

## DISCUSSION PAPER

# A Dialogue on a Just and Managed Transition to a Paris-Aligned Low-Carbon Future

International Institute for Sustainable Development  
Oil Change International

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### Introduction

In Paris in 2015, the world agreed to limit global warming to well below 2°C and aspired to keeping it to 1.5°C. Canada was a champion of this ambitious outcome and now faces the task of both meeting existing targets and increasing ambition.

As a wealthy, major fossil fuel producer, Canada has the opportunity to be among the leaders in charting a pathway away from fossil fuel production toward a low-carbon future.

Movement to end the expansion of oil, gas and coal production is quickly becoming a hallmark of climate leadership (see the next section on “Background”), as are calls to begin a managed phase-out and just transition in line with the Paris goals. Canada has taken important steps with its Just Transition Task Force and the phase-out of coal, but this work should inform a near-term parallel process for oil and gas.<sup>1</sup>

A dialogue to define how to manage this transition such that it protects workers, communities, economies and the climate is a critical one that can only benefit from starting sooner rather than later. To this end, the International Institute for Sustainable Development (IISD) and Oil Change International (OCI) hosted a Chatham House

Rule round table discussion on the topic in May 2018. This discussion paper highlights key outcomes from this round table for the purposes of informing continuing conversation.

While this is notably a challenging issue in the Canadian context, constructive discussions are both urgently needed and possible. The round table, which included broad participation from various stakeholders, was successful in this regard. In this discussion brief, we highlight key points, areas of convergence, and discussion on three topics addressed at the round table: 1) what is a pathway for Canada toward a zero-carbon economy? 2) the role and necessity of fossil-fuel-related fiscal policies (e.g., fossil fuel subsidy reform, carbon revenue, royalties, sovereign funds) in enabling a just transition in Canada, and 3) concrete measures for a just transition: clean energy, jobs, innovation.

The opinions expressed during the round table were diverse; those captured here reflect the notes taken and do not necessarily reflect the opinions of other participants or the organizers.

We conclude with reflections and recommendations on how we may continue to advance this critical discussion as Canada faces the opportunities and challenges of climate leadership that puts us on track for our fair share in a safer climate future.

<sup>1</sup> The importance of prioritizing a just transition was recently reaffirmed at the June G7 Leader's Summit; see: <http://sdg.iisd.org/news/six-countries-and-eu-reaffirm-strong-commitment-to-paris-agreement-carbon-neutrality-at-g7-summit/>

## Background

According to the Intergovernmental Panel on Climate Change, if the commitments under the Paris Agreement on climate change are to be kept, more than two thirds of already proven fossil fuel reserves will become unburnable carbon and must be left in the ground.<sup>2</sup> Recent research finds that the carbon embedded in already-producing oil, gas, and coal projects already exceeds a 2° budget, let alone 1.5°.<sup>3</sup>

IISD and OCI are both signatories to the Lofoten Declaration, signed by nearly 500 non-governmental organizations internationally, which “affirms that it is the urgent responsibility and moral obligation of wealthy fossil fuel producers to lead in putting an end to fossil fuel development and to manage the decline of existing production.”<sup>4</sup> The Declaration specifies that, in terms of foregoing fossil fuel extraction, “leadership must come from countries that are high-income, have benefitted from fossil fuel extraction, and that are historically responsible for significant emissions.”<sup>5</sup> Canada is a country that meets all three criteria.

A growing body of academic literature supports the conclusion that policies to actively address fossil fuel supply are a critical complement to demand-side policies as the world works toward achieving the ambitious Paris goals.<sup>6</sup>

The supply-side mitigation toolkit is comprised of a number of potential policies and measures, including, but not limited to:

- Limits on fossil fuel exploration (bans on permitting, auctions, mineral rights, seismic testing, etc.)
- Limits on fossil fuel development and extraction (established phase-out timelines, bans on permitting and regulatory approval, bans on linked fossil fuel infrastructure such as pipelines and terminals)

- Ensuring a just transition (establishing transition frameworks through adequate, informed, and ongoing consultation with stakeholders and social dialogue, social protection policies, inclusive growth and development strategies, etc.)
- Phase-out of subsidies to fossil fuel production (elimination of direct transfers and tax breaks for fossil fuel producers, environment and social liability reform, etc.)
- Restricting public finance to fossil fuel supply and redirecting it to support sustainable development where appropriate (limits on government finance, development finance, export credit agencies)

Supply-side policies are part of a comprehensive policy approach. They enhance effectiveness of demand-side policies, reduce carbon lock-in, help to avoid stranded assets, and support communities and workers engaged in the sector. They noted that, so far, France, New Zealand, Costa Rica, Belize and Ireland are all at various stages of implementing fossil fuel expansion bans, and that such measures are under consideration in larger fossil-fuel-producing regions including Quebec and California.

