

CANADIAN INTERGOVERNMENTAL RELATIONS AND THE KYOTO PROTOCOL: WHAT HAPPENED, WHAT DIDN'T?

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INTRODUCTION

The paper examines relations among the federal, provincial and territorial governments concerning climate change, especially since the signature by the federal government of the Kyoto Protocol in 1997. Part I, entitled *Intergovernmental Background*, outlines intergovernmental activities leading up to Kyoto and key developments in the intergovernmental process (National Process) since the signing of the Protocol. Part II, entitled *Assessment* discusses what has been accomplished, focussing on the preconditions for national action that the process was intended to foster. Part III responds to the indignation or relief that might now be voiced by those who ask "what happened?" in the wake of the intergovernmental stalemate, and highly public conflict, of late 2002 over Kyoto ratification. This concluding discussion explores factors that may help to explain what happened, and considers implications of the Kyoto experience for both the theory and practice of intergovernmental relations.

INTERGOVERNMENTAL BACKGROUND

A. Early Initiatives

The issue of climate change, and the need to respond by reducing emissions of CO₂ and other gases that contribute to the retention of heat near the earth's surface, emerged as a subject for international discussion in the late 1980's. A U.N. conference in Toronto, in 1988, called for reductions of CO₂ (the most significant man-made contributor to global warming) by 20% of 1988 levels by the year 2005.¹

Federal-provincial-territorial (FPT) discussion of climate change action began soon after the Toronto conference. FPT Energy and Environment ministers worked jointly to develop a draft National Action Strategy that was released in 1990. It called for a comprehensive approach that would reflect actions being taken by other countries, and for participation by both governments and stakeholders. It also responded to key provincial concerns by affirming the need for:

- flexibility in response to the specific characteristics of regional economies; and
- respect for federal and provincial jurisdictions.

Future intergovernmental difficulties over climate change action were amply foreshadowed during the late 1980's and early 1990's. Alberta emerged as the most conspicuous opponent of the commitment, unilaterally adopted at the federal level and announced earlier in the same year in Canada's Green Plan, to reduce Canada's CO₂ emissions to 1990 levels by 2000.² Reflecting resistance from several provinces, this commitment was not affirmed in the National Action Strategy.³

An additional issue that surfaced in the early nineties was provincial interest in a meaningful role in international climate change negotiations, reflecting the reality that commitments by Canada would have significant implications for provincial governments. While the federal government maintained its exclusive responsibility for international negotiations, it did take steps to consult provinces concerning negotiating positions being developed for talks that would lead to the U.N. Framework Convention on Climate Change (FCCC), adopted at Rio de Janeiro in 1992. A joint Energy/Environment committee was established for consultation purposes during the early 1990's, although its effectiveness was impeded by uneven provincial participation (Ontario, Alberta and B.C. were strongly engaged; Saskatchewan, Nova Scotia somewhat engaged; Quebec remained in the background and other jurisdictions had minimal involvement).⁴

The FCCC committed Canada, along with 46 other industrialized countries, to the use of voluntary measures to stabilize greenhouse gas emissions at 1990 levels by year 2000. The reflection in the UN agreement of what had previously been merely a national policy commitment led FPT governments to establish a more formalized national process in order to coordinate efforts at climate change action. Governments agreed on a Comprehensive Air Quality Management Framework that affirmed the need for FPT cooperation, and committed the federal government to consult the provinces in advance of international negotiations. The Framework also established a national process involving Joint Meetings of Ministers of Energy and the Environment (JMMs), which have come to be held each autumn, and sometimes in the spring. The fundamental objective of this process was to develop a national consensus on climate change action, and coordinate efforts to reduce emissions.

In the years that followed, however, a “national consensus” proved elusive. Federal Environment Minister Sheila Copps sought “a massive commitment beyond the voluntary approach” at a 1994 JMM, but encountered provincial resistance spearheaded by Alberta. Provincial concerns about legislated commitments to targets with unknown, and potentially damaging, economic impacts was again apparent the following year in discussions on a national plan being developed for submission to the first international Conference of the Parties (to the FCCC) – CoP1. This meeting saw significant disagreement among provinces, with British Columbia and Ontario calling for regulatory measures, in light of the failure of voluntary measures to achieve the reductions needed to meet the 1990 target. Alberta, on the other hand, continued to resist measures other than voluntary ones.⁵ The resulting National Action Program provided for voluntary measures only, and was acknowledged by ministers to be insufficient, since it was projected to leave emissions 13% above 1990 levels by 2000. It emphasized the need for actions that would be cost-effective, enhance domestic employment opportunities, and maintain or improve Canada's international competitiveness.

B. The Kyoto Protocol, and Provincial Reaction

At a 1997 JMM in Regina, FPT ministers arrived at a consensus concerning Canada's negotiating position at the forthcoming Kyoto conference, which would consider measures to remedy the global failure of voluntary measures. All jurisdictions except

Quebec agreed that Canada should work for a commitment by industrial countries to a ten-year extension of the 1992 FCCC target (i.e. stabilize emissions at 1990 levels by 2010). Quebec's opposition to a retreat from the 1992 target reflected its established commitment to independently meeting the '1990 levels by 2000' target, relying centrally on credits for hydro projects established since 1990.⁶ As well, concrete arrangements were made for federal consultation of provinces and territories at the Kyoto conference, involving the presence on-site of delegations from Alberta, Quebec, Ontario, Newfoundland and at least one of the territories.

Shortly before the Kyoto meeting, however, the federal government departed from the agreement reached in Regina, moved partly by the fact that Prime Minister Chrétien had publicly vowed to beat U.S. President Clinton's target, which the Regina target would not have achieved.⁷ Without the agreement of other jurisdictions, it announced that it would propose, at Kyoto, that industrial countries reduce emissions to 3% below 1990 levels by 2010, and reduce an additional 5% below 1990 levels by 2015.⁸ Developments at Kyoto, notably a shift by the United States in favour of more aggressive targets, resulted in agreement by Canada to an even more demanding target: 6% below 1990 levels by the period 2008 to 2012.

Provincial reaction to the Kyoto target was largely negative, with some (e.g. Saskatchewan Premier Romanow) directing criticism primarily at the intergovernmental process that had preceded the agreement while others (e.g. Alberta Premier Klein) attacked the Kyoto target itself, as out of line with what premiers had been prepared to support. Generally, the shift in the federal position in advance of Kyoto (as well as the Kyoto outcome) provided provinces, many of which continued to express concerns about the economic and sectoral impacts of action, with a ready-made reason for distancing themselves from the Kyoto commitment.⁹

C. The National Climate Change Process

Meeting with Prime Minister Chrétien in Ottawa shortly after Kyoto, the premiers obtained agreement that a full examination of the Protocol and its implications for the Canadian economy would occur before any ratification decision.¹⁰ Officials were mandated to undertake the required economic modelling and other analysis, explore implementation measures and develop proposals for Ministers relating to early actions and, ultimately, ratification of the Protocol.

