



## **THE KYOTO PROTOCOL: INTERGOVERNMENTAL ISSUES**

**Jack Stilborn**  
Political and Social Affairs Division

1 November 2002

---

---

**PARLIAMENTARY RESEARCH BRANCH**  
**DIRECTION DE LA RECHERCHE PARLEMENTAIRE**

**The Parliamentary Research Branch of the Library of Parliament works exclusively for Parliament, conducting research and providing information for Committees and Members of the Senate and the House of Commons. This service is extended without partisan bias in such forms as Reports, Background Papers and Issue Reviews. Research Officers in the Branch are also available for personal consultation in their respective fields of expertise.**

**CE DOCUMENT EST AUSSI  
PUBLIÉ EN FRANÇAIS**

## TABLE OF CONTENTS

	<b>Page</b>
CURRENT STATUS.....	1
INTERGOVERNMENTAL BACKGROUND .....	3
A. Early Intergovernmental Initiatives .....	3
B. The Kyoto Protocol and Provincial Reaction .....	4
C. The National Climate Change Process .....	5
D. Recent Developments .....	7
JURISDICTIONAL AND POLITICAL CONTEXT .....	8
A. Jurisdictional Realities .....	8
B. Intergovernmental Politics .....	9
NEXT STEPS .....	11
A. National.....	11
B. International.....	11
APPENDIX	



CANADA

LIBRARY OF PARLIAMENT  
BIBLIOTHÈQUE DU PARLEMENT

## THE KYOTO PROTOCOL: INTERGOVERNMENTAL ISSUES

This publication reviews the working relationship of the federal, provincial and territorial governments concerning climate change, especially since the Kyoto Protocol of 1997. It identifies the key issues that have shaped the behaviour of governments, as well as the implications of intergovernmental relations for Canada's capacity to respond to climate change.<sup>(1)</sup>

### CURRENT STATUS

Provincial resistance to early ratification of the Kyoto Protocol has become steadily more pronounced during 2002, especially since 2 September, when Prime Minister Chrétien announced, 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 resistance was evident, most recently, at the 28 October meeting of federal, provincial and territorial energy and environment ministers that directs intergovernmental work on climate change action. 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); and
- 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 long-standing

---

(1) For background information on climate change and the Kyoto Protocol, see Tim Williams and Jean-Luc Bourdages, *Global Warming, Greenhouse Gases and the Kyoto Protocol*, TIPS 39E, Parliamentary Research Branch, Library of Parliament, Ottawa, 10 September 2002.

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 also 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.

The extent of the current impasse was evident in the wake of the meeting, when Prime Minister Chrétien rejected the call for a First Ministers' meeting on climate change. Responding to questions in the House of Commons on 29 October, he indicated that the government remains committed to ratification before Christmas, and that there would not be a meeting of First Ministers before the meeting planned for January on health care issues (although the possibility that other items could be added to the agenda was left open). In response, B.C. Premier Gordon Campbell was selected to coordinate an early meeting of provincial and territorial leaders, to discuss next steps.

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 long-standing 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 1990s.

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 time frames that do not replicate those in the Kyoto Protocol. More recently, 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.

## INTERGOVERNMENTAL BACKGROUND

### A. Early Intergovernmental Initiatives

The issue of climate change, and the need to respond by reducing emissions of CO<sub>2</sub> and other gases that trap heat near the earth's surface, emerged as a subject for international discussion in the late 1980s. A UN conference in Toronto, in 1988, called for reductions of CO<sub>2</sub> (the most significant man-made contributor to global warming) by 20% of 1988 levels by the year 2005.<sup>(2)</sup>

Federal, provincial and 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.

