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Summary report on the multilateral assessment of Canada at the forty-sixth session of the Subsidiary Body for Implementation

Note by the secretariat

I. Background

1. The Conference of the Parties, by decision 1/CP.16, decided that developed country Parties should enhance the reporting in their national communications and submit biennial reports on their progress in achieving emission reductions. It also established a new process under the Subsidiary Body for Implementation (SBI) – international assessment and review (IAR) – that aims to promote the comparability of efforts among all developed country Parties. According to the modalities and procedures for IAR specified in annex II to decision 2/CP.17, the multilateral assessment (MA) is to be conducted for each developed country Party at a working group session of the SBI, with the participation of all Parties. The aim of the MA is to assess each Party's progress in implementation towards the achievement of emission reductions and removals related to its quantified economy-wide emission reduction target.

2. The second round of MA of Canada took place at a working group session during SBI 46, on 12 May 2017. Such a working group session is preceded by a three-month period of questions and answers; in the first month, any Party may submit written questions to the Party being assessed, which may respond to the questions within the remaining two months. Questions for Canada had been submitted by the following delegations: Australia, Brazil, China, European Union, Japan, Republic of Korea, United Kingdom of Great Britain and Northern Ireland and United States of America. A list of the questions received and the answers provided by Canada, as well as the broadcast of the session, can be found on the IAR web page for Canada.[1] The Party can submit any other observations on its MA within two months of the working group session.

[1] https://unfccc.int/10092.php.

II. Proceedings

3. The working group session was chaired by the SBI Chair, Mr. Tomasz Chruszczow. Canada was represented by Mr. Matt Jones, Environment and Climate Change Canada, Government of Canada.

4. Mr. Jones made an opening presentation, summarizing Canada's progress in implementation towards the achievement of emission reductions and removals related to its quantified economy-wide emission reduction target. Under the Convention, Canada made a commitment to reduce its greenhouse gas (GHG) emissions by 17 per cent below the 2005 level by 2020.

5. Canada's total GHG emissions excluding emissions and removals from land use, land-use change and forestry (LULUCF) increased by 18.1 per cent between 1990 and 2015. The increase in the total GHG emissions can be attributed mainly to the increase in emissions from the energy sector, particularly emissions from fuel combustion in manufacturing industries and transport and fugitive emissions from fuels, driven primarily by economic growth.

6. Mr. Jones presented Canada's key policies and measures (PaMs) for achieving its target, including: carbon pricing for a broad set of emission sources in all jurisdictions; increasing electricity generation by renewable energy sources (RES) and promotion of smart grids and electricity interconnections; promotion of electric vehicles and improvement in fuel efficiency of vehicles; adoption of clean fuel standards to reduce life cycle emissions from buildings, industry and transportation; investment in clean technology and innovation; improvement in the energy efficiency of buildings; and targeted regulations to reduce methane emissions from oil and gas industry and hydrofluorocarbon emissions. Highlighting carbon pricing as the central element of Canada's mitigation strategy, Mr. Jones informed that, by 2018, all jurisdictions will have carbon pricing that will apply to a broad range of emission sources with increasing stringency over time. On its use of units from LULUCF activities, Mr. Jones explained that currently Canada does not account for the contribution of LULUCF towards the achievement of its target owing to the ongoing work on the development of an estimation methodology that would correctly identify anthropogenic emissions and removals from this sector.

7. Canada's total GHG emissions excluding LULUCF in 2020 and 2030 are projected to be nearly 733,000 and 742,000 kilotonnes of carbon dioxide equivalent, respectively, under the 'with measures' (WEM) scenario, which is a decrease of 2.1 and 0.9 per cent, respectively, below the 2005 level. To reduce GHG emissions consistent with its target, Canada is planning to put in place a number of additional PaMs, including those envisaged within the Pan-Canadian Framework on Clean Growth and Climate Change. Mr. Jones also presented two 'with additional measures' (WAM) scenarios encompassing those PaMs. Under the first 'WAM' scenario, which includes the PaMs within the Pan-Canadian Framework, emissions in 2020 and 2030 are projected to be lower than those in 2005 by 8.1 and 24.2 per cent, respectively. Under the second WAM scenario, which includes PaMs additional to those within the Pan-Canadian Framework, emissions in 2020 and 2030 are projected to be lower than those in 2005 by 9.8 and 30.1 per cent, respectively. The WEM and WAM 2020 projections suggest that Canada will face challenges in achieving its 2020 target.

8. The opening presentation was followed by interventions and questions from the following delegations: Australia, Brazil, China, European Union, Germany, India, Luxembourg, New Zealand, Saudi Arabia and Switzerland.

9. The questions were related to: PaMs and their effects (PaMs additional to the Pan-Canadian Framework envisaged for the achievement of the target; success stories, best

practices and lessons learned from the implementation and evaluation of PaMs; mitigation potential of carbon markets; and economic instruments and metrics used for carbon pricing); engagement of stakeholders (policy instruments accompanying the Pan-Canadian Framework focused on raising awareness about the low-carbon economy among relevant stakeholders, and how stakeholder engagement is ensured in the development and tracking of PaMs); federal policies aimed at promoting uptake of RES; methodology for estimation of emissions and removals from the LULUCF sector; quantitative assessment of progress towards the 2020 target; how interactions among PaMs have been taken into account in estimating their mitigation impacts and projections of emissions and removals; factors and activities in the transport and agriculture sectors that will continue to influence emissions in the period up to 2020; and difficulties in providing information on the assessment of socioeconomic consequences of response measures in the biennial report, and plans to provide such information in the next biennial report.

10. In response, Canada provided further explanations. In particular, Canada explained that it has developed a number of PaMs at both the national and subnational levels, prioritizing those with the greatest short-term mitigation benefits, to achieve its target for 2020. Those include scaling up energy efficiency programmes and implementing changes to the tax code to support the deployment of RES such as geothermal energy.