In Canada, as is the global norm, supply-side policy has been a relatively underutilized policy tool in tackling climate change. However, Canada has been at the centre of a global movement demanding action to address fossil fuel production given the continued expansion and development of the Alberta oil sands.

From a global perspective, if Canada's oil and gas industry is allowed to grow as projected, Canada will be the world's second largest contributor of new oil production globally over the next 20 years and will use up between 7 and 14 per cent of the entire global carbon budget remaining for this century if we are to stay within the range of the Paris Agreement goals.<sup>7</sup> A recent study from the Stockholm Environment Institute concluded that “how Canada manages oil sands production levels may have as much effect on global greenhouse gas emissions as the efforts Canada makes to reduce fossil fuel use within the country.”<sup>8</sup>

<sup>2</sup> Intergovernmental Panel on Climate Change. (2014). *Climate change 2014: Synthesis report* (Table 2.2., p. 64). Retrieved from [http://ipcc.ch/pdf/assessment-report/ar5/syr/AR5\\_SYR\\_FINAL\\_All\\_Topics.pdf](http://ipcc.ch/pdf/assessment-report/ar5/syr/AR5_SYR_FINAL_All_Topics.pdf)

<sup>3</sup> Muttitt, G. (2016, September 22). *The sky's limit: Why the Paris climate goals require a managed decline of fossil fuel production*. Oil Change International. Retrieved from <http://priceofoil.org/2016/09/22/the-skys-limit-report>

<sup>4</sup> The Lofoten Declaration. (2017). Retrieved from [www.LofotenDeclaration.org](http://www.LofotenDeclaration.org)

<sup>5</sup> Ibid.

<sup>6</sup> See: Green, F. & Denniss, R. (2018, March 12). Cutting with both arms of the scissors: The economic and political case for restrictive supply-side climate policies. *Climatic Change*. Retrieved from <https://doi.org/10.1007/s10584-018-2162-x>; Lazarus, M., Erickson, P. & Tempest, K. (2015, October). Supply-side climate policy: The road less taken. (SEI Working Paper No. 2015-13). Retrieved from <https://www.sei.org/publications/supply-side-climate-policy-the-road-less-taken/> for examples.

<sup>7</sup> Oil Change International. (2017). *Climate on the line: Why new tar sands pipelines are incompatible with the Paris goals*. Retrieved from <http://priceofoil.org/2017/01/19/climate-on-the-line-why-new-tar-sands-pipelines-are-incompatible-with-the-paris-goals/>

<sup>8</sup> Erickson, P. (2018). *Confronting carbon lock-in: Canada's oil sands*. Stockholm Environment Institute. Retrieved from <https://www.sei.org/publications/confronting-carbon-lock-canadas-oil-sands/>

Canada has taken important steps in its efforts to establish a federally mandated phase-out timeline for the use of coal for electricity. This careful phase-out provides the important opportunity to secure a just transition to ensure workers and dependent communities are treated fairly and are in a position to benefit from the new low-carbon economy. The establishment of a federal Just Transition Task Force for Canadian Coal Power Workers and Communities was a crucial step in planning for a decarbonized future.<sup>9</sup>

## Session 1: What is a Pathway for Canada Toward a Zero-Carbon Economy?

The organizers contextualized the discussion with brief statements about the motivations and justifications for the session (many of which are laid out above), which were followed by invited opening remarks and discussion. Organizers strongly stated that the priorities for this transition are that it be just (protecting and empowering workers and communities), equitable (Canada does its global fair share) and sufficiently ambitious (it puts us on a Paris-aligned trajectory). They noted that various examples of an unmanaged decline of sectors make it clear that a managed decline/phase-out/transition is less disruptive and provides more predictability for all stakeholders. Thus, a just and managed transition should be a priority.

The opening remarks also noted that this is a very challenging discussion in resource-dependent economies such as Canada's. It implies significant structural shifts involving both natural and human capital. However, this does not absolve Canada of its global commitments and obligation to lead. Canada is a wealthy and developed country that has a track record of showing international leadership in critical areas.