In order to support the work of jurisdictions, acting singly and collaboratively, an innovative set of arrangements was established during 1998. More than 450 experts in sector-specific and cross-cutting subject areas were organized in 16 Issue Tables mandated to meet periodically for the purpose of identifying best practices, opportunities and strategies and, ultimately, developing options for achieving Canada's Kyoto target. The plan was that federal, provincial, and territorial officials would use the results of the Issue Tables to develop a national implementation strategy framework for consideration and adoption by ministers and, ultimately, governments.¹¹ To support the activities of the Issue Tables and intergovernmental committees involved in the process, a National

Secretariat was established, headed by David Oulton (who had previously been an Assistant Deputy Minister at Energy and Natural Resources Canada) and staffed by nine officials (three full time personnel from the federal Climate Change Secretariat and six provincial officials deployed on either a full-time or part-time basis from provincial environment and energy departments).

As it became available, the knowledge-building and option analysis work of the Issue Tables was reported upward, to the officials of participating governments, for discussion and evaluation at meetings of officials (the National Air Issues Coordinating Committee – Climate Change, or NAICC-CC) that occurred regularly (as frequently as every month) after 1997. These findings, along with reports on initiatives underway in participating jurisdictions and (largely from federal participants) reports on research and program options, comprised the central material which the NAICC-CC officials considered, as they worked on successive drafts of a national strategy that could guide climate change action; and a first “business plan” comprised of specific actions that would implement the strategy (and could be reported internationally). Less continuously and with more difficulty, officials also attempted to develop a set of principles (“Framework Agreement”) that would embody consensus on general objectives underlying the strategy and ‘rules of the game’ that would govern how governments could work together to implement it.

Reflecting the JMM process (and other intergovernmental environmental processes such as the Canadian Council of Ministers of the Environment [CCME]), the NAICC-CC and JMM discussions were seen, with apparent pride, by participants as reflecting a consensus-based decision-making principle, although it was not embodied in a formal rule. Reflecting the joint ministerial composition of JMMs, the meetings of officials typically involved energy and environment department representation from the participating jurisdictions. Typically, the federal delegation consisted of half a dozen or more officials (in addition to the federal NAICC-CC co-chair) at the director to ADM-level, most of whom attended on an intermittent basis for the purpose of making presentations reflecting research or initiatives underway within their areas of responsibility. Provincial/territorial delegations consisted of director (ADM in several cases)-level energy and environment officials, with one or both being present for individual meetings depending on the nature of the issues. Officials from other departments (e.g. agriculture, natural resources) participated where presentations touched on their mandates, and intergovernmental affairs officials from several jurisdictions were occasionally present (in the case of Ontario, frequently present).

An element of continuing feedback was provided for NAICC-CC discussions and the JMM process, through the provision to Issue Table members and other stakeholders of reports on the National Implementation Strategy and first business plan that was emerging from the work of NAICC-CC officials and the decision and direction of JMM ministers. This formed the basis of a nation-wide stakeholder consultation process that culminated in meetings in provincial and territorial capitals (and major centres such as Ottawa) in 2000 (smaller workshop-type consultations were held in 2002). The resulting reports on stakeholder findings were, in turn, fed back into the NAICC-CC and JMM

process, as a further basis for decision-making, and were also presented directly to the public.¹²

At least an appearance of positive momentum was provided, at the outset of the post-Kyoto process, by a significant shift in the position of Alberta, whose concerns about impacts on the energy sector had made it among the most reluctant supporters of even the softer targets endorsed at Regina in the immediate run-up to Kyoto, and which had been the most conspicuous opponent in previous years of action going beyond voluntary measures.¹³ The shift reflected a decision that Alberta objectives could be most effectively served by active participation in the national process, rather than isolated opposition. As a result, the Alberta government assigned Energy Ministry Assistant Deputy Minister John Donner to serve as co-chair of the NAICC-CC meetings of officials. It also released a position paper setting out a series of principles including equitable burden-sharing among provinces, the need to ensure the competitiveness of all economic sectors and the cost-effectiveness of climate change actions, and the need for adequate research by the federal government on the impacts of such actions.

The other significant shift, in Ontario, dated from the 1995 replacement of the N.D.P. government with a Conservative government led by Premier Mike Harris. This shift involved the repudiation by that province of the advocacy of mandatory measures and early action in favour of minimal participation in the national process, and central emphasis on the need for research on impacts as a precondition for decision-making about Kyoto ratification.

D. The Road to Kyoto Ratification

At the ministerial level, as before 1997, meetings of energy and environment ministers occurred on (normally) a twice-yearly basis, providing direction to the NAICC-CC and considering proposals and recommendations emerging from its work. As the post-Kyoto phase of intergovernmental work got underway, governments were able to agree in principle (as they had before Kyoto) on the seriousness of the threat posed by climate change, and the need for action to reduce greenhouse gases. As well, governments launched a range of early actions focussing primarily on public education and voluntary measures. However, early discord about the realism of the Kyoto target and the process that had resulted in its acceptance by Canada, amplified by the failure of ensuing research and analysis to speedily generate definitive answers about economic impacts and costs, cast a continuing shadow.

Although 1998 had commenced with positive developments, at least in the federal-Alberta relationship, the work of officials on research, analysis and options was speedily prejudged by several of the political participants. In July, in a speech to energy ministers, the Alberta premier declared that it was not only Alberta that was upset that “Canada ran off and signed an agreement that provinces are not in favour of,” and maintained that Alberta would not support ratification without major changes. The following month, federal Environment Minister Stewart affirmed that the federal government would ratify the Kyoto Protocol irrespective of Alberta's objections, prompting Alberta Environment

Minister Ty Lund to express great disappointment, at the determination of the federal government to proceed along “a suicidal course.”

During the period 1998 to 2000, as the federal government began to focus more consistently on the promotion of early actions that could be reported internationally, provincial positions in the process began to reflect, with growing clarity, a series of concerns. Willingness to commit to the major measures required by the Kyoto target was impeded, specifically, by:

- economic competitiveness concerns (especially in Ontario, which consistently argued that commitments to action, or indeed ratification of the Kyoto Protocol, were premature until the JMM process had discharged its research and analysis mandate, and clarified the economic impacts of climate change actions);
- specific concerns about impacts on the energy sector (these were recognized, from the outset, as being a “bottom line” that would ultimately determine Alberta’s willingness to support ratification and, as the process developed, began to be voiced by Nova Scotia and Newfoundland & Labrador);
- budgetary concerns (especially in the Atlantic provinces, whose representatives made it clear in interchanges with other officials that provincial budgets were not capable of supporting major climate change initiatives in the absence of federal support); and
- concerns about provincial autonomy (especially on the part of Quebec, although other provinces were also attentive to the pressures and constraints that a national implementation process could generate, and the possibility that federal primacy in defining such a process and influencing public expectations could reduce their room to manoeuvre, and divert resources from provincial environmental priorities).

