

COP 26

Expectations for Canada at the UN Climate Negotiations in Glasgow, Scotland

MEDIA BACKGROUND

October 2021



environmental
defence

The Conference of the Parties in Glasgow in November ([COP26](#)) is probably the most important global gathering on climate change since the Paris Agreement was signed six years ago. Some of the rules of the Paris Agreement need to be finalized, but more importantly this is an opportunity for countries to come forward with stronger pledges for action on climate change. As president, the UK is focused on getting countries to agree to a pathway to keep the safe-climate, 1.5 degrees C. threshold within reach, not just from stronger national pledges but also through a common sense of purpose.

This briefing lays out Environmental Defence's expectations for Canada at the COP. At any point during those two weeks, Canada can act on the recommendations listed below, which include: raising ambition on emissions reductions, international climate financing, fossil fuel financing, and forest carbon accounting. Specific windows when we will be looking for progress are the first two days (November 1 & 2, 2021), when the Prime Minister is expected to make an intervention and the second week, when the incoming Environment and Climate Change Minister is expected to attend.

Despite the rhetoric used by federal government officials, Canada has the worst record on climate action in the G7:

- The only G7 country whose emissions have [gone up since Paris](#) was signed
- The weakest 2030 emissions reduction target amongst G7 nations
- Worst in the G20 in [government subsidies and public financing](#) to fossil fuel companies on a per capita basis
- The second lowest G7 country in [international climate financing per GDP](#) since Paris

COP26 is an opportunity to change that.

Greater ambition for a safe future

Given Canada's poor performance and low ambition to date, the most important contribution that Canada can make at COP26 is to raise its level of ambition and action on climate change. To ensure a safe and secure future for everyone, it is vital that Canada and the world meet the ultimate objective of the Paris Agreement and limit warming to no more than 1.5 degree world.

Canada's current Paris commitment (40-45 per cent reduction from 2005 levels by 2030) is not only below G7 allies, it is also below the [average global reduction needed](#) to limit warming to 1.5 degrees C. As a rich, industrialized country, Canada should be doing more, not less.

Recommendation: Canada should close the gap to its fair share in emission reductions: 60 per cent domestic reductions by 2030 coupled with overseas investments to generate additional reductions equivalent to 80 per cent of Canada's 2005 emissions.

A key element to successful global action is the delivery of international climate financing of USD \$100 billion per year to assist developing countries to address the climate impacts they face and undertake low-carbon development. [Industrialized countries have failed to achieve this mark and Canada is one of the worst performers.](#) Despite recently doubling its contribution to CAD \$5.3 billion over the next five years, this is a far cry from what Canada's contribution should be. It is worth noting that the cost to developing countries of just *adapting* to climate change is [between \\$140 billion to \\$300 billion annually by 2030.](#)

Recommendation: Canada should immediately pledge and deliver at least CAD \$5 billion on average per year in international climate financing in addition to existing Official Development Assistance, ensure that half is dedicated to adaptation, be in the form of grants not loans, and ensure that all projects respect the rights of Indigenous Peoples and the interests of communities.

The primary reason that Canada has such a poor record on climate action is that successive federal governments have pretended that the country can expand fossil fuel production and be climate leaders. Instead of planning a managed phase out of oil and gas production over a reasonable time period, the federal government has propped up the industry with billions per year in subsidies and public financing, [totalling \\$18 billion last year alone.](#)

Recommendation: Canada should bolster its [Nationally Determined Contribution or NDC](#) (the pledge that each country puts forward as its commitment) under Paris to include existing promises or commitments, all within federal jurisdiction, that will stop the expansion of fossil fuel production and implement a fair transition:

- **Eliminate all fossil fuel subsidies, financial supports and public financing of the fossil fuel sector, including from Crown corporations, in 2022. At COP 26, Canada should sign on to the [UK declaration to end public financing for overseas fossil fuels](#) and shift this money to a just energy transition.**
- **Regulate financial institutions, pension funds, and government agencies under federal jurisdiction to disclose the climate risks of their investments (including the downstream emissions of projects) and align their portfolios with a 1.5 degree pathway.**
- **Put a ban on thermal coal exports by 2023.**
- **Pass a Just Transition Act as part of implementing a strategy for a fair transition for workers and communities dependent on fossil fuels. At COP26, Canada must engage actively and constructively in the [Forum on Response Measures](#), which allows for discussions of just transition as part of phasing out fossil fuels.**

There are a number of other climate commitments or promises made by the Canadian government that are not included in Canada's NDC. Including them in Canada's obligations under Paris would show the government's commitment to these actions to international

allies, and build trust with them.

