In The Wake Of The Paris Agreement

- Work begins on a pan-Canadian climate change policy.

The Paris climate change agreement set a target of holding the increase in the global average temperature relative to pre-industrial levels to less than 2°C, while pursuing efforts to limit the rise to 1.5°C. Canada supported the importance of the 1.5°C objective, and alongside 20 other nations including the UK, U.S. and Australia, also signed Mission Innovation, that aims for each national participant to double its state-directed clean energy R&D investment over five years. Where prior negotiations on a legally binding global treaty failed, the Paris agreement boasts 195 signatories, but it allows each nation to set its own climate change plan. National progress reports plus five-year plan updates are required, but no specific penalties are defined for non-performance. As the difficult realities of achieving material reductions in greenhouse gas (GHG) emissions emerge, such as the court challenges impacting President Obama’s Clean Power Plan, the Trudeau government has committed Canada to meaningful progress. A Memorandum of Understanding on Climate Change and Energy Collaboration is expected to be signed with the U.S. and Mexico next week.

Canada’s ambitious 2030 goal is to cut its GHG emissions by 30% from 2005 levels (Charts 1&2). Our GHG emissions in 2013, the latest year for official GHG data, were 3.1% below 2005, reflecting an 8% recession decline and a rebound approaching 4% to 2013. The Vancouver Declaration from yesterday’s meeting of the Provincial and Territorial Premiers with the Prime Minister supports: meeting or exceeding Canada’s 2030 GHG target, stepping up GHG mitigation over time; and, better coordinating regional emissions and climate action reporting.

Agreement on a national minimum carbon price was not reached. Given the regional diversity in economic structure and GHG emissions intensity (Chart 3), each Province and Territory will develop its own climate change plan accessing a range of tools, including carbon pricing mechanisms. Policy differences already are underlined by BC’s revenue neutral carbon tax since FY2008-09. Alberta’s climate change proposals, Quebec’s existing cap-and-trade program linked to California’s with ties to Ontario’s and Manitoba’s proposed frameworks, and the array of renewable energy plans. Importantly, Ottawa framed its Low Carbon Economy Trust and its substantial funding pledge towards green infrastructure, public transit and energy-efficient social infrastructure in terms of complementing not duplicating provincial efforts. To advance Ottawa’s goal of a pan-Canadian climate change framework, working groups will address four areas: clean technology, innovation and jobs; carbon pricing mechanisms; GHG mitigation opportunities; and climate resilience and adaptation. Their reports will be published in advance of the scheduled October meeting, which in turn is just weeks before the UN Conference of the Parties in November.