

CANADA AND THE UN CLIMATE NEGOTIATIONS:

A Paris Package that shows Canada Cares

SEIZE THE OPPORTUNITY TO MAKE
A DIFFERENCE BEFORE PARIS



November 2015

Canada has a lot of catching up to do.

Since 1992 when the United Nations Framework Convention on Climate Change (UNFCCC) was negotiated at the Earth Summit, our country has contributed less than its fair share to the work we all need to do to protect the climate. The result in 2015 is an economy over-reliant on fossil fuels and investing less than it could in the transition to a 100% renewable energy system to power our economy and to ensure a healthy quality of life.

From November 29th to December 11, 2015 in Paris governments are expected to finalize negotiations on a new agreement and package of implementation decisions under the UNFCCC¹ to limit global carbon pollution. Canada needs, however, to start making things right ahead of Paris starting at a meeting of ministers hosted by France and Peru November 8th to 10th and at the G-20 in Turkey November 15-16th. Canadians and media can use this document to compare Canada's performance at these early meetings and in Paris against metrics that have the best chance of keeping the climate system in balance.

There is a consensus among governments and climate scientists that keeping the climate system in balance requires that global warming stay well below an average of 2°C above pre-industrial levels. This level of warming, however, exceeds what is safe for the world's most vulnerable countries. These countries are calling for global warming of no more than an average of 1.5°C above pre-industrial levels to protect their dignity and well-being; a position endorsed by the more than 950 organizations working together to advance climate protection under the auspices of Climate Action Network.

An analysis of the aggregate effects of governments pledges received by the UNFCCC by October 1, 2015 shows that 75% of the world's global carbon budget will have been consumed within 15 years (by 2030) AFTER taking account of emission reduction promises.

In its latest report, the Intergovernmental Panel on Climate Change (IPCC) assessed the global carbon budget implied by varying levels of global warming. To have a 66% chance of keeping temperature increases below 2°C requires world-wide cumulative emissions to not exceed 1,000 GtCO₂ (billion tonnes of CO₂) between 2011 and 2050^{2,3}. An analysis of the aggregate effects of governments pledges received by the UNFCCC by October 1, 2015 shows that 75%

of the world's global carbon budget will have been consumed within 15 years (by 2030) AFTER taking account of emission reduction promises. The UNFCCC Secretariat concludes that "global aggregate emission levels in 2025 and 2030 resulting from the INDCs (Intended Nationally Determined Contributions) do not fall within 2°C scenarios".⁴ The Secretariat also notes that current INDC pledges do not "fall within least-cost 2°C scenarios". If the goal is to prevent 1.5°C warming and if we want to increase the probability of success (most people would not accept a 33% chance of failure in almost any decision-making scenario), then under current commitments the entire global carbon budget would be consumed much earlier.

Climate Action Tracker and the UNFCCC calculate that government INDC pledges commit the world to at least 2.7°C warming. Clearly, government contributions to the current climate negotiations fall well short of keeping the world from dangerous levels of global warming.⁵

The latest round of UNFCCC climate negotiations was launched in 2011 at the 17th Conference of the Parties meeting in Durban, South Africa. Governments agreed at that time to deliver a new and universal greenhouse gas reduction protocol, legal instrument or other outcome with legal force under the Convention applicable to all Parties by 2015 for the period beyond 2020.⁶

The negotiation of a new agreement for the post-2020 period does not imply that government commitments for 2020 are to be abandoned. On the contrary, Parties with 2020 commitments are expected to live up to their pledges and to increase their pre-2020 ambition⁷. Accelerated ambition is required to get the world on track to peaking global greenhouse gas emissions and then setting a course for a rapid and steep decline. Delaying action to 2020 simply makes achieving our 2025 and 2030 goals more difficult to achieve.

Strengthen efforts to meet our 2020 domestic target and enhance international investments to secure additional global reductions

Canada currently is on track to be at least 19% above 2005 levels by 2020 relative to its 2020 target of cutting greenhouse gas emissions by 17% below 2005 (even after including dubious contributions from land-based removals)⁸.

The federal government can significantly enhance Canada's international credibility on climate protection by committing to strengthen efforts to meet our 2020 domestic target and to enhance international investments that secure additional global reductions. International investment options include financial contributions to the UNFCCC Green Climate Fund and through bilateral support and cooperation agreements.