An additional issue that surfaced in the early nineties was provincial pressure for 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 United Nations Framework Convention on Climate Change (UNFCCC), adopted at Rio de Janeiro in 1992. A joint Energy/Environment committee was established for consultation purposes during the early 1990s, although its effectiveness was impeded by uneven provincial participation. Also, a representative of the Alberta government was present as a

---

(2) This section is based on 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 (available on-line at: [http://qsilver.queensu.ca/iigr/Working\\_Papers\\_Series/Hsmith.html](http://qsilver.queensu.ca/iigr/Working_Papers_Series/Hsmith.html)). See also Steven Bernstein and Christopher Gore, "Policy Implications of the Kyoto Protocol for Canada," *Isuma*, winter 2001 (available on-line at [www.isuma.net](http://www.isuma.net)).

federal advisor at two of the international negotiating sessions, and other provincial governments also maintained a presence.

The UNFCCC committed Canada, along with 46 other industrialized countries, to the use of voluntary measures to stabilize greenhouse gas emissions at 1990 levels by the year 2000. This 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 consulting the provinces in advance of international negotiations (while upholding the federal role as Canada's representative in such processes). The Framework also established a national process involving Joint Meetings of Ministers of Energy and 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 were again apparent the following year in discussions of a national plan being developed for submission to the first international Conference of the Parties – COP 1. The resulting National Action Program ultimately provided for voluntary measures only, and 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. It was agreed that Canada should work for a commitment by industrial countries to a 10-year extension of the 1992 UNFCCC target (i.e., stabilize emissions at 1990 levels by 2010). Shortly before the Kyoto meeting, however, the federal government departed from this agreement. Without the agreement of other jurisdictions, it proposed a target at Kyoto that would have required industrial countries to reduce emissions to 3% below 1990 levels by 2010, and an additional 5% by 2015.

Furthermore, developments at Kyoto, notably a shift by the United States in favour of more aggressive targets, resulted in Canada's agreeing 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.<sup>(3)</sup>

### **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.<sup>(4)</sup> 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.

Governments have been able to agree in principle (as they did before Kyoto) on the seriousness of the threat posed by climate change, and the need for action to reduce greenhouse gases. As well, governments have launched a range of early actions focussing on public education and voluntary measures. However, early discord about the realism of the Kyoto target and the process through which it had been accepted, amplified by the failure of ensuing research and analysis to generate definitive answers about economic impacts and costs, has cast a continuing shadow over intergovernmental relations in this area.

---

(3) See Philippe Le Prestre and Evelyne Dufault, "Canada and the Kyoto Protocol on GHGs," *Isuma*, winter 2002, p. 43 (available on-line at: [www.isuma.net](http://www.isuma.net)).

(4) See *Joint Communiqué*, First Ministers Meeting, Ottawa, 12 December 1997 (available on-line at: [http://www.scics.gc.ca/cinfo/80003606\\_e.html](http://www.scics.gc.ca/cinfo/80003606_e.html)).



Since 1997, provincial willingness to commit to specific measures has been impeded by:

- concerns about economic competitiveness (especially in Ontario),
- anxieties about impacts on the energy sector (notably in Alberta but, more recently, also in Nova Scotia and Newfoundland and Labrador),
- budgetary concerns (especially in the Atlantic provinces), and
- concerns about provincial autonomy (especially in Quebec, although many provinces have been concerned about pressures and constraints that a national implementation process could generate).

As the JMM process has moved towards more specific commitments from provincial and territorial governments, underlying tensions have surfaced 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. 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 in the absence of clear international rules, and also challenging other jurisdictions to meet Ontario standards in areas such as vehicle inspections. 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 a meaningful role for provinces and territories in developing Canada's international positions and negotiating strategies.<sup>(5)</sup>

#### **D. Recent Developments**

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

---

(5) Based on conversations with federal and provincial officials, as well as JMM news releases (available on-line at: [www.scics.gc.ca](http://www.scics.gc.ca)).

mounted.<sup>(6)</sup> These were reflected in a letter dated 12 February 2002 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 that it would not ratify the Kyoto Protocol).<sup>(7)</sup>

Shortly before the 25 February 2002 JMM, Alberta released a study of Kyoto impacts that argued that nationally developed data understated Alberta's costs and job losses.<sup>(8)</sup> 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 United States.<sup>(9)</sup> 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.<sup>(10)</sup>

---

(6) International negotiations have resulted in three main mechanisms for implementing Kyoto (in addition to domestic greenhouse gas (GHG) reductions and credits for forests and agricultural lands that absorb GHGs):

- 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.

