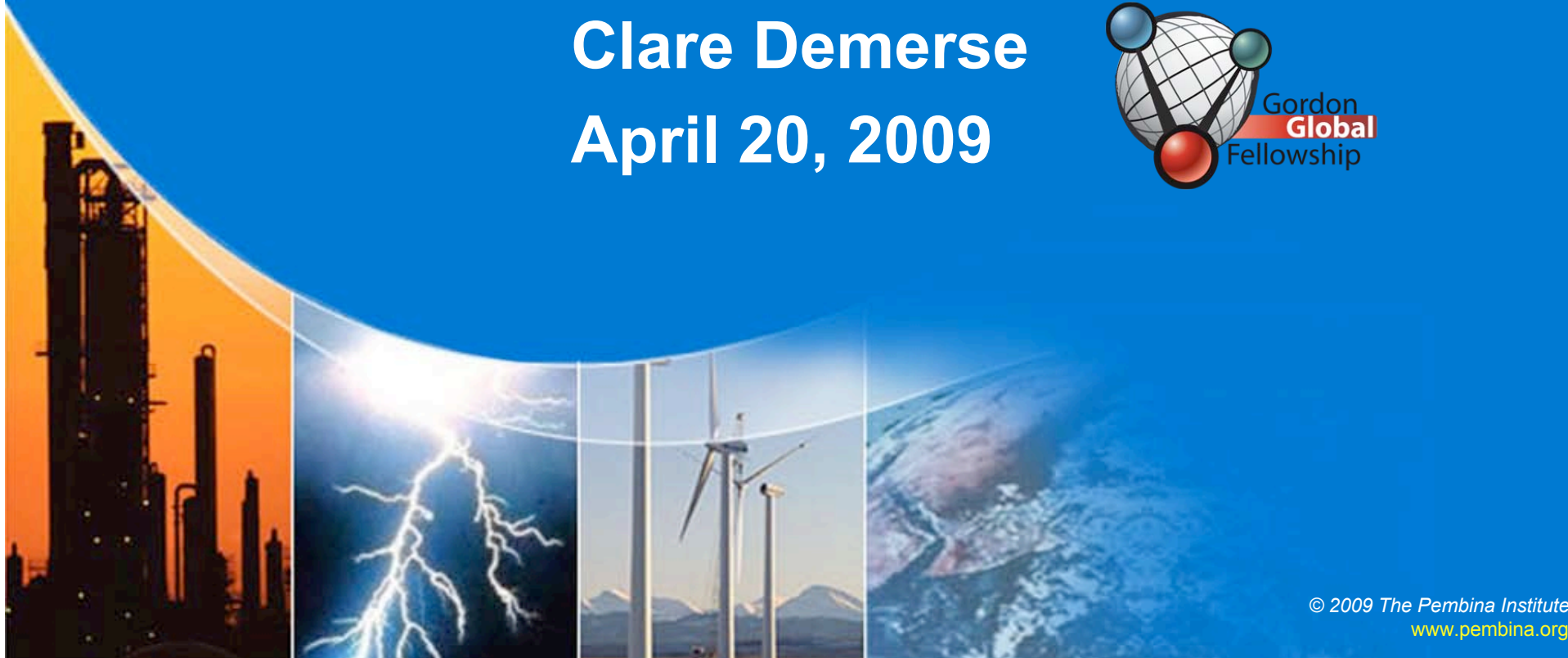


Our Fair Share: Canada's Role in Supporting Global Climate Solutions

Clare Demerse
April 20, 2009



2009: The Countdown to Copenhagen

- Negotiations on the next global climate deal are scheduled to wrap up in December 2009
- The 2007 Bali Action Plan (BAP) identified 4 building blocks:
 - Mitigation (reducing emissions)
 - Adaptation
 - Technology development and transfer
 - Financing

Financing for what? (Bali Action Plan)

- Mitigation
 - e.g. Switching from coal to wind power
 - e.g. Reduced deforestation
- Adaptation
 - e.g. Malaria prevention in new areas as the disease spreads
- Technology
 - e.g. Multilateral partnership for geothermal energy deployment
- Capacity Building
 - e.g. Training farmers in drought-resistant agriculture

The Adaptation Imperative

- Even without new emissions, the planet is “locked in” to roughly double the warming we’ve seen to date
- IPCC on projected African impacts by 2020:
 - Increased water stress for 75–250M people
 - 50% decrease in yield from rain-fed agriculture
- Sir Nicholas (now Lord) Stern: *“The poorest developing countries will be hit earliest and hardest by climate change, even though they have contributed little to causing the problem.”*

