

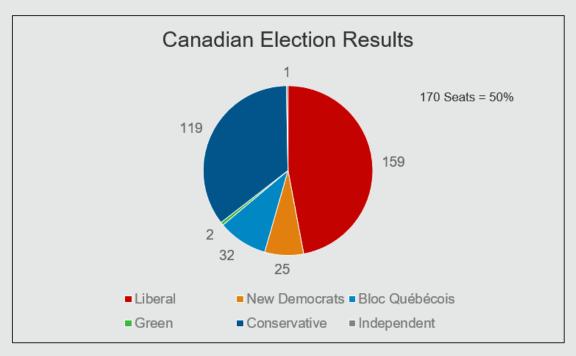


Canada's Election: an Analysis

Overview:

On 15 August 2021, Canadian Prime Minister Trudeau called for a snap election. One month later, on 20 September, the country held federal elections two years before originally scheduled. The impetus for the election – converting the minority-ruling Liberal Party's strong polls into a majority government – did not play out as Prime Minister Trudeau maybe hoped, with the Liberal Party gaining only three seats more than in the 2019 elections and falling 10 seats short of the necessary 170 to achieve a majority.

Though the structure of the government changed little, the elections brought many issues to the forefront of the Canadian public discourse, among which climate policy featured heavily. The Liberal Party must partner with either the New Democrats or the Bloc Québécois to achieve a majority, both of whom also boast strong climate positions, suggesting the climate commitments made by Canada prior to the election will be realized if not strengthened. In this piece we provide a summary of the election outcome, each party's official climate positions and those current Canadian climate commitments that are most relevant for transatlantic climate policy.



Source: Canada House of Commons

Little change from 2019

These results differ only slightly from the results of the 2019 federal elections, when the Liberals took 157 seats, the Conservative 121, Bloc Québécois 32, New Democrats 24 and the Greens 3.

The main parties' official climate positions

This section lists the key climate positions in the parties' official campaign manifestos.

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Liberals

- Reduce greenhouse gases (GHGs) 40-45% below 2005 levels by 2030
- Net zero electricity by 2035
- Carbon tax: CAD 40/ton, rising to CAD 170/ton by 2030, applies to provinces without their own carbon pricing, includes revenue recycling back to consumers
- Achieve 50% zero-emission vehicles (ZEVs) by 2030 and 100% by 2035
- Eliminate fossil fuel subsidies by 2030
- Tighter methane regulations
- End thermal coal exports by 2030



Conservatives

- Reduce GHGs 30% below 2005 levels by 2030
- Carbon tax: for personal carbon taxes CAD 20/ton, rising to CAD 50/ton by 2030; for industry CAD 170/ton by 2030 (if matched by US and EU)
- Achieve 30% sales of ZEVs by 2030
- Eliminate the tanker ban
- Make it a criminal offense to obstruct oil and gas infrastructure
- Tighter clean fuel standard
- 2030 renewable gas mandate



Bloc Québécois

- Reduce GHGs 60% below 2005 levels by 2030 (though not specified in platform)
- Carbon tax: no mention of a carbon tax, though Quebec has an emissions trading system in place



New Democrats

- Reduce GHGs 50% below 2005 levels by 2030
- Net zero electricity by 2030, 100% renewable energy by 2040
- Carbon tax: CAD 40/ton rising to CAD 170/ton by 2030
- Achieve 100% ZEVs by 2035
- Indigenous and environmental justice emphasis



Green Party

- Reduce GHGs 60% below 2005 levels by 2030
- Carbon tax: CAD 50/ton rising to CAD 275/ton by 2030
- Achieve 100% ZEVs by 2030
- Eliminate fossil fuel subsidies
- Ban fracking and transition fossil fuel workers to green sector jobs
- Ban nuclear energy
- Increase climate finance to CAD 4 billion/year

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Transatlantic spotlight

This section examines policy areas especially relevant for Canada's transatlantic partners.

Carbon border taxes

• The Liberals support a border carbon adjustment. Consultations are currently underway in Canada to explore implementing such an instrument, which would have significant consequences for the transatlantic climate policy space. The EU released the proposal for its carbon border adjustment mechanism (CBAM) this July, raising questions as to whether Canada's measure may be designed to harmonize with its European counterpart.

Carbon pricing

• Two Canadian provinces – Québec and Nova Scotia – already boast emission trading systems that put a price tag on various GHG emissions, with Québec also being linked to the Western Climate Initiative system in the United States. A 2020 government climate policy paper also proposed an ambitious CAD 170/ton carbon tax by 2030, which can now be expected to pass as both the Liberals and the New Democrats (which together have a plurality of seats in the House of Commons) support the measure. Such carbon pricing measures could significantly shield Canada from making carbon payments to the EU via its CBAM.

Fossil fuels and electricity

• Beyond Canada's target of achieving net-zero emissions by 2050, the Liberal campaign promised the oil and gas sector would also be carbon neutral by 2050, with five-year targets starting in 2025. The government has also committed to a 75% reduction in methane emissions from 2021 levels by 2030 in the fossil fuel industry, as well as to end fossil fuel subsidies by 2030, though which ones are not yet specified. There is also a planned phase-out of conventional coal-fired electricity generation by 2030, a pledge to end thermal coal exports by 2030 and a proposed clean energy standard designed to bring the electricity grid to net-zero by 2035.

Commitments at COP26

- Canada made several significant commitments at COP26 in Glasgow. These include ending
 finance for foreign fossil fuel projects by 2022, accelerating the transition to 100% zero-emission
 cars and vans, enabling maritime trade routes and port infrastructure for zero-emission ships,
 phasing out coal-fired power, ending and reversing deforestation by 2030 and reducing global
 methane emissions by 30% by 2030.
- For a detailed look at COP26 commitments that include Canada, Germany and the United States, see the TCB's report here.

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