Establishing a federal/provincial process, starting with a meeting of First Ministers prior to the Paris meeting, or soon thereafter, would further signal Canada's seriousness in turning the page on a long history of inaction on the climate protection file. Coordination among federal, provincial/territorial, and municipal governments, as well as First Nations, Inuit and Metis communities is urgently needed if we are to succeed in the transition to a climate friendly energy system and quality of life.

Strengthen Canada's INDC (Intended Nationally Determined Contribution) to the Paris negotiations

In spring 2015, Canada announced that it would commit to cutting greenhouse gas emissions 30% below 2005 levels by 2030 as its contribution to the UNFCCC climate negotiations. Canada's so-called Intended Nationally Determined Contribution (INDC)⁹ failed to meet the test of best practice as recommended by the World Resources Institute¹⁰ and was rated as inadequate by Climate Action Tracker¹¹.

CANADA'S PROPOSED INDC GETS A POOR GRADE FOR FAILING TO:

- **Set a greenhouse gas reduction target in line with its fair share or what's required to limit global warming to well below 2°C;**
- **Include adaptation commitments;**
- **Be transparent with respect to how Canada's target will be achieved; and**
- **Establish a robust domestic process for setting our targets or development of domestic and implementation plans.**

A responsible target that would be consistent with Canada's capacity, our fair share, and what is a scientifically credible emissions level would commit the country to cutting national greenhouse gas emissions by at least 35% below 2005 levels by 2025 and to making a substantial international financial contribution of up to \$4 billion a year by 2020. Canada's proposed domestic target misses the mark by 5 years and is weaker than required.¹²

TO REACH A STANDARD THAT SHOWS THE WORLD THAT CANADA CARES, WE SHOULD COMMIT TO:

1. Take action in line with keeping global warming to an average of 1.5°C and an acknowledgement that limiting global warming to safe levels implies phasing out the use of fossil fuels and a transition to a renewable, decarbonized energy system by 2050.
 - a. Canada should develop a strategic national plan by 2020 to shift rapidly away from our high-carbon economic development model to a sustainable development model that ensures full decarbonization of the economy by 2050.
2. A 2025 target of at least 35% below 2005, a 50% reduction by 2030 and decarbonization by 2050. Canada's targets should be expressed as a carbon budget.
3. Enshrine Canada's greenhouse gas reduction targets in domestic law with implementation and enforcement responsibility clearly identified and assigned.
4. Establish a robust domestic process for developing a national climate protection

implementation plan in 2016 that involves First Ministers (Prime Minister/Premiers), appropriate federal, provincial/territorial ministries, municipalities, and indigenous representatives. A national action plan must articulate clear timelines for implementation, including spelling out financial contributions and responsibilities for federal, provincial/territorial, and municipal governments.

5. Up to \$4 billion CDN in financial contributions by 2020 to international greenhouse gas reductions through contributions to initiatives like the Green Climate Fund and other bilateral arrangements. Half of these contributions should support mitigation projects and half should support adaptation projects.
6. Develop a national climate change adaptation plan and commit to requiring cumulative (including upstream and downstream impacts, as well as interactions with other relevant existing, planned and proposed projects) climate impact assessments for all infrastructure investments.
7. Transparency so that all assumptions underlying greenhouse gas emissions, projections and measures can be quantified, verified, and compared to other country commitments. Canada especially needs to be transparent with regard to its calculation of the sources and removals relating to the land sector.
8. Eliminate all subsidies to the fossil fuel sector beginning immediately and being completed no later than 2020.

Contribute to a Successful Outcome in Paris by Endorsing a robust Paris Package¹³

A commitment to best practice standard for Canada also requires pressing all governments to agree in Paris to:

- **An internationally binding agreement that can be ratified and that establishes critical infrastructure, including:**
 - » A Long-Term Goal in line with keeping global warming to 1.5°C: the phase out of fossil fuel emissions and phase in of 100% renewable energy for all as early as possible, but no later than 2050.

The requirement to develop national strategic plans to decarbonize economies by 2050 that would be submitted to the UNFCCC by 2020 and be in line with Agenda 2030 sustainable development goals.

- » A “**Paris Ambition Mechanism**” to facilitate the process of increasing ambition within the Paris Agreements.

Current global commitments on offer for Paris to cut greenhouse gas pollution potentially commit the world to at least 3°C of warming. A short commitment period ensures the world avoids locking in low levels of ambition (agreement in 2015 for a 10 year commitment period locks down ambition until 2030).