Beginning in 2000, underlying tensions within the JMM process began to surface more frequently in public. Thus, Quebec walked out of the March 2000 JMM when its demands for separate provincial targets (implying autonomous provincial implementation) were not accepted (accumulated frustration at the unwillingness of other jurisdictions to agree to credits for hydro projects dating back to the early 1990’s was likely also a factor).

At the October 2000 JMM, Ontario refused to formally endorse a set of implementation principles, strategies and early plans accepted by all other jurisdictions, arguing that such commitments remained premature while the international rules that would determine how (and whether) countries would be credited for climate change action remained under negotiation.¹⁴ At this meeting, Ontario also proclaimed itself to be an environmental leader, and challenged other jurisdictions to meet Ontario standards in areas such as vehicle inspections.

As well, Alberta, while participating actively in the national process, made it clear from the outset that its support for ratification would depend on the satisfaction of several key conditions, including sustainable economic impacts (centrally on the energy industry),

and (b) a meaningful role for provinces and territories in developing Canada's international positions and negotiating strategies.¹⁵

During 2001, as international negotiations on Kyoto implementation mechanisms yielded increasingly definite results, provincial concerns about potential economic impacts and the possibility of federal ratification in the absence of intergovernmental consensus steadily mounted.¹⁶ These were reflected in a 12 February 2002 letter to Prime Minister Chrétien, signed by B.C. Premier Gordon Campbell on behalf of all Premiers, that stressed the need for adherence to earlier intergovernmental agreements on the need for consensus, adequate knowledge of impacts and costs, respect for jurisdictions, fair sharing of the burdens of climate change action, and the avoidance of negative impacts on economic competitiveness. As well, the letter called for a continental approach to climate change action (i.e. an approach taking into account the announcement by the Bush administration in the U.S. that it would not ratify the Kyoto Protocol).¹⁷

Shortly before the 25 February 2002 JMM, Alberta released a study of Kyoto impacts that argued that nationally developed data understated Alberta costs and job losses.¹⁸ This was accompanied by calls for a "made in Canada" approach to climate change that would avoid the danger that Canada might "ratify first and ask questions later." The February JMM did not issue a press release – normally a sign of failure to reach significant agreement.

The full extent of Alberta's rejection of the existing national process became apparent at a hastily convened follow-up JMM in May 2002. A federal discussion paper on implementation options was countered by Alberta's public release of an action plan that rejected Kyoto targets in favour of longer time-frames and replaced targets defined in terms of emissions levels with targets for emissions intensity (i.e. emissions per capita, per dollar of GDP, etc.) modelled on those employed by the U.S.¹⁹ While a press release announcing agreement on several items was issued at the conclusion of the meeting, it included a note formally registering the Alberta government's disagreement.²⁰

Shortly after the meeting, Alberta Premier Klein indicated that Alberta would continue to work towards a federal-provincial consensus on climate change action, but that its efforts would be focussed on convincing other jurisdictions of the unworkability of the Kyoto agreement, and the merits of the Alberta plan. Ensuing months saw the appointment of former Premier Peter Lougheed to coordinate a national campaign, anti-ratification advertising in major national media, and appearances in several other provinces by Premier Klein.

Following the 2 September 2002 announcement by Prime Minister Chrétien, in a speech at the World Summit on Sustainable Development, that the Protocol would be put before Parliament for a debate on ratification before the end of the year, the Alberta initiative emerged as the catalyst for provincial and territorial resistance to early ratification of the Kyoto Protocol, and negative responses to a federally prepared implementation plan released on 24 October 2002. Reflecting these developments, the Fall 2002 meeting of Energy and Environment Ministers scheduled for 21 October was abruptly postponed by

Federal Energy Minister Anderson on 17 October, as federal officials struggled to arrest unravelling provincial support.

The extent of the impasse was fully apparent at the 28 October 2002 JMM. At this meeting, which was to have focussed on a federal plan for achieving the greenhouse gas emissions reductions required by the Kyoto Protocol, a united front of provinces and territories rejected the federal plan as inadequate (with the Northwest Territories reserving its position). The P/T governments also repeated earlier calls for a meeting of First Ministers on climate change before any federal decision to ratify the Kyoto Protocol.

Provincial and territorial governments also agreed on 12 principles to guide the development of a national action plan (see Appendix). These included longstanding provincial/territorial positions such as the need for equal burden sharing and respect for jurisdictions. The principles also incorporated demands that have been priorities for individual provinces, such as the need for a plan that provides for bilateral agreements and autonomous action (Quebec), the need to maintain economic competitiveness (Ontario), and the need for Canada to press for the recognition of clean energy exports (Alberta). The principles sent several signals that federal financial compensation for the costs of climate change action would be helpful in obtaining the support of provinces and territories.

It is noteworthy that, while provinces and territories have joined in rejecting the federal implementation plan, their reasons for doing so differ significantly. Although they share concerns about the federal plan, Quebec, Manitoba, the Northwest Territories and Nunavut are longstanding supporters of ratification of the Kyoto protocol. In the case of Quebec, the major differences with the federal government are over federal and provincial roles in achieving the required reductions in greenhouse gas emissions, and recognition of reductions achieved by Quebec hydro projects of the early 1990's.

Positions of other provincial and territorial governments range from outright opposition to what may be described as strategic hesitation. Alberta remains strongly opposed, and has released its own climate change action plan setting Alberta targets and timeframes that do not replicate those in the Kyoto Protocol. Following the defeat of an Opposition motion supporting ratification in the Ontario legislature, Premier Ernie Eves announced on 23 October that Ontario would join Alberta in pressing for a "made-in-Canada" approach. Other provinces have adopted more fluid positions that make support conditional on the availability of a detailed implementation plan that clarifies impacts on individual provinces, demonstrates that they will not be excessive, and responds to the concerns spelled out at the 28 October meeting.