Organizers summarized global trends in the climate and environmental movement as an ongoing redefinition of climate leadership: climate leaders can no longer expand or finance major new fossil fuel production and instead must plan for a just transition away from the production of oil, coal and gas. Canada must be planning for success rather than assuming failure.

Labour representatives described the features of a just transition as per the International Labour Organization's guidelines. For communities in the sector, this is an existential threat, and a just transition is both necessary and a right. The world must transition on a scale and at a speed faster than anything before and, in order to do this, governments and civil society must work ambitiously to build a broad consensus. Social dialogue is paramount, and workers are the ones best able to determine how they can fit into a transforming economy. There are critical lessons that can be learned from the coal phase-out, such as providing training support before workers are laid off. For many affected regions, it is a matter of survival for entire communities. Resistance is natural and fair, trust building is critical and all stakeholders must plan these transitions to ensure that workers do not bear the entire burden of a country-wide transition.

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For the discussion, organizers asked participants: how do you envision the oil and gas sector in Canada evolving between now and 2050 if the world is on track to meet the Paris climate limits?

Participants noted various examples of transitions—managed and unmanaged—throughout the conversation, ranging from the collapse of the Eastern cod fisheries to steel in the 1990s. Participants also identified that it would be helpful to have a resource that looked at examples of decline in various contexts (market driven, policy driven, managed, unmanaged) and to identify examples from which we can learn.

Participants emphasized that workers must see themselves as part of the transition. For example, many miners are farmers, but no transition plans are about helping them farm more rather than mine. This will not be a one-size-fits-all solution. For many, just transition is still perceived as a “fancy way to get a pink slip.”

“If we don't confront the threat to the Canadian economy, we end up with the cod fishing story all over again. We are setting ourselves up for it. Politicians might not talk about it, but we should.”

<sup>9</sup> Government of Canada. (2018) *Task Force: Just Transition for Canadian Coal Power Workers and Communities*. Retrieved from <https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition.html>

Opportunities for workers in the transition, namely in the cleanup and recovery of over 300,000 orphan wells, is a key potential area for decades of employment using similar skills and equipment. In particular, addressing the environmental liability involved (some CAD 260 billion) and ensuring polluters are held accountable for covering the cleanup costs is critical. This is likely to be challenging given the increasingly precarious economic state of the sector and its dependency on reserve replacement for valuation. Governments should be collecting much higher taxes and royalties—but at present the government take from the oil industry in Alberta is among the lowest in the world.

Relatedly, participants pointed out multiple times that diversification must be about much more than energy. We will not see one-to-one job replacement or dollar replacement between the fossil fuel sector and renewables, and we must challenge ourselves to break out of the energy bubble in the diversification conversation. There was also discussion around the role of incumbents. Transitioning away from chlorofluorocarbons (CFCs) was simpler because companies could easily transition to other technologies. With pure play fossil fuel companies, it is more difficult to imagine, and participants noted that global petrochemical and plastics industries are likely to be part of this discussion.

The economic risks of inaction and an unmanaged decline featured prominently in the discussion. Canada's banks, pension funds and other financial institutions are invested heavily in the sector and are not adequately calculating or disclosing climate-related risks. Participants noted that diversification is critical not only for climate action but for the Canadian economy as a whole.

The conversation pointed out that the science demands an incredibly rapid phase-out—decarbonizing by no later than 2030 in Canada—for the country to do its global fair share (let alone remain below 1.5°C). Instead, the oil sands sector is growing, and Canada is not seriously confronting the scale or urgency of the challenge. We need to collectively act quickly to paint a new picture of what jobs and the economy can look like, and we need to make sure we are capturing the revenue to fund it. These demands (such as decarbonization by no later than 2050) are not radical, but merely recognizing climate facts.

Participants noted the transformational potential of the discussion: things can and may change very quickly. Some participants felt strongly that an active government

signal to the sector is critical for markets and to avoid lock-in. They also noted that an active government signal will offer the most certainty for planning and for the just transition.

However, there was also general agreement that “decline” is politically difficult language, and while “managed decline” has currency financially and in some political circumstances, public conversations are likely to require additional or different framing (with a note that we must also not mislead about the scale of the challenge and we should not underestimate the ability to have these discussions honestly).

Various participants noted that one of the greatest challenges for this conversation is the embedded power of the fossil fuel sector in key political jurisdictions such as Alberta and federally. The sector has weakened regulation and policy ambition for decades, while successfully lobbying for more government subsidies (from taking various forms from low royalty rates, to accelerated capital cost allowances, to being able to write off exploration and development expenditures). The supply-side agenda will require saying “no” to a sector that is not used to taking no for an answer, which will be challenging.

