The role of governments in addressing climate change: Lessons from the ACW project

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Thank you ACW



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2021

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The role of governments in addressing climate change

- 1. Lead by example
- 2. Regulate a zero-emission economy
- 3. Spend what it takes to win
- 4. Leave no one behind

Are Canadian governments doing enough?



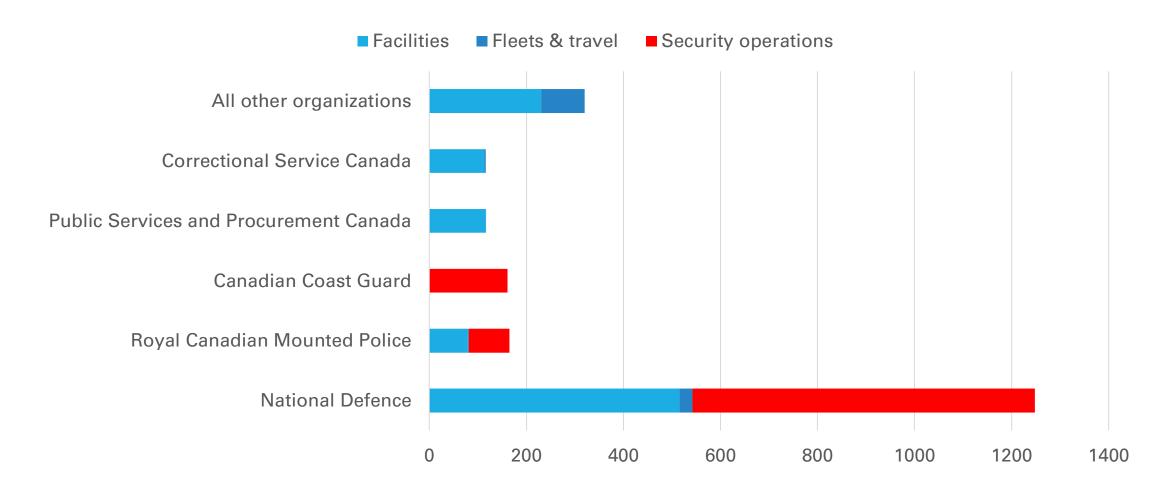
Lead by example

- Federal government is one of the largest owners of property and vehicles in the country
- Greening Government Strategy sets out the plan to achieve net-zero government emissions

Federal emissions by organization (ktCO2e)



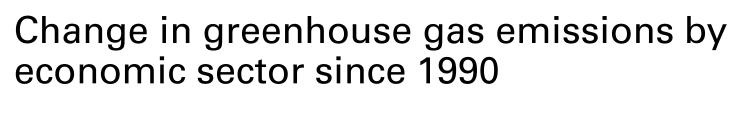


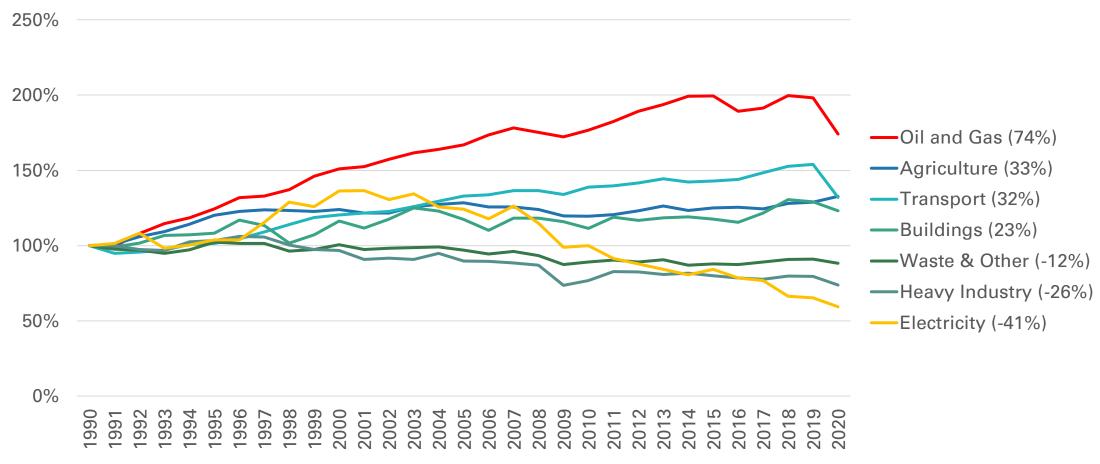


#2 REGULATE A ZERO-EMISSION ECONOMY

Regulate a zero-emission economy

- Governments have the power to shape markets to advance long-term priorities in the public interest
- Regulatory phase-out of coal-fired electricity generation is the greatest climate success story in Canadian history
- Carbon pricing, clean fuel standards, building efficiency,
 ZEV incentives, etc. target domestic demand for fossil fuels,
 but ignore global supply of fossil fuels