Recommendation: Canada should make its NDC more comprehensive and bold by adding in policy commitments, including:

- **The scheduled increases in the federal backstop on carbon pricing, increasing to \$170/tonne by 2030.**
- **A shrinking 5-year emissions cap on the oil and gas sector that includes the full life-cycle emissions and with reductions that are Paris-aligned.**
- **The ban on the sale of vehicles with internal combustion engines by 2035 with an interim target of 50% of sales by 2030.**
- **A clean electricity standard so Canada gets to 100% clean electricity by 2035.**

Smart and effective rules for Article 6

There are a few areas within the Paris Agreement where the rules have not been finalized. The most prominent is [Article 6](#), which includes a mechanism for countries to trade/offset emissions credits. While cooperation between nations should be welcomed, there are ways to do that without generating transferable credits.

Buying offsets rather than reducing emissions is both an abdication of responsibility and a dangerous approach to reducing carbon emissions everywhere. We need to go beyond approaches that are at best a zero-sum game. Some countries have even been pushing for projects under the Kyoto Protocol's Clean Development Mechanism (CDM) to be used to meet Paris Agreement commitments, which would add "hot air" to countries' compliance under the Paris Agreement, and seriously undermine its effectiveness. Canada has opposed the onboarding of CDM credits, but supports the trading elements of Article 6. A country with a highly inadequate emission reduction target should not buy its way to Paris compliance.

Recommendation: Canada must call for carbon market rules that move away from the principle of offsetting, ensure that there are social safeguards such that all approved projects under Article 6.2 and 6.4 be consistent with the [United Nations Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#), and oppose pre-2020 projects from the CDM to be used under Article 6.4.

Recommendation: Given its low level of ambition with its Paris commitments, Canada should make it clear at COP26 that it will not be using Article 6 to achieve its emission reduction commitment.

Engaging constructively in Loss and Damage

As the climate crisis deepens and climate impacts accelerate, developing countries face a critical lack of resources to adapt to climatic changes. Some of these are so severe that they involve permanent loss (e.g. from sea level rise or desertification) or damages with very high costs (e.g. powerful cyclones that damage infrastructure), labeled [Loss and Damage](#) in

the climate negotiations. Canada has to date been dismissive of developing country demands on Loss and Damage.

Recommendation: Canada should make Loss and Damage a priority at COP26, by supporting the need to scale up resources for losses and damages, engaging constructively in the review of the [Warsaw International Mechanism](#) (WIM) and work to establish a robust operational mechanism for the [Santiago Network on Loss and Damage](#).

Protecting Forests and Fixing the Logging Loophole

An end to deforestation/forest degradation and restoring natural ecosystems are key to a safe-climate future. But [Canada is near the top of the list of countries](#) in terms of how much logging it allows in primary forests, behind only Russia and Brazil. Worse, Canada has adopted methodology for its greenhouse gas inventory that deviates from IPCC guidelines and underestimates logging's annual emissions by more than 80 megatonnes of CO₂. Canada has also said it will use a "reference level" approach for forest carbon that would allow it to count a projected 19 Mt of "free" reductions in annual emissions towards its 2030 emissions target.

Recommendation: Canada should signal to international partners that it will adopt more rigorous forest accounting rules that reflect what the atmosphere sees in terms of carbon sources and sinks. It should also take a leadership role in advancing existing initiatives such as the [High Ambition Coalition for Nature](#), not only to reach the goal of protecting 30 per cent of Canadian lands and waters, but also putting an end to logging in primary forests.

Conclusion

The time is now. If the Prime Minister wants to show up in Glasgow and claim that Canada is a climate leader, his government will have to do a lot more to reduce carbon emissions from all sectors, address the root cause of climate change--fossil fuel production--and bring about a fair transition for workers and communities, all while upholding and protecting Indigenous rights.