



Climate Action Network - Réseau action climat Canada (CAN-Rac) Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget 2021

August 7, 2020

List of Feature Recommendations

Climate Action Network - Réseau action climat Canada (CAN-Rac) offers six priority recommendations for Budget 2021, each with specific budgetary measures integral to Canada's efforts to effect a clean and just recovery from COVID-19:

1. That the government provide funding in the amount of \$10 million over two years for a new, cross-departmental internal task force on clean and just recovery whose roles would be to 1) assess government spending through a just recovery lens; and 2) to build bridges between the federal government and impacted communities that are receiving federal relief and recovery supports.
2. That the government implement the seven principles for conditionality and green recovery as articulated in the report [Green Strings: Principles and conditions for a green recovery from COVID-19 in Canada](#), which has been submitted to this consultation by the International Institute for Sustainable Development.
3. That, in concordance with the tabling of forthcoming legislation pertaining to Canada's commitment to achieving net-zero emissions by 2050, the government provide funding in the amount of \$25 million over 5 years (\$5 million annually for 5 years) to support an advisory board of representative of subnational, sectoral, Indigenous and community stakeholders and an expert technical committee to provide advice to the Minister of Environment and Climate Change and to Cabinet on matters relating to developing Canada's net-zero pathways, mechanisms and plans.
4. That the government commits USD \$4 billion, its fair share of the USD \$100 billion target, for international climate finance under the UNFCCC, with at least 15% of its international climate finance towards projects that target gender equality as a principal purpose, is delivered through more diverse mechanisms than just multilateral banks, and includes increased finance for adaptation that prioritizes SubSaharan Africa, least developed countries small island developing states.
5. That the government not allow Export Development Canada to be used as a tool to expand the fossil fuel industry in Canada and around the world.
6. That the government establish a specific and transparent line item for principal purpose climate finance in the International Assistance Envelope (IAE) and at a minimum increase the IAE proportionate to the amount of climate finance being considered.

Introduction

2020 has been a year of unprecedented transformation for Canada, mostly in unexpected ways. In 2020, we anticipated Canada would pledge a new, enhanced Nationally Determined Contribution to the Paris Agreement ahead of COP26, setting science- and equity-based targets to rapidly curb emissions over the coming decade. New national climate accountability legislation would enshrine emissions reduction goals in law and set measurable, incremental pathways to achieve long-term success. A Just Transition Act would be in development, to guide economic and workforce transitions away from fossil fuel dependency and toward the emerging clean economy. Concerted, cooperative efforts would be redoubled to further develop the suite of policy tools, regulations, legislation and meaningful climate action across all sectors at all levels of government to effect a successful, equitable, just transition for all.

And then a global pandemic struck, atop OPEC's 2020 oil price war, the ongoing climate crisis, and sweeping revolution against race-based injustice. Weaknesses and vulnerabilities in our social and economic constructs soon compelled collective action for remedy. The Government of Canada and its provinces, territories, and municipalities have responded with unprecedented investment, much of which will need to be ongoing through the coming years.

Communities and people living on the margins have disproportionately borne the harshest and most deadly impacts of this difficult year, from migrant farm workers in southern Ontario who have faced outbreak after outbreak of deadly disease, to those in Indigenous reserves who lack access to clean water and basic sanitation services necessary to stay safe during pandemic and whose only recourse is to fully lock down the community and retreat into isolation, to Black people and people of colour living and dying in communities whose foundational social structures and services privilege whiteness and imperil Blackness and undervalue the lives and experiences of racialized peoples.

For all of these reasons, Canadian civil society has come together in equally unprecedented unity across virtually every sector to draft guiding principles for a [Just Recovery for All](#):

1. Put people's health and wellbeing first, no exceptions.
2. Strengthen the social safety net and provide relief directly to people.
3. Prioritize the needs of workers and communities.
4. Build resilience to prevent future crises.
5. Build solidarity and equity across communities, generations, and borders.
6. Uphold Indigenous rights and work in partnership with Indigenous peoples.

Complementing this work, ENGOs have established seven [Green Strings](#), cross-cutting principles and conditions for ensuring a clean, green just recovery.

Our pre-budget recommendations reinforce both of these widely-supported efforts, and advance concrete measures the Government of Canada can take in 2021 to ensure a successful, clean, green, just recovery for all.

Recommendation 1: Just Recovery Task Force

Building on widespread support for the Just Recovery Principles, the government can ensure its ongoing COVID-19 relief and recovery efforts conform to Canadians' expectations by establishing mechanisms to ensure transparency and accountability. We recommend a multi-agency, cross-departmental task force carry out duties with dual auditor-like and ombudsman-like roles. In the first instance, the task force's audit role would assess government policy decisions and investments for their adherence to the Just Recovery Principles, as well as other relevant fiscal and social accountability statutes. Its second role would facilitate new and redoubled efforts to establish robust reciprocal relationships between the federal government and the impacted communities to which it provides relief and resources with a goal to ensuring community needs are most efficiently heard and addressed.

Drawing on examples of other recent federal task force budgets, we recommend supporting the new, two-year Just Recovery Task Force with a budget of \$10 million over two years.