Tackling the climate crisis requires governments to think globally, long-term





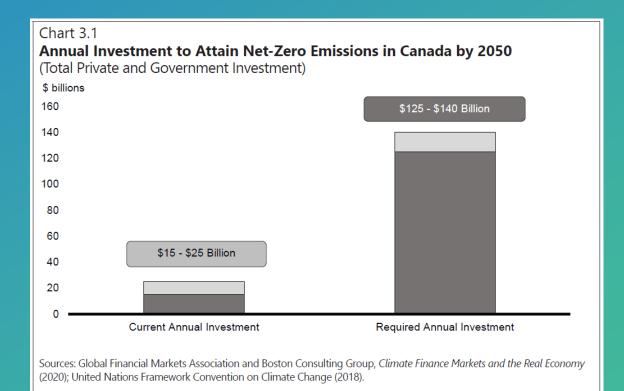


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"On the fight against climate change alone—to build a net-zero economy by 2050—Canada will need between \$125 billion and \$140 billion of investment every year over that period. Today, annual investment in the climate transition is between \$15 billion and \$25 billion."

Budget 2022

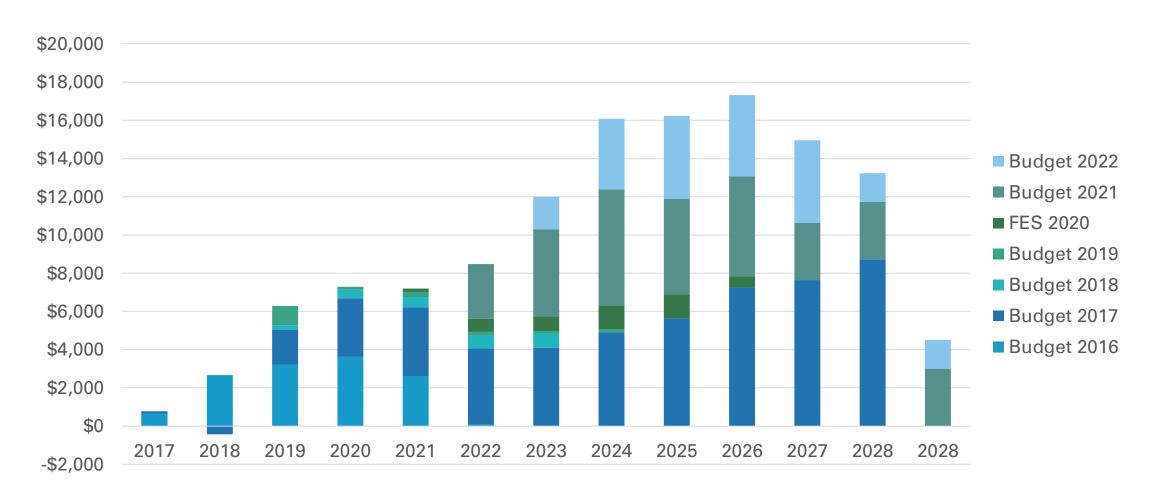


Spend what it takes to win

- Regulation alone cannot transition the energy system
- \$100 billion/year is 3.5% of GDP
 - Private capital has a role to play, but the market alone has proven unable or unwilling to invest on the necessary scale
- Governments have enormous fiscal capacity
 - \$100 billion/year is 23% of federal program spending
- Leading governments around the world are pursuing aggressive green industrial policies

Federal climate-related spending by year and by year of announcement (millions) *preliminary

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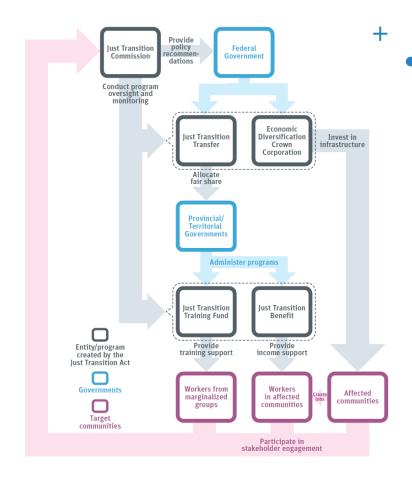
Leave no one behind

- Risks of phasing out fossil fuels
 - Hundreds of thousands of workers and dozens of regional economies depend on fossil fuel production
- Risks of transitioning into a clean economy
 - Historically marginalized groups are not working in the occupations and industries poised for growth
- Federal government has promised a Just Transition Act
 - OAG found the government has failed to advance a just transition since making it a priority in 2015

What would a comprehensive Just Transition Act look like?

- Enshrine fundamental just transition principles, rights and definitions
- Establish a Just Transition Commission
- Establish a Just Transition Benefit
- Establish an Economic Diversification Crown Corporation
- Establish a Just Transition Training Fund
- Establish a new federal–provincial/territorial Just Transition Transfer

FIGURE 1 Overview of program delivery under proposed framework for a Canadian Just Transition Act



Are governments doing enough to address climate change?

- Leading by example?
- 2. Regulating a zero-emission economy?
- 3. Spending what it takes to win?
- 4. Leaving no one behind?

Canadian governments are doing a lot but still have a long way to go.