It creates incentives for early action, encourages political responsiveness to falling prices of low-carbon technologies and other ‘real world’ events, and maintains political accountability because current governments more clearly responsible for achieving targets.¹⁴

- » The Paris Ambition Mechanism rests on three pillars:

Scientific adequacy assessments and an Equity Reference Framework embedded in the 5-year commitment periods, including:

- ▶ A no-backsliding principle.
- ▶ A progression clause that ensures countries increasingly upscale individual commitments on mitigation and finance in future cycles of commitments.
- ▶ Common five-year commitment periods for mitigation for all countries, as well as synchronized five-year cycles for provision of climate finance.
- ▶ Collective and individual adequacy assessments that include active civil society participation and are based on the most recent scientific assessments combined with a science-based equity reference framework.¹⁵

A process (or “matchbox”) that matches conditional contributions with international support, requiring the following provisions in the core agreement:

- ▶ A mandate to the UNFCCC Secretariat to set up a registry for conditional INDCs¹⁶ (as early as 2016) in order to clearly identify the potential mitigation and adaptation actions that could be unlocked with provision of means of implementation (MOI). This should be followed by establishing a transparent matching facility at the 22nd Conference of the Parties session (2016) to match international financial, technological, and technical support with supplemental, conditional elements of INDCs from particular countries. This matching mechanism can build on the current NAMA (Nationally Appropriate Mitigation Actions) registry and should build on the high-level facilitator process suggested under Work Stream 2 (a work group developing recommendations on enhancing pre-2020 action).¹⁷
- ▶ An invitation to countries to provide further information on their mitigation, adaptation and loss and damage needs facilitated by support (financial and capacity building) in order for this information to be taken into account during the next cycle of commitments.

A robust and common Measurement, Report and Verification (MRV) framework:

- ▶ A common, tiered and dynamic MRV framework that progresses towards common accounting and MRV, respecting respective capabilities
- ▶ A provision to create a robust MRV framework for public and private finance provisions
- ▶ Upfront information requirements for each round of INDCs as reflected in the Lima Call for Climate Action (Decision 1/CP.20, paragraph 14)

- A Global Adaptation Goal that establishes predictable and sufficient financing for adaptation. The United Nations Environment Programme estimates developing countries could face adaptation costs of approximately \$150 billion USD a year by 2025/2030.¹⁸ The Paris agreement should protect the dignity of vulnerable populations by committing to generate grant-based adaptation investments of at least \$50 billion USD a year beginning by 2020 and to ramp up compensation for loss and damage where adaptation is not viable or practical.

» Establish as a standalone commitment within the Paris agreement for loss and damage to ensure financial support flows to those people most vulnerable and without prospect of adaptation.

- Annual goals for public finance that secures international public finance investments of at least \$100 billion USD with half going to cutting carbon pollution and half to adaption by 2020. The Paris Agreement should also commit to the rapid phase-out of subsidies to the fossil fuel sector. Studies suggest global investment requirements in clean energy of at least \$1 trillion USD a year are required by 2030¹⁹ to stay below 2°C warming above pre-industrial levels. Clearly, the Paris agreement must create mechanisms to leverage public finance and for stimulating private investments in renewable energy. Creation of a Global Technology Fund would support achievement of a 100% renewable energy system by 2050.
- Principles for social and ecological integrity and transparent rules for the land sector that prioritize the protection and restoration of ecosystems and identify and facilitate emissions reductions from all sources. It is essential that government ensure that emission reductions and removals from natural ecosystems²⁰ are in addition to action in other sectors, and are in line with all relevant international obligations. Actions

to reduce emissions in the land sector must prioritize activities which promote rights, food security, and protect biodiversity, and allow for a per capita food security threshold. These priority activities include reducing and phasing out deforestation and forest degradation, protecting natural forests, and restoring degraded ecosystems for example through re-wetting peatlands.

- **Market Mechanism rules that:**

- » Establish principles to ensure the environmental integrity of the agreement. These principles must require that emissions reductions are real, additional, verifiable, and permanent; avoid double counting of effort; are supplemental to ambitious national mitigation, ensure net atmospheric benefits.
- » Allow only countries that have economy-wide targets, preferably expressed as multi-year carbon budgets, not just single year targets, to use markets for compliance.
- » Ensure a common accounting system for measuring and reporting reductions in both host and sponsor countries.
- » Not recognize units from the Kyoto Protocol's pre-2020 mechanisms for compliance with its post-2020 mitigation commitments.