The disintegration of the provincial support needed for meeting Canada's Kyoto target did not, however, derail the federal government's plan to ratify the Protocol. The instrument of ratification was delivered to the UN on 17 December 2002. It remains to be seen, however, if an effective implementation plan, which will necessarily involve coordinated action by the FPT governments, can be constructed and put into effect. The

magnitude of the change required would pose immense challenges, even to a fully functional intergovernmental relationship.²¹

ASSESSMENT

A 1998 article by Mr. Oulton set out two central criteria according to which the success of the National Process might be judged. These criteria were: (a) acceptance of the process itself by First Ministers, industry and other Canadians, and (b) successful attainment of the emissions reduction target to which Canada had committed itself at Kyoto “while effectively addressing regional and sectoral concerns.”²² In retrospect, these criteria may seem ambitious given that the purpose of the process was, essentially, to support political decision-making relating to objectives that remained, themselves, subject to significant intergovernmental controversy. They are useful, however, because they identify key constituencies that needed to be part of a consensus on climate change action, if it were to produce results, and because they remind us that the ultimate purpose of the process was not merely to achieve intergovernmental outcomes (i.e. agreement) but rather to produce demonstrable results in the form of reduced greenhouse gas emissions.

A. The Process

At the level of officials, and the JMM ministers, as has been noted, the process was conceptualized as a consensus-based decision-making process intended to contribute to a national consensus concerning climate change action. However, there are a number of reasons for entertaining doubts about the accuracy, or at least completeness, of this description.

At the level of officials, within the NAICC-CC process, the monthly meetings of the post-Kyoto phase proceeded with only intermittent displays of animation, and typically consisted of a series of presentations of possible measures and initiatives made by federal officials or, in some cases, jointly made by federal officials and those of a cooperative provincial and territorial jurisdiction to an audience of largely unresponsive provincial and territorial officials. There was a prevailing sense, among these officials, that the NAICC-CC exercise was largely propelled by the determination of the federal government to create an appearance of momentum in favour of climate change action, and enabled by the corresponding determination of provincial and territorial jurisdictions to avoid being conspicuously inertial, in a process that was generally perceived to have a degree of public support. As a result, “consensus” decisions in this forum frequently appeared to emerge as a result of the absence of articulated opposition, rather than as a reflection of significant shared enthusiasm or support. Unofficially, a number of smaller jurisdictions were candid about their financial incapacity to undertake significant climate change research or action, and generally followed the path of least resistance in the hope that patient compliance would ultimately be rewarded with federal financial assistance. Jurisdictions with a larger financial capacity, notably Alberta, Ontario and Quebec, were periodically more assertive, concerning the provincial objectives discussed earlier in this paper, but these interventions occurred as relatively infrequent interventions in proceedings that were more typically desultory.

The meetings of the JMM ministers featured more active participation by the provincial and territorial jurisdictions, but the underlying dynamics of the NAICC-CC process were largely reproduced. There was little substantive debate among ministers, and the proceedings were typically dominated by the efforts of the federal ministers (or the federal Minister of the Environment, acting on his own), accompanied by substantial delegations of officials providing public relations support, to foster a sense of momentum and moral obligation within the meetings, and ensure that the federal government obtained prominent coverage for its efforts in media events following the meetings. As with the meetings of officials, the provinces and territories typically maintained (or obtained) a much lower profile both in the meetings and at related media events, and (with the exceptions of Alberta and Quebec) were largely focussed on reacting to federal initiatives.

The official description of these events as a “consensus” process is thus open to qualification, not so much because it is inaccurate as because it is significantly incomplete. While the absence of a specific consensus rule enabled decision-making to respond flexibly to the varying importance of individual jurisdictions in individual decisions, it also enabled participants to conclude meetings by issuing press releases announcing decisions even where (as was the case in Regina prior to the Kyoto meeting) major players (Quebec in this case) were strongly opposed, and others were highly reluctant. More significantly, the issuance of a series of affirmative JMM decisions from 1997 onwards concealed the reality that there was a demonstrable lack of enthusiasm among several jurisdictions for priority action on climate change (as well as a strong distaste in Quebec, which was in favour of priority action, for engaging in a process characterized centrally by joint decision-making and action). The registering of formal dissents by individual jurisdictions starting in 2000 provided a clear caveat to the consensual rhetoric that otherwise dominated the end-of-meeting press releases, and which persisted right up until the process dissolved (temporarily at least) in intergovernmental conflict in the months preceding Kyoto ratification.

B. Buy-in by First Ministers

Aside from unclarity about the nature (especially the intensity) of the consensus embodied in the decisions announced in the wake of successive JMMs, there is also room for scepticism concerning the degree to which broader consensus among participating jurisdictions (i.e. First Ministers) was actually fostered by this process. A central reason for the somewhat desultory quality of discussion both within the NAICC-CC meetings and among ministers at the JMMs is likely that the major decisions about objectives and levels of participation of individual jurisdictions that prescribed much of the substance of the JMM process are not made by the JMM ministers but rather, where they were being made at all, by cabinets and, more particularly, First Ministers and their advisors in the several jurisdictions. During this period, provincial governments were not getting the information needed as a basis for the decisions that could have provided more definite direction to JMM ministers and officials, and the seeming absence of public interest in climate change was reflected in low levels of political engagement in most jurisdictions.

The reality of centralized decision-making, the federal dimension of which has been extensively explored by Donald Savoie in *Governing From the Centre*, is likely at least as pervasive at the provincial/territorial level of government as at the federal.²³ To the extent that this is the case, intergovernmental processes are confined to decision-making at the margins of the major policy files that they ostensibly exist to address, and should be seen centrally as communications and information exchange processes functioning primarily to identify, for participating jurisdictions, the policy options that are precluded by intergovernmental considerations, those that are not, and those with potential for cross-jurisdictional initiatives or collaborative activities. They thus define and elaborate options for central decision-makers, rather than being preoccupied directly with substantive decision-making.

While processes that work in this way may be effective for some purposes, they face critical limitations in conveying central decision-makers, who are not participating directly, towards consensus unless the practical basis for such a consensus exists independently. While central decision-makers in the various jurisdictions relied on information generated by the intergovernmental process, both about positions of other governments and about climate change research and policy options, they predictably remained focussed on regional concerns and proximate stakeholders. It would have taken a great deal more than monthly episodes of bureaucratic information exchange on best practices and available options to bring about a significant convergence of view among governments. It would have taken tangible inducements, most critically in the form of federal money or new knowledge of climate change impacts, and the costs of meeting emissions reduction targets. But federal money was not forthcoming, and the results of analysis and modelling conducted under the direction of one of the intergovernmental working groups remained inconclusive during this period (partly because the international rules that would define options available to Kyoto signatories remained in flux, and partly because of limitations inherent in the economic modelling of changes as complex as climate change action).