(7) Letter to Prime Minister Chrétien dated 12 February 2002, under the signature of Gordon Campbell, Premier, British Columbia.

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

(9) See Government of Canada, *A Discussion Paper on Canada's Contribution to Addressing Climate Change*, May 2002 (available on-line at: [www.climatechange.gc.ca](http://www.climatechange.gc.ca)). See also Government of Alberta, *Albertans & Climate Change: A Plan for Action*, May 2002 (replaced by an October 2002 version, available on-line at: <http://www3.gov.ab.ca/env/climate/actionplan/docs/takingaction.pdf>).

(10) News Release, "Federal, Provincial and Territorial Ministers of Energy and Environment Discuss Climate Change\*," Charlottetown, Prince Edward Island, 21 May 2002 (available on-line at: [http://www.scics.gc.ca/cinfo02/830749033\\_e.htm](http://www.scics.gc.ca/cinfo02/830749033_e.htm)).

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 now focus on convincing other jurisdictions of the unworkability of the Kyoto agreement, and the merits of the Alberta plan. Ensuing months have seen 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.

Since early September, the Alberta initiative has emerged as the catalyst for provinces' and territories' resistance to early ratification of the Kyoto Protocol, and their negative response 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 Environment Minister Anderson on 17 October, as federal officials struggled to arrest unravelling provincial support.

In the wake of the postponement, Alberta Environment Minister Lorne Taylor declared that Alberta would focus on its own targets, not those in the Kyoto Protocol; federal attempts to work out a compromise position with Alberta were widely reported in the media; and these reports prompted several other provinces (notably Quebec) to issue warnings that they would oppose any plan that shifted burdens to other provinces in order to mollify Alberta.

## **JURISDICTIONAL AND POLITICAL CONTEXT**

### **A. Jurisdictional Realities<sup>(11)</sup>**

Effective action on climate change by Canada is highly dependent on cooperation among the federal, provincial and territorial governments. This is because climate change, like most major environmental challenges, requires the coordination of a wide range of responses relying on the regulatory, taxation, spending and service-providing capacities of all governments. The following table indicates the important roles of both the federal and provincial governments in environmental management, including action on climate change.

---

(11) For a detailed discussion of jurisdictional issues, see Mollie Dunsmuir, *The Kyoto Protocol: Overview of Federal Legal Mechanisms for Implementation*, PRB 22E, Parliamentary Research Branch, Library of Parliament, Ottawa, September 2002.

**Environmental Management in Canada: Who Does What<sup>(12)</sup>**

KEY FEDERAL ACTIONS	KEY PROVINCIAL ACTIONS
<p>Legislation/regulation/enforcement re:</p> <ul style="list-style-type: none"> <li>- coastal and interprovincial waters,</li> <li>- federal lands,</li> <li>- federally regulated corporations,</li> <li>- interprovincial trade and commerce,</li> <li>- transboundary impacts, and</li> <li>- policies of national interest.</li> </ul> <p>Criminal offences created re actions harmful to the environment or materials declared toxic.</p> <p>International treaty-making.</p> <p>Recruitment of provinces/territories to consensus-based national standards, and to actions required by international commitments.</p>	<p>Legislation/regulation/enforcement re:</p> <ul style="list-style-type: none"> <li>- land use,</li> <li>- most aspects of natural resources,</li> <li>- mining,</li> <li>- energy production and use,</li> <li>- manufacturing,</li> <li>- provincial lands,</li> <li>- most business activity (intra-provincial trade and commerce), and</li> <li>- intra-provincial environmental impacts.</li> </ul>

**B. Intergovernmental Politics**

Major factors that shape government action in any policy area include: pressures from the public and stakeholders; government priorities and objectives; and government capacities, including the jurisdictional basis to act and the required financial means.

