## International Climate Change Framework

Climate change is a global issue that requires global solutions. Negotiations are currently underway as to what form the international climate change framework will take after the expiry of the Kyoto Protocol on Climate Change in 2012. Canada is a member of the Kyoto Protocol, but that agreement only contains emission obligations for a handful of countries. It requires no commitments from large emitters such as India and China, while the United States has refused to ratify it.

The Canadian Chamber of Commerce supports the development of an international agreement on climate change mitigation that includes all major economies and major greenhouse gas emitters (such as US, China, India). If only a small proportion of total emissions are included, such as in the Kyoto Protocol, then it will have very little effect, yet at great inequity and economic cost.

All major emitters are members of the United Nations Framework Convention on Climate Change (UNFCCC) and this is the best forum to reach international agreement on the global framework. However, there are several other processes underway that are complementary to the UNFCCC such as G8+5 (G8+ China, Brazil, India, Mexico, South Africa), and the Asia-Pacific Partnership on Clean Development and Climate (Australia, Canada, China, India, Japan, Republic of Korea, and the United States). These processes help to get nations talking to each other, working together and developing real solutions and should be supported.

There must be a balance between addressing climate change, which includes the advancement of cleaner development and access to energy, and other global priorities such as economic development, poverty and disease eradication. Since many developing countries are struggling to provide even the most basic necessities to their citizens, a global approach to addressing climate change will require innovative financial mechanisms to ensure their participation.

It must also be recognized that addressing climate change is an immediate challenge and that any mitigation efforts through emission reductions will at best only slow down climate change for the foreseeable future. Countries must take serious steps to adapt to changing climate conditions and their environmental, economic and social impacts.

While many existing technologies are available to help reduce greenhouse gas emissions, achieving the substantive long-term reductions that are necessary will require a global effort to develop, commercialize and implement new innovative low-emission technologies for both the developed and developing world. Both the Canadian federal government and the private sector are investing in research and development activities and implementation of new technologies to reduce greenhouse gas emissions, including essential technologies such as carbon capture and storage, as well as a range of more efficient industrial process technologies and consumer products.

Business wants to be part of the solution to climate change and will be a key driver of any substantial technology change. To be effective, the international policy framework must facilitate clear, transparent and consistent long-term price signals. This will foster R&D by the private sector and its ability to make long-term, cost-effective investments in new technologies and products that support greenhouse gas reductions. The ability to rapidly disseminate those technologies is critical. In this respect, a global framework must encourage the elimination or reduction of regulatory and trade barriers to the development, utilization and dispersion of existing and future technologies.

**Recommendations**

That the federal government:

1. Work with all nations to develop an international framework to reduce global greenhouse gas emissions on a long-term basis that includes the following elements:
    - The inclusion of all major greenhouse gas emitting countries, including those that do not currently have commitments under the Kyoto Protocol.
    - Realistic and achievable commitments with differentiated targets that reflect national circumstances within the context of all participants in both the developed and developing world.
    - Recognition that, since alternative energy sources will take time to develop and implement, fossil fuels will remain a major source of energy for many years for most countries.
    - Provision of as much flexibility as possible in the greenhouse gas regulatory framework, to allow businesses to achieve compliance in the most feasible and cost-effective manner.
    - No sector should be required to carry a disproportionate part of the burden.
    - Linkages between domestic and international carbon markets that permit maximum fungibility for trading of verifiable emission reduction credits across geographical boundaries and time and allow for a hemispheric approach to the reduction of emissions
    - A simultaneous focus on adaptation to the effects of climate change in all countries,
    - Encouragement, where appropriate, of global sectoral approaches whereby companies from a particular sector from around the world work together to foster best practice and improved greenhouse gas performance on a global industry basis.
    - Support for technology transfer through the elimination or reduction of regulatory and trade barriers to the development, utilization and dispersion of both existing and future technologies.
    - Balance between addressing climate change, which includes the advancement of cleaner development and access to energy, and other global priorities such as economic development, poverty and disease eradication
    - Recognition that, while the United Nations Framework Convention on Climate Change is the best forum to reach international agreement on the international framework, other processes involving fewer countries can complement UNFCCC efforts by encouraging cooperation between countries and the development and implementation of specific projects.
2. Formally recognize that the use of zero and low emission technologies such as hydroelectricity, nuclear and other renewable sources, along with ambitious energy efficiency programs will have a positive impact in the reduction of greenhouse gases.