There was general consensus that starting these discussions and beginning to plan now are imperative so that the “15-year plan” is ready. We already have a short runway; we cannot leave it for another five years.

“We already have a short runway;  
we cannot leave it for another five years.”

There was also general agreement on the need for better data from energy agencies. Some concern was raised regarding current mainstream forecasts, which are predicated on failure (the International Energy Agency's central forecast assuming between 2.7° and 3.3° of warming, for example).<sup>10</sup> These forecasts that assume continued fossil fuel use threaten to become self-fulfilling prophecies and hold the transition hostage. We urgently need forecasts that begin with an assumption of success and become central in both political and financial decision making on energy projects.

The role of government in this transition was central in

<sup>10</sup> Muttitt, G. (2018, April). *Off track: How the International Energy Agency guides energy decisions towards fossil fuel dependence and climate change*. Oil Change International. Retrieved from <http://priceofoil.org/2018/04/04/off-track-the-iea-and-climate-change/>

this discussion. All participants see the government as having some role, and while there was general agreement that supply-side policies and production limits are necessary, concern was raised as to whether this is the right role for government or whether markets are best placed to rebalance in response to demand-side measures. In response to this concern, some participants made a case for the importance of comprehensive or “portfolio” approaches to climate policy: supply-side policy enhances and complements demand-side policy. Participants often pointed out that, because we are not currently on track to meet existing targets, let alone the more ambitious longer-term goals aligned with the Paris Agreement, should we not be using every tool in the toolkit?

The discussion contextualized the terms “transition,” “decline” and “transformation” within their political meanings when many people are uncomfortable with change. It was generally agreed that there needs to be a clear plan presented to avoid fear. Canadians largely understand the problem and believe we should do our part, but, at the same time, many believe that a single pipeline will benefit them directly (for example). The political discussion in Canada has dangerously muddled the economic–environmental narrative. We need to show how the transition benefits people. The group also drew parallels with healthcare in terms of how it is part of our national identity and, even if it needs reform, it can be difficult to envision.

The discussion concluded with reflections on the scale of a challenge that is daunting, but all agreed that turning a blind eye is dangerous not only for the climate, but also for workers and Canadians in general. There was an appetite for being clearer about the scale of what needs to happen and honest about potential disruption—but in a context of acting now to avoid even more disruption.

Overall, key points of general alignment and convergence included:

- There is a need and urgency to having this discussion in constructive ways as part of an effort to meet existing climate goals, increase ambition and ensure a just transition.
- A managed decline/phase-out/transition of the oil and gas sector is less disruptive and better than an unmanaged decline (of which there are numerous examples), and government has a role to play (the degree of which was discussed).

- There is general agreement that supply-side policy measures are an important addition to a climate policy portfolio (with hesitant voices here being open-minded to the conversation).
- Economic diversification must be a priority beyond the energy sector (i.e., recognizing the transition won’t be renewables replacing fossil fuels on a one-to-one basis for example) to protect economies, workers and the climate.

## Session 2: The Role and Necessity of Fossil Fuel-Related Fiscal Policies (e.g., Fossil Fuel Subsidy Reform, Carbon Revenue, Royalties, Sovereign Funds) in Enabling a Just Transition in Canada

With a “just transition and managed decline” in the energy sector starting to be defined in the opening session, discussion then turned to how this transition will be financed and which fiscal systems in Canada have to be reformed to either support transition or, at the very least, not work against reform.

Two fundamental questions arose that have to be answered: 1) how do we restructure the fiscal and financial systems to support transition, and 2) what do we need to actually fund for transition to be successful?

Participants noted that fossil fuel subsidies work against a transition by locking in unsustainable patterns of energy production and consumption. But savings from subsidy reform can be a source of revenue to fund the transition. Canada has a commitment dating back to 2009 to phase out inefficient fossil fuel subsidies. Since then, some reform has happened, but there are still provisions within the standard fiscal regime that encourage investment and exploration. These subsidies have to be reformed if the transition is going to occur, and their entrenchment hinders a full-scale transition from occurring. Others noted that there is an opportunity cost with using public revenues to foster cleaner oil production versus investing in clean energy.<sup>11</sup>

<sup>11</sup> When the Trans Mountain Pipeline project was briefly mentioned, IISD stated that there is a strong possibility that the indemnification of the project could represent a subsidy, but this had not been quantified. This meeting occurred a week before the Canadian government bought the project outright. This purchase could result in a significant new subsidy for the pipeline, but this cannot be quantified until a private sale is negotiated. Also announced in this meeting was that Canada would participate in a G20 peer review of its subsidies with Argentina. This review could contribute greatly to transparency on subsidies, including those in the Trans Mountain purchase.