The persistence of significant conflict within the federal cabinet over climate change for much of the post Kyoto period has been mentioned by a number of commentators and may explain why federal financial commitments, that could have gone much of the way towards transforming the listless consensus among Canada's jurisdictions on the need for climate change action into a serious commitment to act, did not occur. In the absence of such inducements, or definitive knowledge that would address the concerns of energy-producing and other jurisdictions, the intergovernmental "consensus" produced by the consensus process that was initiated following the signature of the Kyoto Protocol proved ultimately to be misleading. At the level of officials and ministers it was a consensus not to preclude the possibility of reaching a consensus, and even a consensus to build a consensus. But it was not, and did not provide the basis for, a consensus among Prime Minister Chretien and the premiers.

3. Industry and Other Stakeholder Support

The Issue Table structure involved the inclusion of a broad cross-section of stakeholders and experts in the initial phase of intergovernmental work on climate change, as well as a specific process through which they could provide feedback to officials and ministers on early plans. As such, it was an innovative approach to consultation and knowledge building in an area where knowledge about policy options and their costs was critically absent.

The participation of some 560 stakeholders (out of slightly over 1,000 invited) in the May/June 2000 national stakeholder consultation exercise suggests reasonable levels of support for the process, particularly in view of the fact that many of these participants had been involved in the initial work of the Issue Tables, and could have refrained from further participation if that experience had not proven satisfactory.²⁴ With respect to the substance of their concerns, among the main messages were: the need for governments to commit to specific actions as well as long-term capacity building; impatience with the slow pace of intergovernmental work on a National [Kyoto] Implementation Strategy, and attendant policy unclarity; the need for greater public engagement; and the need for planning to move beyond governments and more extensively involve NGOs, industry, community and local governments. A follow-up round of stakeholder workshops in June of 2002 broadly replicated these results, both in terms of substantive feedback and successful participation.²⁵

The oil and gas industry is generally recognized as being among the industries most directly affected by emissions reduction measures, and it is therefore useful to assess the accuracy of the consultation process in broadcasting to the NAICC-CC any specific concerns of this industry. The Industry Issue Table addressed the oil and gas industry generally, in its options report, and developed foundation papers on specific sub-sectors such as the upstream oil and natural gas industry.²⁶ These papers clearly express the concerns about competitiveness, future investment and other sectoral impacts that were to surface in the media in the months leading up to the federal decision concerning Kyoto ratification and have, since the early 1990's, been centrally important considerations for jurisdictions such as Alberta as they position themselves in the intergovernmental climate change process. It is further noteworthy that concerns expressed by the oil and gas industry, from the beginning, were clearly reflected in the stakeholder consultation process that occurred in 2000, notably in the meeting that was held in Calgary on 30 May 2000 (and also in the follow-up round of consultations in 2002).²⁷

The products made available to the intergovernmental process by the Issue Tables and the several rounds of stakeholder consultations would thus suggest that this part of the process functioned effectively as a consultation and knowledge-building process, subject to the inherent limitations of knowledge present to varying degrees in the various sectors, and (as has been noted above) present to a significant degree in certain cases (e.g. the Analysis and Modelling Group, which was established to develop economic models that

would identify impacts and costs of various emissions reduction scenarios). Participation rates would also suggest that the stakeholders, including industry, accepted the process.

However, concerns were clear from the outset, on the part of some stakeholders, about the substantive positions being taken by the federal government in international negotiations. In order for the National Process to contribute discernibly to the emergence of consensus among the stakeholders involved in the Issue Tables and subsequent consultations, these concerns would have had to be addressed, either by the provision of new information to stakeholders that diminished their concerns, or by responsiveness to their substance. The active championship by Canada, in international negotiations, of a wide definition of carbon sinks and (less successfully) credit for the export of clean energy (i.e. natural gas and hydro-electricity) provides some evidence that this responsiveness occurred. However, the decision to ratify the Kyoto Protocol in the absence of definitive knowledge concerning economic impacts, would suggest that there was much less responsiveness on the items that could have been decisive, in building stakeholder consensus.

3. Citizens.

The importance of broad public support for climate change action was affirmed by governmental participants within the National Climate Change process virtually from the outset (although, perhaps significantly, public education and citizen engagement did not receive specific mention in the decisions of the first JMM following the 1997 agreement of First Ministers to launch the National Process).²⁸

The First Business Plan, released in 2000, continued the theme. It declared that:

Canadians have a strong concern for the environment, a general awareness of climate change/global warming, but limited specific awareness and understanding of the causes, and implications of climate change as a global and national issue. ...Enhancing awareness and understanding is essential if Canadians are to understand possible impacts and their opportunities to reduce GHG emissions or to adapt.²⁹

While a many jurisdictions undertook media and public awareness campaigns, school-based education campaigns and the like, and established climate change websites and other information sources, little was done in the aftermath of the Kyoto commitment to inform Canadians of the concrete impacts that compliance with the Kyoto commitment would have on ordinary citizens, or of the costs associated with the necessary actions by governments, corporations and individuals. With respect to the promotion of climate change action, somewhat more information was made available, notably by the federal government, and starting in the late 1990's stories appeared with increasing frequency in the national media highlighting the more dramatic potential consequences of unabated climate change, including the submersion of existing coastal areas, the destruction of northern ecosystems, incursions of tropical pests and diseases and increasingly volatile weather systems.

The net result was that public opinion polls during this period routinely showed general support for action on climate change, but modest levels of awareness concerning specific issues (including the substance of the Kyoto Protocol itself), and little awareness that both action and inaction might be associated with significant costs. An indication of the potentially ephemeral character of public opinion was provided in November 2002 when, during the same week, an Ekos poll commissioned by the federal government showed 80% support for ratification of the Kyoto Protocol (with even Albertans evenly split), and an Ipsos-Reid poll commissioned by the Alberta government showed Canadians evenly split between ratification and a “made in Canada” alternative, with about 45% supporting each.³⁰ The angry attack, by federal Minister of the Environment, on the latter poll as “fraudulent” for having raised the possibility of non-Kyoto based approaches to climate change did not explain why the consideration of such an approach (which had already been adopted by, for example, the United States) was unthinkable, nor address the likelihood that seemingly volatile public opinion polls, highly dependent on the wording of the questions asked, are often signs that levels of knowledge have not reached the threshold at which it becomes possible to discern a reasonably settled public opinion.³¹

It is noteworthy that the Ipsos-Reid poll also suggested that intergovernmental conflict, which had become heated and public by this time, may have accomplished what a number of years of governmental public relations and education campaigns had not: namely, getting the public to pay attention. The poll indicated an 11% increase during September and October in the number of Canadians describing themselves as familiar with the Kyoto accord, to 70%. However, a familiarity with the Kyoto Protocol represented only a modest step towards the level of public understanding of the challenges posed by climate change, including the costs and consequences of alternative approaches, needed to enable meaningful citizen engagement.

CONCLUSIONS

The emergence of deep disarray among participants in the National Process, in the fall of 2002, over ratification of the Kyoto Protocol offers instructive lessons, both to students of intergovernmental relations and practitioners.

