

Climate Budget Series: City of Vancouver

January 29, 2026

[Webinar Recording](#)

In this webinar, Lloyd Lee from the City of Vancouver shared key steps in the development and implementation of a climate budget - a holistic governance system designed to prioritize climate mitigation and adaptation investments. Unlike a traditional carbon budget that tracks GHG targets, Vancouver's approach integrates climate data into the city's financial decision-making processes to identify funding gaps and ensure policy alignment

Presenters

Lloyd Lee, Senior Sustainability Specialist | City of Vancouver

Presentation Overview

Background

- The project was driven by a 2020 climate emergency declaration and repeated inquiries from City Council regarding the exact amount being spent on climate action
- The goal is to move climate reporting "upstream" of budget-setting processes, allowing it to influence spending decisions before they are finalized rather than serving as a post-budget context

Budgeting Components

- Capital vs. Operating: Capital projects are easier to track as discrete line items, whereas operating budgets are more diffuse, requiring the city to use percentage-based estimates for staffing and program costs
 - Rather than attempting to calculate exact GHG reductions for every individual project the city uses a causal chain approach. This ties budget spends to suites of actions (e.g., active transportation) and their broader expected outcomes
- Climate Priority vs. Climate Beneficial: The city distinguishes between "Climate Priority" actions (additional work driven by policy) and "Climate Beneficial" actions (business-as-usual practices like meeting existing regulations) to provide greater clarity for decision-makers
- The Three Criteria for Climate Projects to be tagged as a climate priority in the budget, a project must meet three specific standards:
 1. Material Climate Benefit: It must have a sizable impact on carbon reduction or reducing exposure to climate hazards.
 2. Additionality: The project must exceed current common practices and not be a requirement of regional or federal regulations.

3. Policy Alignment: It must be explicitly driven and governed by Council-approved climate plans

Challenges & Tactics

- Data Quality: Establishing a repeatable tagging system for over 900 capital line items was labor-intensive and required subject matter experts to manually verify tags to ensure accuracy
- The Funding Gap: The 2024 report highlighted an order of magnitude funding gap, noting a \$215 million investment need to remain on track for 2030 carbon reduction targets
- Timing Tactic: Vancouver presents its climate budget as the "warm-up act" immediately before the main annual budget. This draws council attention to climate priorities exactly when spending decisions are being finalized.

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Contact Information

Please reach out to us at any time with questions, input, or for additional information.

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