



## **Memorandum of Understanding for Cooperation on Addressing Climate Change**

### **Between**

HER MAJESTY THE QUEEN in Right of Canada as represented by the Minister of the Environment and the Minister of Natural Resources,

hereinafter called “Canada,”

### **of the First Part, and**

HER MAJESTY THE QUEEN in Right of Ontario as represented by the Minister of the Environment and the Minister of Energy,

hereinafter called “Ontario,”

### **of the Second Part,**

hereinafter called “the Parties.”

### **Preamble**

Whereas,

The Parties recognize that climate change represents a global environmental and socio-economic issue of unprecedented scope, and that they are key players in this issue;

Canada is a party to the 1992 United Nations Framework Convention on Climate Change and ratified the Kyoto Protocol on December 17, 2002;

The Parties recognize that given the global nature of climate change, an unprecedented diversity of policies and measures will have to be implemented by all orders of government;

On November 21, 2002, Canada announced the Climate Change Plan for Canada;

The Parties recognize that climate change presents a significant risk and are committed to work together and with other provinces and territories to help meet Canada's Kyoto commitments;

The Parties recognize the continuing efforts of Ontario to: require monitoring and reporting of greenhouse gas (GHG) emissions; reduce emissions to improve air quality and address climate change; and prepare for any impacts and necessary adaptation to changes in climate;

The Parties acknowledge that Ontario has announced its intention to facilitate the replacement of coal-fired electricity generation, develop alternative sources of energy, and promote renewable energy and energy conservation;

The Parties recognize that additional action is necessary and that the results of such action may vary within and across sectors, including opportunities for job creation and implications for competitiveness;

Consequently, the Parties recognize the need to coordinate their respective efforts in developing and implementing policies and measures designed to address climate change; and

The Parties acknowledge the jurisdictional authorities of each of the Parties.

### **Strategic Objectives and General Framework for Cooperation**

The Parties agree to:

- (a) pursue cooperation on addressing climate change within the context of sustainable development, including clean air;
- (b) identify priority areas for cooperation and the development of constructive partnerships to achieve cost-effective emission reductions action;
- (c) coordinate opportunities for integrating climate change with other strategic initiatives, such as in the areas of energy and environment;
- (d) ensure consistency among their respective actions and initiatives to avoid duplication and to maximize synergies;
- (e) coordinate the efforts of all their departments involved in addressing climate change; and
- (f) pursue cooperation on new initiatives as well as build on existing policy and program linkages, wherever possible.

To meet the above strategic objectives, the Parties agree to further coordinate their efforts on policies and measures to:

- reduce or prevent emissions of greenhouse gases and, where appropriate, also help achieve clean air goals;
- promote the development, demonstration and deployment of technologies addressing climate change;
- capitalize on opportunities for cost-effective economic development and job creation related to climate change;
- capitalize on opportunities to achieve other environmental and health co-benefits, such as reducing smog pollutants and their impacts, while addressing climate change;
- transfer information, experience and technology;
- enhance carbon sinks, their measurement and monitoring;
- establish effective and efficient monitoring, reporting and review mechanisms for emissions reductions and carbon sinks enhancement;
- increase public awareness, education and engagement to promote actions to reduce greenhouse gas emissions;
- improve knowledge of the science of climate change and understanding and awareness of adaptation to changes in climate; and
- facilitate action to adapt to changes in climate that may impact Ontario, such as in the areas of forests, agricultural lands, water resources, infrastructure and human health.

## **Priority Areas of Cooperation**

The Parties agree to explore cooperation in the following priority areas:

1. Electricity Supply and Renewables  
Facilitate the development of an appropriate policy, investment and regulatory framework, to encourage increased development and further implementation of clean and renewable electricity generation. Explore opportunities to facilitate the replacement of coal-fired electricity generation and increase energy efficiency and conservation to reduce demand;
2. Energy Efficiency, Conservation and Fuels  
Develop and implement measures and technologies to increase the use of alternative transportation fuels and improve energy efficiency in buildings, transportation, commercial and industrial sectors, as well as government operations. Explore joint delivery programs in these areas, where appropriate;
3. Environmental Management  
Identify opportunities to improve the efficiency and effectiveness of regulatory processes and requirements to encourage timely implementation of climate change measures, and to eliminate barriers and duplication;
4. Innovation and Technology  
Continue cooperation and coordination of research, development, demonstration and diffusion of clean and efficient energy technologies;
5. Land Resources and Agriculture  
Work together to optimize greenhouse gas reduction and removals in the agriculture and land resource sectors (e.g. wetlands, forest and woodlands); as well as through land-use planning and urban form;
6. Impacts and Adaptation  
Cooperate on scientific and socio-economic research and assessment of changes in climate and climate impacts and develop adaptation strategies and approaches necessary to respond to these impacts in a manner that is regionally and nationally coordinated; and
7. Public Awareness and Education  
Increase public awareness and education to promote action and community involvement to reduce greenhouse gas emissions.

The Parties agree that annexes may be developed outlining the nature and scope of the cooperation in relation to the above-mentioned priority areas.

The Parties will identify the initiatives to be pursued on a bilateral basis and others in which it would be preferable to ask other jurisdictions to participate.

Priority areas may be amended over time by mutual agreement of the Parties.

In addition to the above-mentioned priority areas, the Parties agree that infrastructure investments will play an important role in addressing climate change, and shall be taken into consideration in the development of cooperative activities.

Funding for specific initiatives will be determined on a case-by-case basis taking into consideration programs and priorities of the Parties.

## **Management of Memorandum of Understanding**

Program experts from the Parties will explore the above-mentioned priority areas of cooperation and develop, as required, draft annexes to this Memorandum of Understanding. Senior representatives of the Parties will examine the contents of these draft annexes and will agree on their final form as required.

Representatives of the Parties will meet on a regular basis, at least once per year, to review progress.

**Communication**

Parties agree to consider joint communication, where appropriate.

**Amendment to Memorandum of Understanding**

This Memorandum of Understanding may be amended with the mutual written consent of both Parties. Any amendment becomes part of this Memorandum of Understanding.

**Language of Memorandum of Understanding**

This Memorandum of Understanding is made in the English and French languages, and each version is equally valid.

**Settlement of Disputes**

Any disputes regarding the interpretation or implementation of this Memorandum of Understanding will be resolved only by consultation among the Parties and will not be referred to a tribunal or other third party for settlement.

**Duration of Memorandum of Understanding**

This Memorandum of Understanding will come into effect on May 21, 2004 and remain in force for a period of five years until May 21, 2009. Prior to expiry of this Memorandum of Understanding, a decision will be made as to whether to renew this Memorandum of Understanding.

Either party may terminate this Memorandum of Understanding upon 90 days' written notice. Best efforts to resolve issues are to be made by the Parties within this 90-day period.

**SIGNED** at Toronto, Ontario this 21st day of May, 2004.

**IN WITNESS WHEREOF**, the Parties have signed this Memorandum of Understanding.

**FOR CANADA**

**FOR ONTARIO**

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Minister of the Environment

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Minister of the Environment

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Minister of Natural Resources

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Minister of Energy