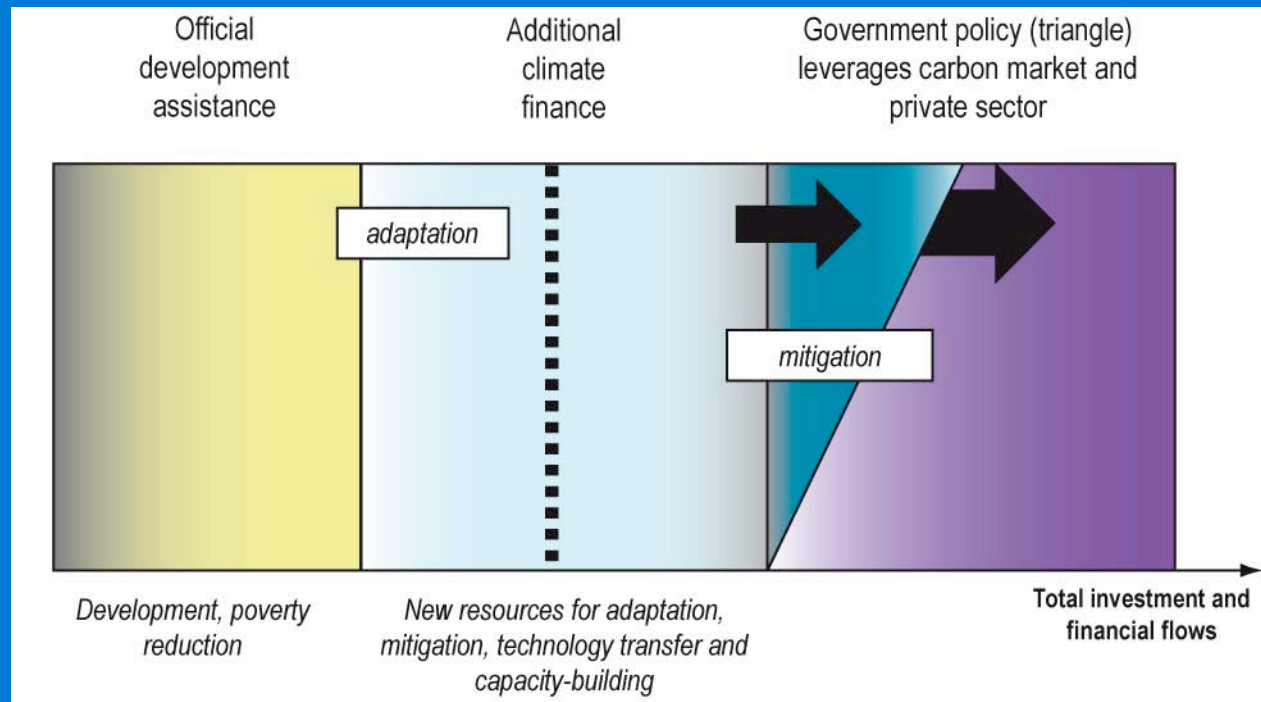
The Adaptation Finance “Chasm”

- At most, C\$4.4B/year is currently available to help vulnerable developing countries adapt
 - That’s less than 1/3 of what the lowest estimate says is needed, and 26 times less than the UN Development Programme’s estimate
- Wide range of values in adaptation estimates, depending on what is included and on timing
 - Range of current adaptation estimates is C\$15B/year (low) to C\$116B/year (high) in developing countries
- Likely that the vast majority of this funding will have to be public (i.e. provided by governments)

Mitigation Finance

- UNFCCC estimates that US\$85–90B per year will be needed in developing countries in 2030
- Private sector can play a greater role in mitigation, including carbon markets
- Economic analysis shows that:
 - Costs of mitigation are much (Stern: 5–20 times) lower than the costs of unchecked climate change
 - Costs of mitigation are a small fraction of total financial flows (UNFCCC: mitigation financing needed in 2030 is 1–2% of projected total global investment in 2030)

Over and Above: New and Additional Finance Needed



Ideas on the Table

- Many countries have proposed approaches to generating, managing and disbursing the financing required
 - Norway, Mexico, G-77 and China, Switzerland, Least Developed Countries, Korea, etc (not Canada)
- Innovative finance (e.g. levy on airline emissions) offers promising international approach to raising the funds
- Kyoto Protocol Adaptation Fund is financed through innovative “share of proceeds” approach

Canada's Role

- Track record includes leadership contribution to the Least Developed Countries Fund (LDCF) in 2001
- To date, over C\$240M contributed through Official Development Assistance
- Canada is the world's 8th largest emitter of GHGs and has the world's 13th largest economy
- We have the responsibility and the capacity (and a legal obligation under the UNFCCC) to do our fair share

En route to Copenhagen (1)

To play a constructive role in Copenhagen, Canada should:

- Acknowledge the scale of financing needed (i.e. public contributions of \$10s of billions)
- Commit to providing Canada's fair share
 - A range of contribution formulas show that Canada is responsible for about **3–4% of the global total**
 - Given current estimates, an indicative range for Canada would be between **C\$2.2–5.7B/year**
 - The average (C\$4B/year) is less than the government's 1% cut to the GST in 2006

En route to Copenhagen (2)

To play a constructive role in Copenhagen, Canada should:

- Provide a meaningful response to the proposals countries have put on the table before negotiations resume in June
- As a “downpayment” on the Copenhagen agreement, provide adequate funding for the most urgent adaptation needs identified by LDCs. Canada’s fair share of the over US\$1.5B total is at least C\$80M.

Thank you

Flickr, aokettun



People in developing countries are often more vulnerable to climate disasters because of higher rates of poverty, lack of “climate-defence” infrastructure and lack of access to insurance.

The Pembina Institute

- National non-profit think tank providing:
 - research, education, consulting and advocacy
- Sustainable energy solutions for:
 - communities, individuals, governments, and businesses
- Policy research & education on:
 - climate change, energy issues, renewable energy and green economics



For more information

- <http://climate.pembina.org/>
- Download the full report *Our Fair Share: Canada's Role in Supporting Global Climate Solutions*

Clare Demerse
Associate Director, Climate Change
The Pembina Institute
Tel: 819-483-6288 x24
clared@pembina.org