties from opting out of a particular regional emission reduction project.

Similarly, a section of the Agreement dedicated to identifying and sharing project ideas includes:

3.17 All Parties are encouraged to identify potential emission reduction projects; and

3.19 Any Party may, of its own accord, undertake research or engage qualified consultants to identify potential emission reduction projects.

To ensure some level of obligation, Parties are deemed to have withdrawn from the agreement if they do not provide corporate emission inventories to be included in an overall Regional Local Government Inventory, or if they do not set aside funds for the purpose of investing in Regional Emission Reduction Projects in an amount equal to their corporate inventory multiplied by an agreed upon rate per tonne.

Provisions like those outlined above, which strike a balance between obligation and flexibility, and that are based in the recognition that each Party is an autonomous authority and a voluntary participant in the Agreement are essential in moving collaborative partnerships like this initiative forward.

3. BENEFITS

Please provide examples of how this program/project benefited the community.

Developing a Memorandum of Agreement to undertake Regional Emission Reduction Projects for Carbon Neutral Operations benefits the community by ensuring that up to \$250,000 per year will be used to implement innovative projects in the region that would not be able to occur without this investment, and that result in the combined benefit of measureable emission reductions and direct, tangible benefits to residents.

Projects will include those that improve local infrastructure; generate renewable energy; treat wastes as resources; and preserve and maintain watersheds, park lands and conservation areas at risk of conversion through the development process. As a result of this MOA, the Regional District of Nanaimo and the member municipalities of the City of Nanaimo, the District of Lantzville, the City of Parksville, and the Town of Qualicum Beach will have a source of revenues to direct to more effective implementation of Climate Action Charter commitments, including the development of compact and efficient rural and urban communities.

Another important community benefit of this MOA is that it provides a positive means to maintain momentum on climate action at the political level and within the community. Compared to the alternative of investing significant dollars in private ventures outside one's community through the purchase of offsets, this MOA ensures that a portion of the price on carbon is reinvested within regional communities, to the benefit of residents. This approach avoids a potential backlash against climate action and carbon neutral operations in communities in BC arising from the financial impact of purchasing offsets, and principled opposition to the use of taxpayer dollars in a manner that provides no direct services to residents.

4. INNOVATION

Tell us why you consider this project/program to be an innovative and/or creative initiative.

The development, endorsement and implementation of a Memorandum of Agreement to undertake regional emission reduction projects represents an innovative and creative approach because it transforms the commitment to achieve carbon neutral operations from an obligation many parties may only reluctantly fulfill into an opportunity to support innovative work that would not otherwise occur within the RDN, and to showcase leadership in taking action to reduce emissions within regional communities.

The MOA will induce the RDN and member municipalities to think creatively, collaborate on problem solving and contemplate projects that are clearly beyond business-as-usual for local governments, and provides the financial resources to do so.

5. GOALS

What did you set out to accomplish with the program/project? How effectively did you meet your goals?

In developing this MOA, the RDN set out to establish a means to ensure that local governments in the region achieve carbon neutral operations by implementing innovative, quantifiable and verifiable local emission reduction projects.

Over the month of July, 2012, the MOA was endorsed by each of the five local governments in the RDN, therefore the initial step of formalizing partnerships and agreeing to a collaborative approach to achieve carbon neutral operations has been accomplished.

The ultimate effectiveness of the agreement will be realized once local emission reduction projects are implemented, and results are counted against the collective Regional Local Government Emission Inventory and reported publicly.

6. SUSTAINABILITY

What measures have you put in place to ensure the continued operation of this initiative? (*e.g. staff time, resources, financial*)

Within the Strategic and Community Development Department of the Regional District of Nanaimo, the Manager of Energy and Sustainability and the Sustainability Coordinator are permanent positions dedicated to undertaking initiatives that advance the region's Climate Action Charter commitments. As staff positions at the Regional level, a key function that underlies all aspects of both the manager and the coordinator's work is to facilitate cooperation between member municipalities and electoral areas, and to foster a collaborative approach to identifying and addressing issues of regional significance. Achieving carbon neutral operations for all local governments in the region is an issue of regional significance, and the RDN Manager of Energy and Sustainability and Sustainability Coordinator will continue to dedicate significant time to this issue, and to the implementation of this Agreement as long as the commitment to achieve carbon neutral operations remains.

With respect to the Agreement itself, as a Party to the MOA, each local government has made the commitment to allocate financial resources in an amount equal to their annual corporate emissions as measured in tonnes of CO₂e, multiplied by \$25 per tonne, each year for the term of the Agreement. These funds are to be reserved in a reserve account, established by bylaw for the explicit purpose of investing in regional emission reduction projects.

In addition, the Agreement includes a Term whereby the Agreement continues until the earlier of the date when any and all commitments or obligation for the Parties to achieve carbon neutral operations are either satisfied or cease; or five years from the making of the Agreement, at which point all Parties will have the opportunity to extend the Agreement.

7. TRANSFERABILITY

How is this program/project transferable to other local governments?

The Memorandum of Agreement is consistent with local government powers to make agreements with other public authorities, as outlined in the Local Government Act and the Community Charter.

In this respect, this Agreement is immediately transferable as a template for any group of local governments, including Regional Boards and Municipal Councils, seeking to formalize a collaborative approach to achieving carbon neutral operations within their respective jurisdiction(s).

More specifically, this Agreement is useful to local governments in BC in that it expresses:

- The underlying rationale for collaborating on emission reduction projects within the context of the Local Government Act, the Community Charter, and the fundamental purpose and mission of local governments in BC;
- How local government corporate emission inventories could be combined;
- How local government funds should be reserved and in what proportions;

- The nature of the obligations for Parties to such an agreement; and
- A process to identify and implement regional emission reduction projects within a flexible framework that acknowledges the autonomy of distinct jurisdictions and the voluntary nature of participating in such an agreement.

8. KNOWLEDGE SHARING

What helpful advice would you share with other communities looking to embark on a similar project?

Local governments looking to develop regional partnerships to implement local projects that contribute toward carbon neutral operations must recognize that the obligation to achieve carbon neutral operations presents an opportunity to initiate innovative projects that could not otherwise happen within a community. Due to the need to demonstrate project 'additionality', this may require an openness to undertaking projects outside the traditional services offered by a local government.

It is also imperative that local governments look objectively at their land base, their communities, and their corporate inventories to determine whether or not it is realistic to achieve or make progress toward carbon neutral projects by implementing local projects consistent with their values, vision and mission.

Regional districts in the province are uniquely positioned to lead initiatives such as this but success is entirely dependent on staff and elected officials ability to function collaboratively guided by an interest in the region as a whole. The Regional District of Nanaimo has been fortunate to have a Board that works effectively as a team, and staff within each of the local governments who communicate well among one another and collaborate on projects regularly.

9. TELL US MORE

Please share any other information you think may help us better understand your submission.

10. PARTNERS

a.) Please list all the partners involved in this initiative.

The Regional District of Nanaimo
The City of Nanaimo
The District Municipality of Lantzville
The City of Parksville
The Town of Qualicum Beach

b.) Why did you choose to work with this/these particular partner(s)?

These are the local governments within the RDN that have signed on to the Climate Action Charter.