Recommendation 2: Apply Principles and Conditions for a Green Recovery

Setting conditions to ongoing investment is Canada's right, duty and it is in the public interest to do so. Canada needs the massive investments associated with COVID recovery to stimulate a new economic model that serves workers of today and tomorrow, addresses the climate crisis, and safeguards planetary and human health. We echo the recommendations that are fully detailed in the International Institute for Sustainable Development's submission to this committee, summarized here as:

1. Financial support to industry must include conditions for a zero-emission transition.
2. Apply strict financial conditions to increase financial stability, secure jobs, and incent low-carbon transition.
3. Ensure recovery is worker-focused and accelerates and enables just transition.
4. Support the evolution and creation of the sectors and infrastructure of tomorrow.
5. Protect, follow, and strengthen environmental regulations and climate policy frameworks during recovery.
6. Ensure transparency and accountability.
7. Support must contribute to increased equity and wellbeing, leaving no one behind.

Recommendation 3: Establish a net-zero advisory board comprised of subnational, sectoral, Indigenous and community stakeholders and an associated expert technical committee

In June 2020, CAN-Rac and partners [recommended a 5-pillar approach](#) to establishing a Canadian climate accountability act which would:

1. Legislate long-term (2050 & 2030) GHG reduction targets that are ambitious and move Canada towards its fair contribution to a 1.5 C mitigation scenario;
2. Establish five-year carbon budgets, as the basis for mitigation planning, that cap total GHG emissions and fairly distribute emissions reductions across the country.
3. Require five-year impact reports (the basis for adaptation planning) be tabled before Parliament that assess the risks of current and predicted climate impacts in Canada.
4. Require planning and reporting requirements to achieve carbon budgets and guide adaptation.
5. Establish an arm’s-length expert climate advisory committee to advise on long-term targets, five-year carbon budgets, climate impact reports and policy solutions, and independently monitor and report on implementation progress.

As the expert committee is central to the accountability framework and has a key role in each of the preceding pillars, we recommend priority budgetary consideration be given to support the development of the expert and advisory bodies.

As learned in discussions with ECCC’s net-zero legislation drafting team in late July, the department currently favours implementing a pan-Canadian advisory body of stakeholders representative of subnational regions, sectors, Indigenous and non-Indigenous communities. The advisory body would provide advice and recommendations to the Responsible Minister to guide Canada’s approach to developing and overseeing implementation of net-zero pathways and regulations.

Given the advisory body’s diverse representation, it may also serve as an important mechanism for facilitating intergovernmental cooperation among federal, provincial and territorial governments which will be necessary to ensure Canada’s success in meeting climate targets. It should therefore be furnished with resources and mechanisms to encourage full intergovernmental cooperation.

A team of technical experts would provide the detailed recommendations to the advisory body relating to establishing national carbon budgets, performance indicators, and other such technical mechanisms to ensure answerability, enforcement and responsibility for meeting Canada’s climate commitments.

Each of these bodies requires long-term investment to compensate its members and to fulfil research, reporting and public engagement duties.



The UK Climate Change Committee is recognized as the world standard in providing expert climate advice, and its annual budget averaged £3.8 million or CND\$6.5 million between 2009 and 2017.¹ We recommend the Government of Canada provide a similar budget - \$5 million per year for 5 years - for our own version of the UK CCC.

Recommendations 4-6: Climate Finance

Canada has a legally-binding obligation, under the UNFCCC, to provide support to developing countries in the context of the global response to the climate crisis and the implementation of the Paris Agreement worldwide. Canada, as part of the group of industrialized countries, has committed to provide USD\$100 billion per year by 2020 and until 2025, from public, private, and alternative sources. However, Canada has one of the lowest contributions to international public climate finance when compared to other developed G20 countries Canada ranks 18th out of 23 developed countries (sixth lowest), at 0.07%.

The Government of Canada must at the very least achieve its fair share of the US\$100 billion target, which based on Canada's Gross National Income in comparison to other OECD Development Assistance Committee (DAC) providers is 3.8%. That means that Canada should provide annually USD \$4 billion per year. Half of that money should go to adaptation finance while the other half to mitigation support. Canada should also commit at least 15% of its international climate finance towards projects that target gender equality as a principal purpose.

Canada's increased finance for adaptation, should prioritize SubSaharan Africa, Least Developed Countries and Small Island Developing countries to ensure support for the most vulnerable communities that are facing the worst impacts of this climate crisis.

The Government of Canada should also diversify the way in which these funds are channelled to developing countries. At this moment, more than 90% of Canada's climate finance is channelled through multilateral development banks which are expensive and don't favour proper country ownership, local participation, gender equality and the upholding of Indigenous Rights.

We also ask the Government of Canada to stop using Export Development Canada as a tool to expand the fossil fuel industry in Canada and around the world. This goes against the goals of the Paris Agreement and Canada's fair share of emissions reductions obligations.

Canada should establish a specific and transparent line item for principal purpose climate finance in the International Assistance Envelope (IAE) and at a minimum increase the IAE proportionate to the amount of climate finance being considered.

¹ Source: <https://www.lse.ac.uk/granthaminstitute/publication/role-independent-bodies-in-climate-governance-uk-committee-on-climate-change/>