“Subsidies have to be reformed if the transition is going to occur, and their entrenchment hinders a full-scale transition from occurring.”

The other major mechanism the group examined was the royalty regime in Alberta. The royalty rates in Alberta are low. Historically, the royalties had declined over several decades since the 1970s, to the point that they are now dramatically lower than they had been originally. The result of this is that there is not enough revenue from royalties under the current structure to fund the transition. Participants noted that carbon pricing also interacts with royalties, but Alberta’s royalties remain lower than in many other places in the world where there are more stringent carbon prices.

The group also noted that the carbon pricing regime in Canada was an obvious source of potential revenue for a just transition. With a multitude of regimes in Canada, transition funding would rely on how the revenues are used in each and would depend on hypothecation of revenues to foster transition. Since carbon pricing seeks to drive transition directly, the group strongly favoured such setting aside to support workers and other affected groups through the transition. There was a feeling that a carve-out for just transition could be possible, but only in certain jurisdictions that had not already fully committed to the complete return of revenues to the public or industry. Regardless, the perception of money going into general revenues would have to be avoided for a dedicated revenue stream for just transition purposes.

An area of concern was the costs of the cleanup of oil and gas production sites, with some participants feeling that this was a major concern for transition and others noting that supporting cleanup would be a positive use of transition funds because it could also be a task that workers in declining sectors could be trained to do. Also, it would occur in the same communities where these workers were already employed, preventing relocation.

Regarding fossil fuel subsidies, participants noted that public campaigns should be successful in pushing reform, as the public is generally in favour of eliminating subsidies, and the current federal government has already made some progress in this regard.

There is also a need to ensure that industry is planning for transition, and while some revenue supports can go to industry, they should be tied to concrete transition. Workers cannot get left behind or neglected in funding transition. Collective bargaining agreements also have to be kept in mind.

Discussion then moved on to what we can learn from the introduction of carbon pricing, past subsidy reforms and royalty reviews. The group strongly favoured transparency in the use of revenues.

Cross-sectoral, cross-constituency (e.g., labour, private sector) and broad coalitions for support are all worth investing in to better ensure success, as suggested by the group. Without industry buy-in there will be backlash, but without worker support there is the potential for labour to get left behind.

Industry is effective at positioning itself as the economic driver, so processes are needed that expose industry to pressures to get on board. Building public support coalitions helps. Several participants noted the entrenched power of industry.

First Nations’ constitutional rights and potential legal challenges are also important in the transition, as we noted at various times during this discussion.

Finally, participants noted that we need a just transition for workers and communities, as they are the ones we want to support; it is not about extending the life of oil and gas. People react to and support people-centred movements (i.e., the need to humanize the transition).

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At the end, the group noted that, if Canada cares about a transition, there needs to be a dedicated fund for it, and there are a number of ways we can raise the money for the fund. There were some concerns about linking the carbon pricing system to just transition, because it may lead to the perception that the carbon price is the reason that the sector is in decline when this is not the case.

Overall, key points of general alignment and convergence included:

- Transparency is critical. Where are revenues and subsidies going and what are they being used for?
- Government versus market forces driving fiscal reform: there needs to be strong communication on why transitions are occurring and the role of fiscal policy in driving and supporting transition.
- There is broad agreement on the need for funding a just transition, but diverse opinions on where the funding should come from.
- There was some consensus that governments should not just directly return carbon pricing revenue back to industry—this fiscal resource needs to be used wisely.

### Session 3: Concrete Measures for Just Transition: Clean Energy, Jobs, Innovation

During the third session of the day, we looked to highlight concrete actions that can be taken to spur transition, asking: what are the solutions, and how do we implement them? This session also looked at how “managed” the transition should be (i.e., what should be the role of government in energy sector transition?).

This conversation was intended to take into account practical next steps for a just transition and managed decline of Canada’s energy sector.

The assembled group shared that a just transition has to start with a vision—this was true in other countries that have attempted this process and must be true in Canada as well. Canada can follow and draw upon existing international frameworks, including the Paris Agreement.

