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Speaking Notes

Climate Change at the G8 Summit in Canada

Presentation to the House of Commons Standing Committee on Foreign Affairs and International Development

by Clare Demerse

Good morning. Bonjour. Merci beaucoup de m'avoir invitée. Je vais faire mon exposé initial en anglais, mais je serais heureuse de répondre aux questions en français.

My name is Clare Demerse, and I am the Associate Director of Climate Change at the Pembina Institute. Pembina is a national sustainable energy think tank founded in Alberta. We have been following climate change at the G8 summits for several years, and I attended the two most recent summits as an observer.

I am here today to talk about the role of climate change at Canada's G8 summit in June. In a nutshell, we believe that Canada's G8 summit is an opportunity for making progress on this critical and urgent issue that is too good to waste.

Let me be clear that we don't see the G8 or the G20 as the "home" of the next global climate agreement. The UN is the right place for that, because it includes the countries most at risk from climate change as well as the biggest polluters. But G8 and G20 summits can give momentum to the global

negotiations, and momentum is desperately needed following the disappointing outcome of the UN climate negotiations in Copenhagen last December.

Inside Canada, it is sometimes possible to lose sight of the priority that other countries give to climate change in their international diplomacy. But as we saw in Copenhagen, tackling global warming is a top-tier foreign policy concern for leaders around the world.

I think it's safe to say that if the first G8 summit after Copenhagen was being hosted in the U.S., the EU, or Japan, climate and energy policy would play a very prominent role.

In particular, the EU's national leaders have stated clearly that climate change must be on the agenda of all key international summits, including the G20. Just this week, the President of the European Commission, José Manuel Barroso, stated that the EU would like to see climate change discussed at the G8 and G20 meetings in June, both for environmental and economic reasons. Barroso stated that "the transition to a lower

carbon economy is an important element of the economic strategy” for the EU.

Many of Canada’s G20 peers are taking the race for clean energy jobs very seriously. One illustration of that comes from a 2009 report by the bank HSBC entitled “A Climate for Recovery.” It found that the 2010 G20 co-host, South Korea, devoted over 80% of its total economic stimulus funding to green initiatives. Canada devoted ten times less (8% of its 2009 stimulus spending) to green initiatives, according to the same analysis. Pembina’s own comparison found that President Obama’s 2010 budget request contained 18 times more new funding, per capita, for renewable power than Canada’s 2010 federal budget.

When Prime Minister Harper laid out his G8 and G20 agendas in a speech in Davos in January, climate change received just one sentence. Prime Minister Harper’s speech classified climate policy as a “non-economic matter” that has no place on the G20’s economic agenda. While he did place climate change on the G8’s agenda, it’s difficult to find much evidence that global warming policy is being included in the G8 preparation work that Canada has done to date. In fact, in a break with tradition, the Government of Canada has not convened a preparatory meeting of G8 Environment Ministers in advance of the Muskoka Summit.

In Italy last year, G8 leaders agreed to an aggregate goal of reducing their own emissions by 80% or more by 2050. And in Pittsburgh last September, G20 leaders agreed to phase out inefficient fossil fuel subsidies over the medium term.

This year, the most urgent priority is financial support for developing countries as

they reduce their own emissions and adapt to the consequences of climate change. Finding ways to provide this financing is critical to building trust at the global climate talks. It’s an obligation that developed countries accepted nearly two decades ago, when they negotiated the UN Framework Convention on Climate Change.

Climate financing is needed, for example, to cover the extra cost of building new clean power facilities instead of a dirty alternative — or to provide funds for malaria drugs and bed nets in new regions as the disease spreads. A range of estimates have found that meeting needs like these is likely to require hundreds of billions of dollars a year over the medium term. The funds are needed urgently: a 2009 report from Kofi Annan’s Global Humanitarian Forum estimated that, on average, climate change may already be responsible for the deaths of 300,000 people per year.

The fundamental injustice of climate change is that the world’s poorest people have done the least to cause climate change but are being hit first and hardest by its consequences. As the nations most responsible for historical greenhouse gas emissions, and with the greatest financial capacity to help, G8 countries must lead in tackling climate change.

In Copenhagen, developed countries agreed to provide up to US \$30 billion from 2010 to 2012 in “new and additional” financing, and also to jointly mobilize US \$100 billion annually by 2020 from a variety of sources. Most developed countries have already made initial pledges of climate financing. This summer in Canada, developed country leaders must deliver on those financing pledges, and they must state explicitly that

the dollars they provide will be over and above Official Development Assistance.

Climate change has not made tackling poverty any easier, or any less important. But if climate financing is taken from Canada's existing aid budget, it will result in reduced resources for poverty reduction — and that's an unacceptable outcome. The best way to ensure that climate financing is additional to ODA is to tap into new and innovative sources of funding. G20 countries can and should explore those options this summer.

The government's recent Speech from the Throne acknowledged the need to provide international climate financing. Despite that commitment, Canada remains the only developed country in the G8 that has failed to announce any short term climate financing. This needs to change before our country welcomes world leaders to Muskoka.

Pembina's analysis is that Canada is responsible for at least 3–4% of the global total, which means at least US \$300–\$400 million per year from 2010 to 2012. I would also suggest that this committee could make an important contribution by studying climate financing in more depth over the coming months, in order to provide recommendations to the government about how best to raise, manage and disburse Canada's fair share of climate financing.

Before concluding, let me note the importance of following up on a key commitment from the Pittsburgh G20 summit, which is to phase out inefficient fossil fuel subsidies. G20 energy and finance ministers were mandated to “develop implementation strategies and timeframes” and report back to leaders at this June's

Toronto summit. In Canada alone, current federal tax advantages for oil and gas companies are likely on the order of two billion dollars a year — and phasing out those subsidies would provide an ideal source of revenue for climate action in developing countries. But despite the federal government's emphasis on the theme of accountability for the G8 and G20 summits, it has not yet stated a timeline for phasing out fossil fuel subsidies.

Many of the points I have raised today are discussed in more detail in Pembina's backgrounder on the June summits, which is available on our website. I apologize for not getting it to the clerk on time to have translated copies distributed to each of you, but it will be distributed shortly when it is available in both languages.

Thank you very much. Merci beaucoup.