S1-4 The Canadian Policy Context

David McLaughlin
President and CEO, NRTEE, Canada

The National Round Table on the Environment and the Economy (NRTEE) was created in 1988, formalized by Parliament in 1993 statute; funded by the federal government as arms-length agency with independent role and mandate to study environment and economy together; Canada's only national public policy body mandated, as catalyst, convener and advisor for sustainable development solutions; members are – Canadian leaders in business, labour, academe, and sustainability – appointed by government.

NRTEE has recently produced works such as *Achieving 2050: A Carbon Pricing Policy for Canada, Getting to 2050: Canada's Transition to a Low-emission Future, Geared for Change: Energy Efficiency in Canada's Commercial Building Sector, GHG Emission Forecasting: Learning from International Best Practices and Climate Forward Agenda.*

NRTEE Climate Policy Agenda is 1) Kyoto Protocol Implementation Act – annual evaluation of federal government's emission reduction measures, 2) Adaptation of Northern Infrastructure to Climate Change and 3) Economic Risks and Opportunities to Canada of Climate Change, which includes global low-carbon transition.

NRTEE is undertaking a series of climate impact studies to assess net national costs of climate change as current research information is insufficient to assess cost-effective policies for adaptation, and that significant evidence gaps exists in sectors, types of climate impacts, and types of costs covered. Thus NRTEE will be taking approaches that include; 1) net national costs of climate change (integrated assessment modelling), 2) sector-specific costs of climate change and role of adaptation in reducing costs through four economic impact studies: forestry, coastal regions, human health, public infrastructure, and 3) revised net national costs, informed by results of economic impact studies.

As part of assessing Canada's readiness for a global low-carbon transition, the NRTEE will be benchmarking Canada's low-carbon competitiveness relative to G8 countries, and assess and track Canada' s performance compared to other countries in terms of its domestic transition to a low-carbon economy and competitiveness in a global transition, as well as identify key success factors for long-term low-carbon competitiveness, beginning with a Canada-U.S. Climate Policy Case-Study.

Meanwhile, looking at Global Per Capita Emissions (2005), Canada is in the second position after Australia, higher than USA. Canadian GHG emission during 1990-2007 has been also increasing in general; total emissions increased by 26.2% or 155.2 Mt CO_2 eq. from 1990 to 2007. Emissions growth was mainly due to energy industries (oil, gas and coal plus electricity) and transport sectors, tempered by reductions in industrial process emissions. The current governmental path in the Kyoto Protocol Implementation Action strongly diverges from the emission pathway assessed by the NRTEE. NRTEE research has recommended an economy-wide, cap-and-trade system to reach the government of Canada's 2020 and 2050 GHG emission reduction targets.

Key factors influencing Canadian Climate Policy Approaches include: Canada's energy economy / political economy relationship, lack of public consensus, and minority parliament constraints. The Government of Canada's key climate change principles are: 1) to balance environmental protection and economic prosperity, 2) to maintain a long-term focus, 3) to develop and deploy clean technologies, 4) to engage all emitting countries and 5) constructive engagement in international negotiations. Specific federal climate policy elements consists of regulatory approaches, intensity targets leading to hard caps, implied cap-and-trade for LFEs[1], offset market, technology fund: $15/ton, growing by GDP, vehicle emissions – match U.S. and sectoral approaches (regulations on coal-fired electricity plants requiring CCS).

[1] Large final emitters