Executive Federalism and the First Ministers

For scholars, the re-emergence of underlying disagreements among participating governments, seemingly unaffected by five years of ostensible consensus-building among the Energy and Environment ministers of the participating jurisdictions, is a noteworthy reminder of two realities. First, it indicates the extent to which the centralization of decision-making within each jurisdiction defines the character and scope of intergovernmental activity on individual policy files. This reality is abundantly discernible within the Kyoto process. As has been noted, it is suggested by the persistence of a largely ritualistic process of consensus building between 1997 and 2002, which remained significantly subject to direction from outside.

The central decision-making role of First Ministers and their offices is discernible, equally, in the tendency for direction from First Ministers to take the form, not of endorsements of agreements crafted within the process, but rather of interventions based on seemingly extraneous, and sometimes highly personal, considerations. The most obvious, and destructive, instance of this was the unilateral departure of the federal government from the intergovernmentally-agreed emissions reduction targets in the run-up to the Kyoto talks in 1997, based not on substantive analysis but, primarily, on the determination of Prime Minister Chrétien not to be outshone by President Clinton on the international stage (in the making of commitments, at least). Nor did the federal level have a monopoly on such interventions: the stridency of Ontario at the October 2000 JMM, where challenges were issued to other provinces to match the province's anti-smog program (which had nothing to do with climate change), and the aggressively critical posture adopted by Alberta Premier Klein in mid-1998 and again in the fall of 2002, reflected the capacity of political calculations in the offices of premiers to trump more substantive considerations.

The role of destabilizing First Ministerial interventions in the Kyoto process, and its tendency towards a loss of momentum in their absence, may thus have implications for our understanding of executive federalism. Although Donald Smiley perceived "...fragmentary evidence of a partial return to departmental autonomy and a more fragmented system of executive power" in the mid-1980's, subsequent events have provided stronger support for the more conclusive trend he identified at that time: "first ministers have become more involved in the process than before."³²

In view of work since Smiley wrote, by Savoie and others, on the centralization of decision-making within jurisdictions, there is a case to be made for conceiving of "executive federalism" as something closely akin to "first ministerial federalism," and for describing and predicting the outcomes of intergovernmental processes on the basis of what is known about the thirteen people who, on critical matters, appear to call the shots. One of the things that will be known, *a priori*, is that the first ministers are detached from consensus-building processes involving officials and ministers, and that one of the central challenges that such processes must address is the achievement of First Ministers' buy-in.

Recognition of the centrality of First Ministers, in addition to any explanatory and predictive force it may have, would help to remind us of a reality that is not manifest in the depersonalized process language of intergovernmentalism. This is the profoundly political, and often intensely personal, character of the relations among governments.

Dangerous Adjectives

A second, and related, conclusion relates to the characterization of Canadian federalism by what may be described as "definitive adjectives" such as "cooperative," "competitive" and "collaborative," and the chronology that remains a staple in courses in intergovernmental relations, that traces the evolution of federalism in Canada through cooperative, competitive and (for some) collaborative phases.³³ While these descriptors can provide useful generalizations about the global character of intergovernmental

relations, their failure to incorporate explicit reference to the class of facts from which they derive their support (i.e. the intentions and behavior of a relatively small group of people, notably the First Ministers) creates dangers. All such terms risk leaving the impression that the qualities they attribute to intergovernmental relations have impersonal systemic origins, rather than being rooted in the intentions of political participants, and identify a quality to be found, uniformly, across the universe of relationships existing at one time. These characterizations must be employed with sensitivity to the inherently political quality of the relationships they describe: the co-existence of multiple motives, likely including simultaneous elements of cooperation, competition, conflict and collaboration. In the absence of active attention to this caveat, such descriptions reify the relatively transitory intentions of individuals (first ministers especially) into systemic characteristics that are extraneous to the understanding of relations among governments, if not actually misleading. We might, for example, be closer to comprehension of federalism in the 1970's and early 1980's (or at least further from self-imposed misunderstanding) if we were to employ labels such as "Trudeau" federalism or "Trudeau-Levesque-Laugheed" federalism than more abstracted phrases such as "competitive federalism."

The Kyoto Process may serve as an illustration of this danger. It does not obviously support description as distinctively cooperative, collaborative, competitive or conflictual. Instead, it was all of these in a volatile combination, whose character varied markedly at successive junctures following 1997 (continuing the character of intergovernmental relations concerning climate change dating back to the late 1980's). Furthermore, there are other adjectives that appear to be at least as informative as the favoured four mentioned above. It was, for example, characterized by persistent provincial and territorial concerns about being co-opted to a federal agenda that they would end up having to finance (co-optative federalism?) and by shifting alliances among groups of participants ("Survivor" federalism?). In short, it manifested virtually the full range of motives, and associated behaviors, associated with political action.

If any participants succumbed to the temptation to believe that the designated labelling of the intergovernmental process relating to Kyoto as a "consensus process" gave them privileged access to its character or future outcomes, they were rapidly to be reminded that there is really only one adjective that universally characterizes intergovernmental relations in a federal system. This is the adjective implicit in the concept of federalism itself: "political."

The Myopia of Intergovernmentalism

Major factors that shape government action in any policy area, intergovernmental or not, include: pressures from the public and stakeholders, government priorities and objectives, and government capacities, including the jurisdictional basis to act and the required financial and technical means.

These factors each have implications for the way in which governments are likely to interact, in policy fields requiring intergovernmental relations. The following questions point to major influences on the form and substance of intergovernmental interactions:

- Are governments getting the same message from the public and stakeholders, with the same intensity (heightening the likelihood of shared priorities) OR are they being pulled in diverging directions?
- Do governments share priorities and objectives (favouring cooperation) OR do they need to resolve (or circumvent) fundamental ideological divisions?
- Do all governments have the jurisdictional and financial capacities to meet their objectives (favouring independent action, or collaboration), OR are they reliant on the capacities of other governments (leading to the need for complex intergovernmental arrangements, and heightening the probability of conflict)?

The political context for climate change action has been shaped significantly by:

- the existence of regional economic diversity (which has exposed governments to diverging stakeholder pressures);
- differences among governments over general priorities (some are more “green” than others, and the federal government is sensitive to issues of international profile that provide a different set of pressures than those affecting provinces);
- differences over environmental priorities (for example, action against smog has been a priority in Ontario and parts of B.C., but not in thinly populated areas);
- highly variable financial capacities to take action on climate change, with the Atlantic provinces and some other jurisdictions being largely dependent on federal assistance for major initiatives; and
- the fact that climate change action relies on coordinated activity across jurisdictions, which makes any government that adopts progress on climate change as an objective dependent on other governments in order to achieve results.³⁴

Since 1997, the relative lack of definite knowledge concerning what specific actions are needed in order to meet Kyoto requirements, or what their impacts (both positive and negative) may be, has tended to discourage substantive debate, and reduce the importance of policy considerations as influences on governments or public opinion. This has minimized the role that pressure from the general public can sometimes play in counterbalancing the effects on First Ministers and governments of diverging inputs from regional stakeholder groups or conflicting ideological attachments. The inchoate character of public opinion has left governments in some regions subject to pressures quite different from those affecting others, or the federal government.

