





SOLUTIONS ARE IN OUR NATURE















March 24, 2005

The Right Honourable Paul Martin Prime Minister of Canada 80 Wellington Street Ottawa ON K1A 0A2

## Re: Canada's Implementation of the Kyoto Protocol

Dear Prime Minister,

On January 12, 2005, several of us wrote to you urging you to give the highest possible priority to the announcement and implementation of a credible, effective plan to comply with the Kyoto Protocol.

The January letter stressed the need for your Kyoto plan to be announced by February 16, 2005, the date when the Protocol became international law. It also described seven criteria to evaluate the plan's credibility and effectiveness. We have reproduced these criteria in an Appendix to this letter.

Now, joined by several more concerned organizations, we are writing to reiterate the immediate need to announce the plan and fast-track its implementation, and to re-confirm the importance we attach to the seven criteria.

On <u>timing</u>, we are disturbed by the fact that over a month after the Kyoto Protocol entered into force, Canada still lacks the "comprehensive," "improved" Kyoto plan to which Minister Dion has publicly committed. We recognize that Minister Dion understands the measures that are needed to reach Canada's Kyoto target. The time for negotiation is over: the plan is needed immediately.

In announcing that Canada will host COP-11 in Montreal at the end of this year, you seized an opportunity to showcase Canada as a leader in addressing climate change. In Montreal, the international community and media will judge Canada on its Kyoto plan, and the implementation of that plan. Obviously, Canada cannot commence COP-11 without having substantially begun on-the-ground implementation of the major elements of the plan.

By "on-the-ground implementation," we mean selection of specific emission reduction proposals for funding through the new Climate and Partnership funds, and the steps needed to create certainty regarding mandatory targets for Large Final Emitters and backstopped emission reductions from the auto sector. With Canada now far behind other countries in implementation, every further delay in producing the plan reduces the time available to show real leadership through these critical implementation steps.

Regarding <u>credibility</u> and <u>effectiveness</u>, we reiterate the need for the plan to consist mainly of regulatory initiatives and financial incentives conditional on real emission reductions occurring during 2008–12. In particular, the mandatory targets and complementary initiatives for Large Final Emitters must add up to a total emission reduction that is in keeping with their 50% share of emissions. Reported weakenings of the requirements for Canadian industry to secure emission reductions during 2008–12 would unfairly transfer billions of dollars in costs to taxpayers while delaying Canada's transition to a cleaner, more competitive economy.

We confirm the importance of all seven criteria described in the January letter, and reiterate that the announcement of a Kyoto plan that fails to meet sufficiently those criteria would cast serious doubt on the credibility of your government's statements of intent to meet Canada's Kyoto target.

Your leadership is urgently required. The Kyoto Protocol has become law. Canada's delays in implementing effective measures to reduce greenhouse gas emissions mean the country needs a strong Kyoto plan, and needs it now.

Sincerely,

Jim Fulton,

Executive Director, David Suzuki

Foundation

Elizabeth May,

Executive Director, Sierra Club of Canada



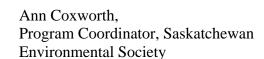
Bruce Cox, Executive Director, Greenpeace Canada



Marlo Raynolds, Executive Director, Pembina Institute

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David Coon, Policy Director, Conservation Council of New Brunswick



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Liz Dykman, President, Resource Conservation Manitoba



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Mary Corkery, Executive Director, KAIROS

Lewis Rifkind Energy Coordinator, Yukon Conservation Society

Cc: The Honourable Stéphane Dion, Minister of the Environment

The Honourable Ujjal Dosanjh, Minister of Health

The Honourable John Efford, Minister of Natural Resources

The Honourable David Emerson, Minister of Industry

The Honourable John Godfrey, Minister of State (Infrastructure and Communities)

The Honourable Geoff Regan, Minister of Fisheries and Oceans

## Appendix. Seven criteria for a credible, effective Kyoto plan.

- 1. The plan must associate clear and credible amounts of greenhouse gas (GHG) emission reductions to a set of specific Government initiatives with clear implementation targets and timelines. The total emission reductions from these initiatives must be sufficient to meet Canada's Kyoto target over the period stipulated by the Protocol, 2008–12. While we also believe Canada should adopt longer-term national targets for the much larger reductions in GHG emissions needed to prevent dangerous climate change, longer-term targets can in no way replace Canada's obligation to meet its Kyoto target during 2008–12.
- 2. The plan must consist mainly of regulatory initiatives and financial incentives conditional on real emission reductions occurring during 2008–12. The evidence unequivocally shows that voluntary measures will not secure the emission reductions needed.
- 3. The plan must include a program of mandatory GHG emission targets and complementary initiatives for large industry (including the electricity sector), backed by legislation. Large industry accounts for approximately 50% of Canada's GHG emissions. The mandatory targets and complementary initiatives for large industry must add up to a total emission reduction that is in keeping with this 50% share of emissions.
- 4. The plan must not include payments into an R&D fund, or granting of R&D credits, as options for large industry to comply with its mandatory targets. These options would not generate significant amounts of emission reductions during 2008–12, and would therefore put the Government in the position of having to secure additional emission reductions elsewhere to comply with Canada's Kyoto target.
- 5. The plan must rely primarily on domestic emission reductions. We recognize, however, given the delays in domestic action, that Canada will also need to purchase international emissions units to meet its Kyoto target. These international units must correspond to emission reductions that go beyond business-as-usual and meet established sustainable development criteria.
- 6. The plan must not include targets for industry for the period post-2012. In other words, the Government must not tie its own hands by allocating portions of Canada's allowed emissions levels post-2012 before those levels have even been negotiated.
- 7. The mandatory targets for large industry must be set at a level that prevents any windfall allocations of emissions permits in excess of actual emissions levels to facilities in sectors such as gas-fired electricity or oil sands.