

Backgrounder: COP28 - Expectations for Canada

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This year's UN climate negotiations are taking place in Dubai, United Arab Emirates from November 30, 2023 – Tuesday, December 12, 2023, in a context of geopolitical tension, mounting climate caused disasters, a fossil fuel driven affordability crisis and growing momentum for a phaseout of oil, gas and coal production. Once again, COP28 will bring together delegates from every national government to advance global efforts to prevent dangerous climate change.

This has been another disastrous year for climate-related events in almost every part of our planet. When countries signed the Paris Agreement in 2015 they agreed to work together to limit global warming to 1.5 degrees and avoid catastrophic and irreversible climate change. Yet we are still far off track and we're running out of time to keep the 1.5 goal within reach. This decade is critical. The necessity for global collaboration has never been higher.

As the end of the fossil fuel era continues to accelerate, so do efforts by oil and gas companies to delay climate action and the energy transition. Over 600 fossil fuel lobbyists were included in national delegations at COP27 – many more were in attendance. Even larger numbers are expected this year. Oil and gas CEOs have shown their only interest is to prolong business as usual for as long as possible, in order to protect their short-term profits. This includes promoting dangerous distractions, including carbon capture, which have much more to do with justifying new fossil fuel infrastructure than effectively reducing emissions. Even with a massive expansion of CCS – itself extremely unlikely, expensive and risky – a rapid phase out of fossil fuels is still necessary.

Amidst energy security and affordability concerns, countries must stick to their commitments and accelerate the shift towards affordable, reliable and clean energy. Global conflicts and the surging price of fossil fuels, driven in large part by corporate profiteering, have laid bare the risks of relying on fossil fuels, as well as the benefits of transitioning to renewable energy.

What COP28 must deliver: energy and equity

- **Fossil fuel phaseout:** Fossil fuels are causing the climate crisis. Over 75 per cent of global greenhouse gas emissions are from fossil fuels. The litmus test for whether COP28 is successful or not will be whether countries agree to a plan for an equitable phase out fossil oil and gas production. Despite calls from over 80 countries at COP 27, the final decision text did not include phasing out all fossil fuels. Since then, momentum for a fossil fuel phaseout has continued growing. COP28 must succeed where previous negotiations have failed.

- **The Energy Package:** Alongside a fossil fuel phaseout, there is momentum for countries to agree to triple renewable capacity and double energy efficiency by 2030.
- **Loss and Damage:** A key success of COP27 was the establishment of a new fund to compensate countries for the loss and damages caused by climate disaster. Countries in the Global South are disproportionately experiencing climate-related impacts that cannot be avoided or adapted to, for example the loss of lives, livelihoods and species, the damage to vital infrastructure that needs to be repaired after climate disasters, the costs of unavoidable relocation. COP28 must deliver on a fully operational and capitalized fund created through the United Nations Framework Convention on Climate Change (UNFCCC).
- **Global Stocktake:** 2023 is 'Global Stocktake' year. This represents the first global stock take since the Paris Agreement was signed in 2015. This is essentially an assessment of progress that has been made towards achieving the goals of the Paris Agreement. A report on the stocktake so far stressed that current policies and promises to cut greenhouse gas emissions still fall short of the goal of reducing global emissions in half this decade. The Global Stocktake must deliver a clear roadmap for how countries can course correct their current climate targets and strategies. COP27 called for parties to strengthen their climate pledges this year, but only the EU and eight additional countries have done so, including the UAE.
- **Kick Big Polluters Out:** The fossil fuel industry has sabotaged efforts to take action for decades. Just as tobacco companies are not allowed to influence health policy and arms dealers are kept out of peace talks, fossil fuel lobbyists should not be allowed at climate negotiations. The UNFCCC should introduce new rules to address this conflict of interest and restrict industry access.
- **Just Transition:** At COP27, governments agreed to create a Just Transition Work Program (JTWP). At COP28, the goal is to officially establish the JTWP as a forum to work out practical solutions for addressing the socio-economic impacts of the transition away from fossil fuels, based on respect for labour, Indigenous, gender, and human rights.

The Canadian Context

Canada continues to be one of the largest contributors to the climate crisis.

- [Canada ranks last](#) in the G7 in terms of progress on emissions reductions.
- Canada has amongst the [worst emissions per capita](#) in the G20.
- Canada is on track to be the [world's second largest developer](#) of new oil and gas extraction from 2023 to 2050. Canada alone could be responsible for 10 percent of planned expansion globally.

- Canada continues to add [less solar and wind generation](#) than other countries in the G7, G20 or OECD.
- The Government of Canada's current commitment to reduce emissions by 40 - 45 per cent from 2005 levels by 2030 falls far short of what Canada's fair share target: a 60 per cent reduction. Yet [the Government of Canada is still not on track](#) to meet even its current insufficient climate targets.
- Canadian banks are [the largest financiers](#) of fossil fuels globally, financing fossil fuel production and expansion both at home and abroad.

