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BRIEFING NOTE

TO: First Nations in BC

FROM: BCAFN

DATE: July 10, 2019

RE: The **Pan-Canadian Framework** on Clean Growth and

Climate Change

PURPOSE

To summarize the Canadian *Pan-Canadian Framework on Clean Growth and Climate Change (PCF)* and provide follow-up recommendations.

DISCUSSION/BACKGROUND

In December 2015, Canada and 194 other countries signed the Paris Agreement, an ambitious and balanced agreement to fight climate change. This Agreement seeks to strengthen the effort to limit the global average temperature rise to well below 2°C and pursue efforts to limit the increase to 1.5°C. Canada's commitment include to reduce GHG emissions 30% below 2005 levels by 2030.

To meet this challenge, the Canadian government developed the <u>Pan-Canadian Framework on</u> <u>Clean Growth and Climate Change</u> (**PCF**) which was adopted on December 9th,2016.

The PCF includes a pan-Canadian approach to pricing carbon pollution, aims to reduce Greenhouse emissions, build resilience to a changing climate and enable clean economic growth.

The plan was developed with the provinces and territories and national Indigenous organizations were engaged during its development.

The implementation of the PCF has included new legislation, funding programs, initiatives, projects, plans and strategies in different topics such as: energy efficiency, green infrastructure, clean technology, innovation, and mitigation and adaptation actions.

The PCF stated that industry is the major source of Canada's GHG emissions with 37% of the country's emissions (2014), the majority of which came from the oil and gas sector. Industrial emissions were also projected to grow as demand increases for Canadian-produced goods, at home and abroad.

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The PCF was considered as a major milestone in climate action in Canada, mapping out Canada's climate plan, however, both Saskatchewan and Manitoba did not sign on to the plan.

In December 2017 and December 2018, the Canadian government released the First and Second Annual Synthesis Report on the Status of Implementation, respectively. Those Annual Synthesis Reports summarize the progress achieved in 2017 and 2018 by federal, provincial, and territorial governments.

ANALYSIS

The PCF is an important first step, the centre-piece of Canada's response to climate change. However, the challenge is immense, and Canada's efforts appear insufficient. The United Nations' (UN) Emissions-Gap Report (2018) found that Canada is in danger of missing its 2030 Paris Agreement targets by a wide margin.

Moreover, a report released in March 2018 by the Federal Environmental Commissioner and Auditor Generals from nine provinces concluded, "most governments in Canada were not on track to meet their commitments to reducing GHG emissions and were not ready for the impacts of a changing climate."

Carbon Pricing in Canada

The mandatory federal carbon pricing system is one of the strategies for emission reductions. The pricing can be established by a Province or Territory if their model satisfies the federal government's criteria. Both a carbon tax or a cap-and-trade system are the two models being used by different jurisdictions in Canada. In 2018, all provinces satisfied the federal government's carbon pricing system except for Saskatchewan, Manitoba, Ontario and New Brunswick, where the federal "backstop" carbon tax was imposed starting April 2019. It is anticipated that this could apply soon in Alberta as well.

BC was the first jurisdiction in North America to implement a carbon tax (2008), which increases the cost of fossil fuels with the goal of reducing consumption and lowering emissions. In 2018, the carbon tax rate increased from \$30 to \$35/tonne of carbon and will continue to rise to \$50/tonne by 2021.

BC First Nations are affected by BC's and Canada's carbon pricing plans. Despite this, First Nations were not consulted and did not provide their free, prior and informed consent for BC's carbon tax. While the carbon tax is generally exempt in fuel sales on reserve, First Nations will still pay the tax indirectly more broadly (e.g. the tax will increase the price of all consumer goods, including food), and unless new arrangements are established to share the carbon tax revenues, First Nations will not directly benefit.

Indigenous engagement

The PCF was developed in consultation with national Indigenous organizations, and the Assembly of First Nations (**AFN**) has been participating in the implementation of the PCF through the First Nation-Canada Joint Committee on Climate Action (**JCCA**). Participation in the JCCA includes ten First Nation technical regional representatives, two AFN representatives, as well as federal officials from Environment and Climate Change Canada (**ECCC**). The JCCA is a domestic



mechanism for First Nations, to promote First Nations' participation in driving climate change solutions and to inform the ongoing implementation of the PCF and broader climate change priorities.

Also, to support the AFN's work on climate change, the Advisory Committee on Climate Action and the Environment (**ACE**) was created in 2016. The ACE is the advisory body of the AFN and carries out the work as set out in resolutions from the Chiefs-in-Assembly. The ACE provides political oversight and technical direction on issues that include climate action.

The BCAFN also has a Regional Climate Change Coordinator who is part of a national network created by the AFN, and who is responsible for working on regional climate change issues, supporting BC First Nations communities, and liaising with the AFN climate change teams.

RECOMMENDATIONS

- BCAFN engage with BC First Nations through the development of the BC First Nations Climate Change Strategy, to identify and implement our own systems and priorities to reduce greenhouse gas emissions and to adapt to climate change.
- BCAFN continue advocating for First Nations in BC to be further included in Canada's (and BC's) decision-making and development of legislation, regulations, programs, policies and strategies, including the implementation of BC's carbon tax
- First Nations in BC should advocate for revenue-sharing of the carbon tax to support First Nations climate mitigation and adaptation actions.
- BCAFN continue liaising with the AFN and its various committees, and with the Federal Government, to identify best practices, opportunities and concerns at the national and international level, and to share with First Nations in BC and the provincial government.

NEXT STEPS

- 1. Deliver a BC First Nations Climate Change Survey to build understanding of First Nations priorities related to climate change.
- 2. Engage with First Nations in BC to identify priorities and challenges to reduce greenhouse gas emissions.
- 3. Continue to advocate that all future climate action led by Canada and BC in full partnership with First Nations, including how to meet the targets as set out in the Framework.

For more information visit www.bcafn.ca