There was also a notion that one of the concrete options to spur transition is to end subsidies and other fiscal policies that support production of fossil fuels. Part of this is because we need to understand the implications of growing oil and gas production for meeting the Paris Agreement. This is an upstream option that complements the downstream focus of carbon pricing. Even with no new approvals, emissions are projected to grow in the oil and gas sector through 2025, necessitating a defined plan for transition away from production in this sector.

Another concrete idea for transition is setting up agreements for new proposed fossil fuel projects that specify no compensation if a project becomes non-economic and results in stranded assets. There could also be a requirement that all projects must include a just transition plan for all workers and other key stakeholders.

Participants noted that the energy sector is much cleaner in Quebec than in the rest of Canada and that there is an energy transition policy in Quebec. This policy includes quantifiable targets and goals that are designed to reduce consumption. There have already been some complicated and extensive discussions on the future of production of fossil fuels, noting the compensation for developments on Anticosti Island.

Following this discussion, the topic moved to how we support workers and what they need from us, the other stakeholders in the process.

First and foremost, workers need money to support their transition. This is not just direct funds to support transitioning workers but also improvements in the social safety net, broadening the tent to include social justice. Workers must be engaged in the design, planning and implementation of the just transition; it must be a participatory approach.

Discussion of stranded assets must include a discussion of workers’ assets (i.e., workers’ homes they own in towns where industry is phasing out). We cannot ask workers to shoulder the burden. We need to think about how we keep families, agribusiness and small farms that rely on extraction going.

“Talk about stranded assets must also include workers’ assets: their homes, land etc.”

The government’s role in a just transition and managed decline is critical. Government needs to ensure that the concerns of industry are balanced with the concerns and needs of workers. Government can also ensure that there is careful consideration of the carbon impacts of energy transitions. One participant noted that it would be good to see just transition text in Canada’s next Nationally Determined Contribution.

Ultimately, there are also market-based transitions, and we will also go where the market takes us. We can move transition along further and faster with off-ramps to make it work in a more managed and careful way.

“We can move transition along further faster with off-ramps to make it work in a more managed and careful way.”

Stakeholders also play a critical role. There are already discussions about decent work. There are also organizations and funders that can support these efforts and that partners should contact to join the discussion. There was broad consensus to keep this discussion going and to keep the partners talking, while recognizing that, despite some differences in opinion, the group shares common goals. Even if organizations do not work in complete partnership, continuing to engage together will foster collaboration.

Stakeholders can look to the international negotiations when trying to influence Canada’s next Nationally Determined Contribution as well as mid-century strategies. A constituency of support can be built in this way.

Partners should engage the public, including people and groups from across the political spectrum, from the outset, noting that different groups hear things differently and need different messages, but can share common goals. Stakeholder groups have to get smarter about how they communicate to policy-makers to drive change.

There are ultimately two dynamics that need to be complementary rather than in competition: the environment and the economy. In the past, there was a strong partnership between environmental groups and labour. We need to return to a concerted and organized effort to engage together to drive the issue of just transition.

Key points of convergence in this section included:

- A strong need for comprehensive transition measures that go beyond efforts that we have seen to date and dedicated funding to ensure their implementation.
- A need for the various constituencies assembled to communicate with each other, even if specific areas of work differ, as ultimate goals often share common dynamics.

- A stronger conversation between labour and non-labour groups to ensure that they work collaboratively and not at odds with each other.
- A need for leadership, transparency and engagement from government, recognizing its role is critical in transition.

## Final Reflections from the Organizers

We were very encouraged by the nature of the discussion. While this is a decidedly challenging conversation in the Canadian context, we strongly believe that it is one that must happen and one that we are collectively very capable of having. This viewpoint was shared by the group assembled.

There is growing alignment around the need for an active government role in addressing fossil fuel production. We saw there is alignment among a majority of active participants in this meeting and we have observed this in other international discussions in which we have participated. We expect this to be a theme of increasing importance and profile within Canadian climate and energy discussions.

## Next Steps

IISD and OCI look forward to any and all feedback on the sessions or this discussions paper. We will be using this paper to propose further support from the philanthropic community to continue to broaden these conversations in various formats.

We will be in touch directly with participants regarding specific proposed next steps within the coming months.

## Additional Notes

Unfortunately, regrets were received from First Nations participants at the last moment. The organizers deeply regret not having such critical perspectives present in the room and will work to ensure than any and all future sessions include First Nations.

Invited stakeholders from the oil and gas sector respectfully declined the invitation for individually stated reasons, but expressed interest in the topic.

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