The political context of climate change has thus tended to favour relatively short-term tactical behavior by governments, focussed on maximizing political credit and minimizing costs. Governments have relied heavily on public affirmations of the importance of the problem and commitments to act, in order to maximize political credit; while refraining from the major financial commitments that appear to be needed in order to deliver results, and (especially in the case of the energy-producing and industrial provinces) seeking to minimize sectoral impacts by relying on voluntary measures. In the

case of the federal government, significant effort has been devoted to fostering action by other jurisdictions, relying on moral suasion and consensus-building rather than more tangible means of persuasion, such as financial assistance. The posture of most provincial and territorial governments has been largely reactive. Much attention has been devoted to resisting federal pressures perceived as intrusive, while attempting to strike a balance between the interests of significant stakeholders and what has been perceived as generalized public sentiment in favour of environmental action.

The National Process, reaching out broadly to stakeholders and undertaking to build the knowledge needed to make the decision about ratification (and how to implement it) reflected a clear awareness that national action on climate change would require a long term perspective, and levels of consensus extending beyond governments. It remains a useful example of how such processes can work. But an intergovernmental process, even the enhanced version illustrated by the National Process after 1997, was not enough. There needed also to be a political process, enabling a full and informed public debate about the challenges of climate change action and the costs associated with the available options (including everything from doing nothing to the significant changes within compressed time frames that remain necessary if the Kyoto Protocol target is to be achieved).

Such a debate might have achieved a national consensus, and provided the participants in the intergovernmental process with clear messages that could have shaped intergovernmental agreement. Or it might have provided, directly to participants, unfiltered information about the political constituencies that sustainable national climate change action will need to accommodate, and what measures might be effective in doing this. In either case, it could have helped move the intergovernmental process beyond the essentially stalemated positions, dating back to the early nineties, which re-emerged in the fall of 2002.

The proliferation, in the final months before Canada's ratification of the Kyoto Protocol, of national newspaper advertisements and other public relations initiatives from a number of jurisdictions may signify the recognition, however belated, by the First Ministers that the force of informed public opinion is the ultimate influence that they can bring to bear on one another. And, from a strategic perspective, a potentially powerful means by which any jurisdiction can affect the intergovernmental processes in which they are jointly involved.

But this response to the essentially political character of federalism, and the intergovernmental processes to which it gives rise, was not enough (especially not enough substantive information) and too late. As a result, instead of an effective response to the challenges of climate change, embodying the joint action by governments, stakeholders and the public that was envisioned by the designers of the National Process in 1997, we are left with a depressingly familiar "made in Canada" solution, combining equal parts of self-righteousness and apparent paralysis. If we are to meet the Kyoto targets, or even the more realistic targets that may eventually supersede them, we will have to do better.

¹ For a discussion of the period leading up to Kyoto that relates the domestic intergovernmental interactions outlined below to developments in the international process, see Heather Smith, “Canadian Federalism and International Environmental Policy Making: The Case of Climate Change,” Working Paper Series 1998 (5), Institute of Intergovernmental Relations, Queen’s University (http://www.iigr.ca/pdf/publications/148_Canadian_Federalism_and_.pdf). See also: Steven Bernstein and Christopher Gore, “Policy Implications of the Kyoto Protocol for Canada,” in *Isuma*, Winter 2001 (available online at www.isuma.net).

² See G. Bruce Doern and Peter Conway, *The Greening of Canada – Federal Institutions and Decisions*, University of Toronto Press, 1994, p. 98 ff. See also Peter Gorrie, “‘Greenhouse’ study a stall, critics allege,” *Toronto Star*, 28 January 1992, A 10.

³ See discussion in *Smith*, p. 9.

⁴ Assessment by a federal official involved in the process at that time.

⁵ See Richard Brennan, “Ministers fail to agree on plan to combat global warming; Alberta refuses to accept new rules,” *The Ottawa Citizen*, 21 February 1995, A 4.

⁶ See *News Release*, Joint Meeting of Environment and Energy Ministers, Regina, November 12, 1997 (http://www.scics.gc.ca/cinfo/83059900_e.html), and Quebec government news release at: <http://www.menv.gouv.qc.ca/communiqués/1997/c971112a.htm>). See also Tom Arnold, “Canada delays greenhouse gas cuts until 2010, Alberta satisfied with federal position,” *Edmonton Journal*, November 13, 1997, A 1.

⁷ The U.S. proposal in advance of Kyoto was that industrial nations stabilize emissions at 1990 levels between 2008 and 2012, and commit to additional (unspecified) reductions for the period 2013-2017.

⁸ See *News Release*, The Canadian Position on Climate Change, Dec. 1, 1997 (<http://climatechange.gc.ca/english/workroom/media/kyoto1.shtml>).

⁹ See Philippe Le Prestre and Evelyne Dufault, “Canada and the Kyoto Protocol on GHGs,” *Isuma*, winter 2002, p. 43 (available online at www.isuma.net).

¹⁰ See *Joint Communiqué*, First Ministers Meeting, Ottawa, December 12, 1997 (available online at: http://www.scics.gc.ca/cinfo/80003606_e.html).

¹¹ The reports of the issue tables, and related information, are available at: http://www.nccp.ca/NCCP/national_process/issues/index_e.html.

¹² See: http://www.nccp.ca/NCCP/pdf/stakeholders_report_final_eng.pdf.

¹³ See *Press Release*, “Alberta releases strategy for action on climate change,” Oct. 15, 1998 (<http://www.gov.ab.ca/acn/199810/6865.html>), and Norm Ovenden, “Province switches to a white hat; likely to be constructive on greenhouse gases,” *The Edmonton Journal*, Oct. 18, 1998, A 5.

¹⁴ See *News Release*, Joint Meeting of Energy and Environment Ministers, Quebec – October 16-17, 2000, at: http://www.scics.gc.ca/cinfo00/83070440_e.html.

¹⁵ Based on conversations with federal and provincial officials, as well as JMM news releases (available online at www.scics.gc.ca).

