

## Chapter 9: The Low-Carbon Transition, Federalism and Policy Durability in Canada

### Key Messages

#### Perspectives

- National climate policies will need to be able to survive deeply-rooted differences in perspectives about how we should approach GHG mitigation across regions in Canada
- Differing perspectives can serve as an obstacle to national climate policy but can also act as a bulwark against retrenchment
- It is unclear whether and how policy design, such as the allocation of carbon tax revenue, can alter Canadians' perspectives, particularly in places where opposition is strong. But persuading a smaller segment of undecided voters to support climate policies may be the difference in who forms government and determines policy going forward

#### Processes

- The federal government cannot unilaterally implement a sustainable transition but must bring provinces together to establish and maintain national policy through intergovernmental processes
- The Trudeau Liberal government has made more use of its powers to “direct” and “lead” climate policy efforts than previous governments, adopting a more aggressive stance on carbon pricing and oil and gas emissions, and successfully bringing most provinces into these efforts over time

#### Policies

- Policies targeting emission reductions from oil and gas producers and other industrial emitters, and actions in the electricity and transportation sectors will have the most impact on Canada's emissions profile, but they are also the most politically controversial and vulnerable
- The federal government has used a range of policy tools to bring provinces on side, including both sticks (e.g., pushing its constitutional jurisdiction on carbon pricing, enacting legislative requirements) and carrots (e.g., generous funding of provincial initiatives)

## Recommendations

- The combination of policy tools used by the federal government – some more directive, others more incentive – appears to work to bring most provinces into active participation in the national climate policy framework
- The federal government must ensure flexibility in the details of policy to reflect provincial interests and realities. At the very least this should occur in the early stages of policy adoption, while opportunities to address discrepancies or tighten up the policy may emerge in the future.
- Looking for policy trade-offs, within the environmental and energy sector or even in other policy areas, can be used to secure provincial and territorial support is an effective strategy to build consensus on national policy.