

## -Russian Ratification Puts Pressure on Canada- Swift action required if Canada is to meet its Kyoto target

**By David Runnalls and John Drexhage**

After over two years of anticipation, President Vladimir Putin's signature on Russia's Kyoto Protocol ratification papers is the final step in confirming his nation's commitment to address climate change, and brings into force one of the most complex multilateral environmental agreements ever negotiated. It also means countries, like Canada, that have taken on specific greenhouse gas emission reduction targets have a fundamental obligation to show leadership in the international community by actually implementing credible plans to achieve their targets.

While, the Canadian government's reiteration of its commitment to Kyoto in the Speech from the Throne is welcome, it would have carried considerably more weight had it been supported by a clear timeline for the development and implementation of a full plan. Time is running out. The government must act swiftly to meet our commitment to reduce Canada's greenhouse gas emissions to six per cent below 1990 levels by 2008–2012, and begin laying the groundwork for future emission reduction commitments.

It is increasingly obvious that the ongoing delays in effectively implementing the existing and inadequate 2002 *Climate Change Plan for Canada* have not reversed Canada's historic pattern of continually growing emissions. According to figures released in September 2004 by the U.S. and Canadian governments, Canada's greenhouse gas emissions have increased by 20 per cent since 1990, while emis-

sions in the United States have grown by 14 per cent. Canada's energy intensity per unit of gross domestic product is now the highest of all members of the Organization for Economic Co-operation and Development (OECD). Furthermore, the U.S. Government's Energy Information Administration indicates that Canada's per capita energy consumption is the highest in North America and far higher than European Union countries.

Recent actions by the federal government provide little to indicate these statistics will change for the better soon.

Concerning Canada's overall plan to reduce emissions, Minister of the Environment, Stéphane Dion was recently paraphrased in the *Globe and Mail* as indicating that, "the trick to reducing emissions is to develop and implement the best industrial practices in the world, encourage consumers to make better choices and then see what emissions look like in 2012." As well, media reports on the disagreement between Environment Canada and Natural Resources Canada over stringent vehicle emission regulations point to deeper interdepartmental divisions and a lack of consensus within the federal government on climate change actions.

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The current situation can not continue for much longer. As recently recommended by the OECD, Canada should, “further elaborate and aggressively implement the *Climate Change Plan for Canada*, using a broad array of policy instruments (including emissions trading and other flexibility mechanisms) to ensure that GHG targets are met effectively and efficiently.” As well, the federal government urgently needs to put in place legislation supporting the establishment of an emissions trading system for industrial emitters. Establishing this system will finally bring this key component of the domestic plan into being and send a signal to Canada’s corporate sector that the Federal Government is a committed partner in this initiative.

Nor should Canada avoid obtaining a greater proportion of its reductions through international investments. The real opportunities to achieve global emissions reductions lie with private investment and the dawn of the international carbon market. This is, in actuality, the most significant accomplishment of the Protocol—it has created an international monetary value for carbon. Where progress has to be made, and where a difference can truly be made, is in the maturation of these market opportunities and linking them, as incentives, to a global regime that will see a broadening and deepening of commitments; in other words, increasing international participation on the basis of incentive-based mechanisms. This will not be an easy task. For real progress, a new commitment to “ownership” of the issue is required on all sides—climate change is everyone’s problem and responsibility. Things can move forward, but only if countries like Canada are innovative and accountable.

The reality is that by continuing to delay action domestically and internationally, Canada risks missing the boat on fostering technological innovation in energy efficiency, renewables and energy distribution; losing further competitive advantage to trading partners; and forgoing training and job opportunities for Canadian workers. Canada can implement its action plan with renewed vigour by building on industries that have proactively taken action and understand the benefits of doing so. It can develop an international strategy that will ensure the use of strategic investments that will enhance Canada’s technologic know-how and export market opportunities. The time before us is short, but by relying on the strength, skills and

commitment of Canadians, Canada should be able to meet its Kyoto commitment, create opportunities domestically and retain its reputation internationally.

*David Runnalls is President and CEO of the Winnipeg-based International Institute for Sustainable Development. John Drexhage is the Director of IISD’s Climate Change and Energy program.*