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# State of Federal and Provincial Climate Policy

PROSPECTS FOR PARIS AND  
BEYOND

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# Summary Observations

- Most gov'ts have made goal of transition to a lower-carbon economy a rhetorical priority.
- Lack of cohesion and cooperation at all levels of government.
- Carbon pricing efforts very weak.
- Direct subsidies favour clean energy. Hidden subsidies (tax) favour dirty energy.

# Summary Observations (cont'd)

- Focus on most politically palatable sectors. Politically difficult sectors avoided
- Jobs: Bold promises, few tangible policies. *Most governments see the green jobs as a consequence of transitioning to a cleaner economy, rather than a policy target in and of itself.*
- Policies constrained by international trade and investment agreements.

# Finance Department assessment of policies' carbon impacts to 2020

- Federal measures expected to reduce emissions 40 megatons by 2020.
- Provincial measures to reduce emission by 90 megatons by 2020.
- Still leaves Canada 116 megatons over its Copenhagen target.

# Liberal Platform

- Targets delayed until consultation with provinces. But Harper targets a floor.
- New Building Canada Fund.
- Low Carbon Economy Trust:
- Phase out subsidies for the fossil fuel industry over the medium-term.
- Canada Infrastructure Bank
- Invest in clean technologies in resource sectors
- Develop Canadian energy strategy

# Leap Manifesto: It's Affordable!

## AFB Fiscal Measures

- End federal subsidies to the fossil fuel industry: **\$350 million a year**
- A national financial transaction tax could raise **\$5 billion a year.**
- End special tax treatment for capital gains: **\$7.5 billion a year**
- Return the corporate tax rate to 2006 level: **\$6 billion a year.**
- Tackling tax havens: **\$2 billion a year.**
- New federal upper-income tax bracket: **\$3.5 billion a year.**
- Scale back military spending : **\$1-\$1.5 billion a year.**
- Eliminate the income splitting and other family-with-children tax cuts: **\$7 billion a year.**
- And a national carbon tax of a mere \$30/tonne: **\$16 billion a year.**

**TOTAL= \$49 Billion**

# Targets

- Harper Paris target: reduce emissions 30% below 2005 levels by 2030—14% reduction compared with 1990 levels. Weakest pledge among industrialized countries.
- IPCC said to avoid the catastrophic consequences of global warming (< 2degrees), a reduction of 25– 40% below 1990 levels by 2020 necessary.

# Acting on Climate Change initiative: What's possible

- A 2025 target of 26-28% carbon emission reductions relative to 2005 levels;
- 100% reliance on low carbon electricity by 2035.
- A long-term target of at least 80% reduction in emissions by 2050,