¹⁶ The Protocol provided for three main flexibility mechanisms (in addition to credits for forests and agricultural lands that absorb ghg’s):

- Clean Development -credits for supporting ghg reduction in underdeveloped countries.
- Joint Implementation – credits for contributing to ghg reduction projects in other developed countries.
- Emissions trading - credits are bought and sold internationally.

¹⁷ Letter to Prime Minister Chrétien dated 12 February 2000, under the signature of Gordon Campbell, Premier, British Columbia.

¹⁸ Government of Alberta, *Albertans & Climate Change: A Strategy for Managing Environmental & Economic Risks*, February 2002.

¹⁹ See Government of Canada, *A discussion Paper on Canada’s Contribution to Addressing Climate Change*, May 2002 (available online at: www.climatechange.gc.ca). See also, Government of Alberta, *Albertans & Climate Change: A Plan for Action*, May 2002 (replaced with an October 2002 version, available online at <http://www3.gov.ab.ca/env/climate/actionplan/docs/takingaction.pdf>).

²⁰ News Release, “Federal, Provincial and Territorial Ministers of Energy and Environment Discuss Climate Change*,” Charlottetown, Prince Edward Island, 21 May 2002 (available online at: http://www.scics.gc.ca/cinfo02/830749033_e.htm).

²¹ Current federal figures on the size of the gap between where emissions need to be to meet the Kyoto target (571 Mt of CO₂ and CO₂ equivalent) and where they will be under a business as usual scenario (809 Mt of CO₂ and equivalent) by 2010 indicate the magnitude of this challenge. See Climate Change website, at: http://www.nccp.ca/NCCP/national_stakeholders/pdf/size_of_challenge_e.pdf.

²² See David Oulton, "Climate Change: Reconciling International and Domestic Policy Objectives," *Horizons*, Volume 1, Number 3, October 1998, p. 19.

²³ Donald Savoie, *Governing from the Centre: The Concentration of Power in Canadian Politics*, University of Toronto, 1999.

²⁴ Delphi Group, *National Climate Change Stakeholder Sessions*, Presented to National Air Issues Coordinating Committee – Climate Change (NAICC-CC), August 2000 (http://www.nccp.ca/NCCP/pdf/stakeholders_report_final_eng.pdf).

²⁵ See http://www.nccp.ca/NCCP/national_stakeholders/index_e.html.

²⁶ See, for example, the Report of the Industry Issue Table, at: http://www.nccp.ca/NCCP/national_process/issues/industry_e.html, and the Oil and Natural Gas Industry Foundation Paper, at: [http://www.nccp.ca/php/disclaimer_en.php3?ORFiles%5B%5D=Upstream Oil and Gas new_en.pdf*Upstream%20Oil%20and%20Gas%20\(08/1999\)](http://www.nccp.ca/php/disclaimer_en.php3?ORFiles%5B%5D=Upstream%20Oil%20and%20Gas%20(08/1999)).

²⁷ See, respectively, http://www.nccp.ca/NCCP/pdf/Calgary_Summary.pdf and

http://www.nccp.ca/NCCP/national_stakeholders/pdf/summary_participants/calgary_summary_en.pdf.

²⁸ See *News Release*, Joint Meeting of Energy and Environment Ministers, Toronto, Ontario – April 24, 1998, at: http://www.scics.gc.ca/cinfo98/83060913_e.html.

²⁹ First National Business Plan, p. 11, at: <http://www.nccp.ca/NCCP/pdf/media/FNBP2-eng.pdf>.

³⁰ See Anne Dawson, "80% support accord, government finds," *National Post*, November 5, 2002, p. A 5 and Tom Olsen, "West leads shift in Kyoto discord," *Calgary Herald*, November 2, 2002, p. A 1.

³¹ See Andrew Chung, "Alberta's Kyoto poll 'fraudulent': Anderson; Says province 'cooked books' to show support fell," *The Toronto Star*, November 5, 2002, p. A07.

Appendix

Provincial and Territorial Statement on Climate Change Policy

Halifax - October 28, 2002

The federal government has indicated that it intends to ratify the Kyoto Protocol before the end of this year. The federal framework on climate change, announced on October 28, does not as yet represent an adequate Canadian approach to reducing greenhouse gases in Canada*. Provinces and Territories desire a national plan.

Provinces and Territories see climate change as a serious global issue that requires immediate and continuing action to reduce Canada's emissions.

Slowing, stopping and then reversing growth of green house gas emissions will require major changes for individual citizens and companies, in all Provinces and Territories.

Provinces and Territories have noted the federal framework, and agreed to invite the federal government to work collaboratively on a truly Canadian plan. Ministers reiterate the call by Premiers for a First Minister meeting on climate change prior to any federal decision on ratification of the Kyoto Protocol as set out in the Premiers' Communiqué at the 2002 Annual Premiers' Conference.

Provinces and Territories agree that the following points are the principles for a national plan:

1. All Canadians must have an opportunity for full and informed input into the development of the plan.
2. The plan must ensure that no region or jurisdiction shall be asked to bear an unreasonable share of the burden and no industry, sector or region shall be treated unfairly. The costs and impacts on individuals, businesses and industries must be clear, reasonable, achievable, and economically sustainable. The plan must incorporate appropriate federally funded mitigation of the adverse impacts of climate change initiatives.
3. The plan must respect Provincial and Territorial jurisdiction.
4. The plan must include recognition of real emission reductions that have been achieved since 1990 or will be achieved thereafter.
5. The plan must provide for bilateral or multilateral agreements between Provinces and Territories, and with the federal government;

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6. The plan must ensure that no Province or Territory bears the financial risk of federal climate change commitments.
 7. The plan must recognize that benefits from assets such as forest and agricultural sinks must accrue to the Province and Territory which owns the assets.
 8. The plan must support innovation and new technology.
 9. The plan must maintain the economic competitiveness of Canadian business and industry.
 10. Canada must continue to demand recognition of clean energy exports.
 11. The plan must include incentives for all citizens, communities, businesses and jurisdictions to make the shift to an economy based on renewable and other clean energy, lower emissions and sustainable practices across sectors.
 12. The implementation of any climate change plan must include an incentive and allocation system that supports lower carbon emission sources of energy such as hydroelectricity, wind power generation, ethanol, and renewable and other clean sources of energy.

* The NWT reserves its position on the adequacy of the federal framework.

³⁴ Based on conversations with federal and provincial officials, as well as the author's experience in a provincial intergovernmental affairs ministry.

³⁴ Donald Smiley, *The Federal Condition in Canada*, McGraw-Hill Ryerson Limited, 1987, p. 89.

³⁴ See for example, Richard Simeon and David Cameron, "Intergovernmental Relations in Canada: The Emergence of Collaborative Federalism," *Publius – The Journal of Federalism*, Vol. 32, No. 2, Spring 2002, p. 49-71.

