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# **A Just Transition for Canada: Action to Address the Climate Emergency**

Budget 2020 Submission to the Standing Committee on Finance  
August 2019

## Summary of Recommendations

Based on our ongoing engagement on climate justice, poverty eradication, and refugee rights, Citizens for Public Justice (CPJ), recommends the following for Budget 2020:

1. Follow-through on commitments to end inefficient fossil fuel subsidies.
2. Strengthen and expand Canada's carbon emissions pricing mechanism beyond 2022 to at least \$160/tonne by 2030.
3. Establish a national just transition that includes a National Decarbonization Strategy, a Strategic Training Fund, a Just Transition Transfer.
4. Invest in measures to ensure equitable resiliency to climate impacts and policies, with particular consideration of those especially vulnerable to poverty.
5. Increase international adaptation and mitigation financing for developing countries.
6. Invest in low-carbon technologies, not high-carbon infrastructure.

## Introduction

Canada's June 2019 Climate Emergency motion states that "climate change is a real and urgent crisis" and requires that "Canada commit to meeting its national emissions target under the Paris Agreement and to making **deeper reductions** in line with the Agreement's objective of **holding global warming below two degrees Celsius and pursuing efforts to keep global warming below 1.5 degrees Celsius.**"

[Citizens for Public Justice](#) (CPJ) is a faith-based policy organization that believes federal policy can and must serve the public good. Our research, policy analysis, education, and advocacy work are grounded in an understanding of the sacredness of creation and the dignity of all people. From this perspective, the central role of government is to promote the well-being of citizens and residents, and the flourishing of the Earth.

CPJ has long called for the Government of Canada to [increase national climate ambition](#) and to align our emissions-reduction target with the temperature goals of the Paris Agreement and the scientific imperative outlined by the [Intergovernmental Panel on Climate Change](#) (IPCC). In order to avoid far-reaching, catastrophic consequences, Canada must take ambitious action to reduce greenhouse gas (GHG) emissions within the next decade.

### **A complete suite of measures is needed to address the climate crisis and move towards decarbonization by 2050.**

The federal government must first implement measures that will meet Canada's goal of reducing emissions 30 per cent of 2005 levels by 2030. National ambition must then be aligned with no more than 1.5 C over pre-industrial levels.

This path requires investment in a *just transition*, whereby the weight of change is not borne disproportionately by one group of people. Low-carbon energy development is prioritized, as is funding for skills development and retraining programs for oil and gas workers. A just transition also incorporates a robust Employment Insurance program; it gives protection to the most vulnerable and leads to increased social justice for all.

CPJ wants to ensure that all people in Canada are able to participate fully in society in recognition of their human dignity. This is the real key to flourishing communities. Yet over five million people in Canada live in poverty. First Nations, Métis, and Inuit peoples, who are overrepresented among those living in poverty, continue to experience the impacts of colonization, and many communities are already experiencing damaging effects of global warming. Furthermore, as the climate crisis advances around the world, there could be as many as 200 million environmental migrants by the year 2050, some of whom will seek refuge in Canada.

Canada's just transition must include a culturally-competent and Indigenous-led approach to reducing climate change impacts and addressing the unique needs of Indigenous peoples. Addressing the particular needs of people living in poverty as they face climate-induced extreme weather events is also key. In doing so, it is essential that the government adhere to an [intersectional approach](#) to public policy, acknowledging specific steps must be taken to benefit those who face multiple forms of oppression based on any combination of their gender, socio-economic status, race, ethnicity, religion, and sexual orientation. Finally, Canada must acknowledge responsibility for historic emissions and increase financing for mitigation and adaptation in developing countries.

# Climate Chaos: Implications for Canada

Average global temperatures have already risen 1 C, and we are experiencing more intense storms, species loss, and rising seas as a result. The IPCC has revealed that “climate-related risks to health, livelihoods, food security, water supply, human security, and economic growth are projected to increase with global warming of 1.5 C and increase further with 2 C.”

[Environment and Climate Change Canada \(ECCC\) research](#) also outlines a striking range of impacts: glacial melt, flood risks, seasonal shifts, more snow and rain in winter, among others. Canada’s far north and coastal regions face particular challenges, but no part of the country is immune to the impacts of climate change.

The connection between greenhouse gas (GHG) emissions and rising temperatures is well established. As the largest single contributor to Canada’s GHG emissions, the oil and gas sector is the main Canadian driver of climate change. [International reports](#) suggest that even with a full phase-out of coal-power, the continued use of oil and gas in projects currently in operation around the world would cause average global temperatures to exceed 1.5 C. [Government accounting](#) also indicates that even with anticipated emissions-reduction measures, Canada will exceed our target by at least 79 megatonnes.

## Recommendations:

To avert catastrophic climate change, the Government of Canada must bend the curve and set Canada on a course for decarbonization by 2050.

The heart of a good way forward is respect for Indigenous autonomy, and consideration of people who have been traditionally marginalized and are particularly vulnerable in the climate crisis.

### 1. Follow-through on longstanding commitments to end inefficient fossil fuel subsidies

[Estimates of Canadian subsidies](#) vary widely, ranging from \$1.5 billion to tens of billions of dollars. And according to [Canada’s Commissioner of the Environment and Sustainable Development](#), they “encourage wasteful consumption, undermine efforts to address climate change, and discourage investment in clean energy sources.”