- **A Conference of the Parties decision that:**

- » Puts in place the required decision-making processes, mandates, rules and guidelines required to ensure smooth and effective operation of the Paris Agreement.
- » Mandates ambitious mitigation, adaptation, loss and damage and monitoring for the pre-2020 period.
- » Establishes robust processes for detailed monitoring, review and verification to ensure transparency and integrity.
- » Ensures a new Periodic Assessment (starting in 2018 concluding before 2020, and repeating every five years) that informs the Paris Ambition Mechanism process.

Canada has an important job to do at home and in the lead up to the Paris climate negotiations. Committing to advancing our recommendations would not only show the world that Canada cares about protecting the climate and the people, plants and wildlife that depend on it, but it would set our country and the world on a course toward a sustainable future for all.

Endnotes

1. http://unfccc.int/essential_background/convention/items/6036.php
2. UNFCCC Secretariat. (2015). Synthesis report on the aggregate effect of the intended nationally determined contributions. Bonn: United Nations.
3. https://www.ipcc.ch/pdf/assessment-report/ar5/wg3/ipcc_wg3_ar5_full.pdf, p. 13
4. UNFCCC Secretariat. (2015). Synthesis report on the aggregate effect of the intended nationally determined contributions. Bonn: United Nations, p.15, p. 12
5. http://climateactiontracker.org/assets/publications/CAT_global_temperature_update_October_2015.pdf
6. http://unfccc.int/key_steps/durban_outcomes/items/6825.php
7. https://unfccc.int/meetings/bonn_oct_2015/meeting/8924/php/view/virtualparticipation.php
8. https://ec.gc.ca/ges-ghg/E0533893-A985-4640-B3A2-008D8083D17D/ETR_E%202014.pdf
9. <http://www4.unfccc.int/submissions/indc/Submission%20Pages/submissions.aspx>
10. http://www.wri.org/sites/default/files/uploads/Decoding_INDCs.pdf
11. <http://climateactiontracker.org/countries/canada.html>
12. Canada's domestic target and international financial contribution support greenhouse gas reductions approaching our fair share based on principles of historical responsibility and capability. Using these criteria, Canada's fair share in greenhouse gas reductions approaches 75% below 2005 by 2025. The financial component of our proposed INDC package is designed to generate reductions globally through mitigation efforts that when combined with our domestic reductions approach our fair share contribution of 75% below 2005 by 2025. http://civilsocietyreview.org/wp-content/uploads/2015/11/CSO_FullReport.pdf
13. Climate Action Network. (2015). The Paris Package: A Springboard for Sustained, Transformative Change: Climate Action Network.
14. <http://carbonmarketwatch.org/briefing-paper-the-need-for-5-year-commitment-periods-in-the-paris-protocol-why-a-review-is-inadequate/>
15. CAN (2013): Equity Reference Framework at the UNFCCC Process, http://www.climateactionnetwork.org/sites/default/files/can_erf_discussion_paper_-_05062013.pdf
The equity assessment should be based on the equity indicators - adequacy, responsibility, capability, development need and adaptation need - ensuring the dynamic character of approaching differentiation
16. INDCs on offer include unconditional commitments (like Canada), but also conditional commitments (like Mexico) that go further than unconditional elements if funding and other supports were available.
17. Two high-level facilitators (on the former head of state level) should be tasked with matching large-scale national, regional and global mitigation opportunities with the necessary funding and liaising with decision-makers. The high-level facilitators should receive the necessary logistic support to manage that task and to inform parties regularly (in line with the 5-year cycles) about their progress. The high-level facilitators should rotate every 5 years.
18. http://www.unep.org/climatechange/adaptation/gapreport2014/portals/50270/pdf/AGR_FULL_REPORT.pdf
19. <https://www.ceres.org/resources/reports/investing-in-the-clean-trillion-closing-the-clean-energy-investment-gap/view>
20. As trees and plants grow and soil builds carbon is removed from the air and absorbed into living things as biomass; when plant material dies or is burned carbon is returned to the atmosphere through decomposition or combustion. Planting trees and perennial crops, ensuring healthy, diverse forests and permanent crops, and reduced soil disturbance enhance carbon uptake; cutting forests and disturbing soil for agriculture and development add carbon to the air. The UNFCCC and Kyoto Protocol provide rules for accounting for these "fluxes" so that where there is an increase in carbon absorption as a result of human activities (i.e., reduced harvesting, conservation) these reductions can be counted as a contribution toward a country's emissions reduction targets. There are also rules for accounting for carbon stored in harvested wood products. The IPCC has established guidelines for measuring and reporting on these activities. It is critical that there be transparency in land sector accounting to ensure reductions/emissions are appropriately accounted for under the Paris Agreement and subsequent decisions.



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