What Canada needs to deliver at COP28

1. A Global Fossil Fuel Production Phase Out with Timelines

Real climate leadership requires honesty: it means acknowledging the need to phase out fossil fuels. At COP27, the Government of Canada failed to champion calls for a fossil fuel phaseout. Canadians expect more from their government this year. Environment Minister Steven Guilbeault has stated he believes that [COP28](#) can be the first COP to acknowledge the need to phase out all fossil fuels.

2. An End all Fossil Fuel Subsidies and Public Financing

The Government of Canada has taken important steps to eliminate some forms of financial support provided to the oil and gas sector, including ending international public financing for fossil fuels and some fossil fuel subsidies. However, the bulk of Canada's support to the fossil fuel sector is domestic public financing delivered through Export Development Canada. Furthermore, the government must close loopholes that allow oil and gas companies to continue receiving massive subsidies for speculative technology, including carbon capture and storage and fossil-derived hydrogen. The Government of Canada must finally deliver on its long-standing promise and end all forms of financial support for fossil fuels before the end of the year.

3. Cap and cut emissions from Canada's oil and gas sector, including methane

At COP26, [Prime Minister Justin Trudeau promised to](#) "cap oil and gas sector emissions today, and ensure they decrease tomorrow at a pace and scale needed to reach net-zero by 2050." The oil and gas lobby has successfully delayed the release of the draft rules, which the government had promised to do last spring. Canada cannot meet its climate commitments without forcing the oil and gas industry – responsible for nearly 30 per cent of greenhouse gas pollution – to reduce their emissions at par with the rest of the economy. It is essential that the government release a plan and target, ahead of COP28.

Similarly, the Government of Canada is expected to release new rules to eliminate methane from the oil and gas industry. Cutting methane emissions is one of the fastest, most cost-effective strategies to reduce the rate of warming.

4. Align Canada's private financial flows with climate commitments

Aligning the financial system with climate commitments is a key missing piece of Canada's climate plan. Canadian banks and pensions are currently large investors in fossil fuels. Over a year ago, Minister Guilbeault [commented](#) on being open to regulating the financial sector for net-zero, and four out of five major political parties have so far [committed](#) interest in using legislative and regulatory tools to create a Canadian financial system that drives climate action. This has yet to translate into any concrete action. Setting rules to ensure our financial system shifts course to align with climate commitments is overdue and is necessary. Canada should commit to a climate-aligned financial system, and require financial institutions to set and deliver plans to reduce polluting emissions from their investments.

5. Deliver on climate finance and loss and damage

[In 2009](#), developed countries committed to a collective goal of mobilizing US \$100 billion per year by 2020 and through 2025 for climate action in developing countries - to assist developing countries to reduce their own emissions and address the climate impacts they face. This international climate finance system is intended to support countries in the Global South in their efforts to expand their clean energy systems - leapfrogging dirty fossil fuels - and protect their people by ramping up adaptation investments. This is a separate commitment to the creation of a mechanism to finance loss and damage experienced in developing nations - but Canada must show leadership on both. As a wealthy country and one of the largest contributors to the climate crisis, Canada must pay its climate debt.

6. Progress on enacting a just transition

Canada has [committed to enacting a just transition](#) to a net-zero economy, which involves mitigating the negative impacts of the transition on workers and communities while ensuring benefits are equitably shared. At COP28, Canada should advocate for an inclusive, rights-based JTWP. The Government of Canada must also improve its proposed *Sustainable Jobs Act* to align Canada's approach to workforce, regional, and economic development with its climate goals.

7. A plan to address decommissioning and clean up of fossil fuel infrastructure.

Canada's commitment to Indigenous rights, a just transition and a phase-out of fossil fuels underscores the importance of ensuring that oil and gas companies are held accountable for decommissioning their infrastructure and the full clean-up of their liabilities, including wells and tar sands tailings ponds. The Government of Canada must ensure that remediation is paid for by polluters and is protective of the health and rights of local and Indigenous communities. At COP28, the Government of Canada must explain how it is working with subnational governments to address the gaps in its current approach, in which [insufficient funds](#) have been put aside to pay for remediation and, in the case of tailings, no company has demonstrated they have [a safe clean up solution](#). Canada must also ensure the enforcement of its environmental laws in cases where fossil fuel liabilities, such as [seeping oil sands tailings ponds](#), are in violation of these laws.

When COP28 ends, the Canadian public will want to know: did Canada's contribution help ensure a safe future - or did Canadian politicians add to the delay on climate action?

Canadian Presence at COP28

In addition to the Government of Canada's negotiating team, high level politicians - including Ministers and Members of Parliament from across the political spectrum - will be attending. Prime Minister Trudeau has not yet confirmed whether he will attend. The Prime Minister's failure to attend would be a disappointing signal.

There will also be representatives from provincial governments, including the Government of Alberta. Given Premier's Smith track record on climate action – [including a moratorium on renewable energy](#) and a lack of a 2030 emissions reduction target – it is clear that the Government of Alberta is attending in order to promote oil and gas, rather than bolster climate action. Alberta accounts for [nearly 40 per cent of Canada's emissions](#) – more than any other province – and is the only province where emissions have gone up significantly over the past two decades.



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