- a. Legislate a timeline for the elimination of fossil fuel subsidies – that is, *any financial contribution provided by the government either directly or indirectly (including direct budgetary transfers and tax expenditures) that benefits a business or industry, for example by lowering the cost of fossil fuel production or raising the revenues of fossil fuel producers.*
- b. Establish a list of key questions against which federal government funding decisions must be tested:
  - Will the funding contribute to an increase or decrease in GHG emissions?
  - Is it compliant with the principles of the Paris Agreement?
  - Is it consistent with the [International Energy Agency assessment](#) that most known fossil fuel reserves must stay underground? Or with recommendations identified by the IPCC?

## 2. Strengthen and expand Canada's carbon emissions pricing mechanism beyond 2022

[William Norhaus](#), the 2018 Nobel Prize winner, champions the effectiveness of carbon pricing. He highlights that by signalling the carbon intensity of industrial practices, goods, and services to producers and consumers, it incentivizes innovation towards less carbon-intensive choices.

- a. Increase the national carbon price beyond 2022 so that it reaches *at least* \$160/tonne by 2030.
- b. Refine Canada's carbon pricing mechanism to ensure that it is [broad, stringent, equitable, and cost-effective](#). A well-coordinated, economy-wide carbon price – set high enough – levels the playing field and incentivizes emission reductions. A more equitable carbon price would see revenue divided equally between rebates to low-income families and investments to stimulate further carbon reductions in the economy.

## 3. Establish a national just transition strategy

Through a just transition, the burden of change is shared across society. A just transition reduces emissions, creates good jobs, and supports individuals and communities vulnerable to change.

Valuable work was done by the [Task Force on Just Transition for Canadian Coal Power Workers and Communities](#). It is essential that the lessons of this work – and corresponding resources – be expanded upon and applied to the oil and gas sector.

- a. Create a [National Decarbonization Strategy \(\\$50 million/year\)](#). Developed in consultation with the provinces and territories, First Nations, and others, such a strategy would emphasize quality jobs and GHG emissions reductions.
- b. Implement a [Strategic Training Fund \(\\$1 billion\)](#) to support workforce diversification by funding post-secondary training programs for historically marginalized populations in growth industries.
- c. Provide a [Just Transition Transfer \(\\$500 million\)](#) for provinces and territories to support workers and communities most directly impacted by the move away from fossil fuels.

## 4. Invest in measures to ensure equitable resiliency to climate impacts and policies.

Well-designed measures to address domestic poverty, inequality, and marginalization are integral to a just transition. People with low incomes in Canada produce fewer emissions, but they bear a disproportionate weight of climate impacts, both in terms of environmental risks and policy decisions.

- a. Ensure Canada's official poverty line genuinely reflects the experience of poverty in Canada, recognized as disproportionately affecting particular communities. This must include funding for the collection of disaggregated data measuring multiple indicators of poverty and the regular review of the Market Basket Measure (MBM).
- b. Fund the operations of adjudicative bodies to be established by the National Advisory Council on Poverty and the National Housing Council, to include experts in human rights and persons with lived experience of poverty, to hold accessible hearings into systemic issues affecting the progressive realization of rights and to recommend effective remedies.
- c. Provide additional investments in safe, affordable, and sustainable housing for all, particularly for those especially vulnerable to homelessness and housing need.
- d. Invest in a range of income security measures and social programs (e.g. pharmacare, subsidized childcare) to support people living in poverty or at risk of poverty.

## 5. Increase Canada's international climate financing for developing countries.

Climate change is fundamentally redefining the map of where people can live. Disrupted food supplies, worsening water stress and scarcity, and unprecedented storms, hurricanes, and floods impact communities around the world, but particularly in the Global South. The December 2018 [Global Compact on Refugees](#) recognizes that “climate, environmental degradation and natural disasters increasingly interact with the drivers of refugee movements.”

[Canadian research](#) indicates that climate-induced migration may simply be an inability of developing countries to adapt to changing conditions. Canadian development assistance could therefore serve to resettle climate migrants in new areas within their own countries since they still technically enjoy the protection of their own governments.

- a. Increase in global climate financing to \$4 billion per year (as of 2020) as grants to support adaptation and mitigation efforts in developing nations, in line with Canada's fair share of multilateral funding under the Paris Agreement.

## 6. Invest in low-carbon technologies, not high-carbon infrastructure

ECCC analysis reveals that the Trans Mountain Pipeline Expansion Project would lead to a rise in emissions of 13-15 megatonnes annually. The projected lifecycle of a pipeline is 30 to 40 years. Climate impacts, including negative health impacts and more extreme weather, will almost certainly be exacerbated. In a post-Paris world, there is also a growing risk of stranded assets in the oil and gas sector. In this context, new pipeline development makes poor economic sense.

- a. Set strict conditions on new pipeline development based on the principles identified in the Paris Agreement, Canada's obligations under the UN Declaration on the Rights of Indigenous Peoples, and the long-term economic interests of the country.
- b. Invest additional funds to further develop renewable energy technologies, enhance energy efficiency in Canadian homes and businesses, and to continue to improve and expand public transportation.

***Citizens for Public Justice*** seeks human flourishing and the integrity of creation as our faithful response to God's call for love and justice.

***We envision*** a world in which individuals, communities, societal institutions, and governments all contribute to and benefit from the common good.

***Our mission*** is to promote public justice in Canada by shaping key public policy debates through research and analysis, publishing, and public dialogue. CPJ encourages citizens, leaders in society, and governments to support policies and practices which reflect God's call for love, justice, and the flourishing of Creation.

**Citizens for Public Justice**

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