These factors each have implications for the way in which governments are likely to interact:

- 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?

---

(12) Based, in part, on discussion provided in the Dunsmuir paper cited above, along with Steven A. Kennett, "Federal Environmental Jurisdiction After Oldman," *McGill Law Journal*, Vol. 38, April 1993, pp. 180-203. See also the overview of federal and provincial jurisdictions over energy (extensively involved in environmental initiatives) provided on the Natural Resources Canada web site at: [www.nrcan.gc.ca/es/ener2000/online/html/chap1a\\_e.htm](http://www.nrcan.gc.ca/es/ener2000/online/html/chap1a_e.htm).

- 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 British Columbia, 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.<sup>(13)</sup>

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. Reflecting the lack of public engagement, polls continue to suggest broad support for action, but equally broad ignorance concerning the problem or possible impacts of addressing it.<sup>(14)</sup> This has minimized the role that pressure from the general public can sometimes play in counterbalancing the inputs of stakeholder groups, and left governments in some regions subject to pressures quite different from those affecting others.

The political context of climate change has thus tended to favour relatively short-term strategic behaviour by governments, focussed on maximizing political credit and minimizing costs. Governments have relied heavily on public affirmations of the importance of

---

(13) Based on conversations with federal and provincial officials, as well as the author’s experience in a provincial intergovernmental affairs ministry.

(14) An Ipsos-Reid poll released in early November, indicating approximately equal levels of support for ratification and alternative approaches, is an exception. See “Klein Pushes Premiers’ Kyoto Talks,” *Globe and Mail*, 5 November 2002, p. A-4.

the problem and commitments to act, in order to maximize political credit while seeking to minimize costs and 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 financial assistance. In the case of provincial governments, much attention has been devoted to resisting federal pressures perceived as intrusive, and attempting to simultaneously forestall commitments that could negatively affect significant stakeholders and respond to generalized public sentiment in favour of environmental action.

## **NEXT STEPS**

Important upcoming decision points that could affect intergovernmental relationships relating to Kyoto ratification are:

### **A. National**

By end of November: Provincial and territorial leaders are expected to meet in order to discuss strategy, in response to federal rejection of calls for an early First Ministers meeting. The meeting may shed light on levels of support for a proposal by Alberta to use the courts to attempt to oppose federal attempts to “go it alone” in implementing the Protocol.

Before Christmas: Parliament is to debate a government proposal that Canada ratify the Kyoto Protocol. Media reports indicate this is currently planned for November.

### **B. International**

Prospective: The 23 October – 1 November 2002 COP 8 meeting, which rejected a Canadian proposal that credits be obtainable through clean energy exports, was the last international decision point before the Protocol comes into effect (this requires ratification by 55 signatories that were producing 55% of the emissions of all parties as of 1990). Implementation of the Protocol now depends on decisions to be taken by Canada and other parties that have not yet ratified.

As this is written, it appears probable that Canada will ratify the Kyoto Protocol, predictably prompting a further round of provincial protest. Attention will then shift to

implementing the Kyoto commitment. Since Alberta (and, potentially, some other provinces) rejects the Kyoto targets and time frames, there are likely to be significant difficulties among governments in working together on climate change action.

The central development that could reduce these difficulties would be changes in the underlying factors that have shaped intergovernmental relations on the climate change file thus far – especially the successful mobilization of intense public support for either Kyoto compliance or an alternative. Coming months are thus likely to see increased attention by all governments to public information campaigns, and a competition for public support.

## **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' Communique 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;
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.

Source: [http://www.scics.gc.ca/cinfo02/830767004\\_e.html](http://www.scics.gc.ca/cinfo02/830767004_e.html).