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Chair

Mr. James Bezan

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• (1135)

[English]

The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)): I call this meeting to order.

I apologize that we are starting a little late because of the votes in the House, but we'll try to get through at least two good rounds of questioning after we have our opening presentations.

We are going to continue with our study of Bill C-311, An Act to ensure Canada assumes its responsibilities in preventing dangerous climate change.

We're very pleased, and fortunate, to have two distinguished witnesses at committee today. From the European Union, we have His Excellency Matthias Brinkmann, Head of Delegation and Ambassador Designate for the European Commission. And from the British High Commission, we have His Excellency Anthony Joyce Cary, High Commissioner for the United Kingdom to Canada.

I want to welcome you both to committee.

We'll start with His Excellency Ambassador Brinkmann for opening comments. We'd appreciate it if you could keep it under 10 minutes.

His Excellency Matthias Brinkmann: Thank you very much, Mr. Chairman and honourable members of Parliament. I would like to thank you for inviting us here and giving me the opportunity to inform you about the position of the European Union running up to the Copenhagen meeting. I will explain that to you, and I am ready to answer some questions, but you will understand that I do not intend to comment on internal policies or positions in Canada.

First, I'll tell you overall what we are planning to do, and then I'll go into more detail on mitigation, low-carbon growth plans, and financing.

Copenhagen is a rare opportunity for global action. As we all know, it has been 12 years since the Kyoto Protocol was agreed upon. With world emissions still rising steadily, waiting any longer to act will be too late to prevent dangerous climate change. We're just weeks away from Copenhagen, and all parties to the negotiation need to inject new momentum into the process. The pace of the negotiations must be stepped up.

For us, the outcome of Copenhagen needs to include provisions on the two-degree Celsius objective, ambitious comparable emission reduction commitments by developed countries, appropriate mitigation action by developing countries, adaptation, technology, and the deal on financing.

To achieve this, we have been going for a binding agreement. That seems to be unrealistic now, but we at least need the elements for a legally binding agreement that should start on January 1, 2013, build on the Kyoto Protocol, and incorporate all its essentials, including the principle of common but differentiated responsibilities and respective capabilities. Such an agreement should be ratified by all countries, including those that are presently not bound by the Kyoto Protocol. These countries should all take immediate action.

As to the mitigation and low carbon growth plans, climate change must be limited, as much as possible, in order to prevent the multiplication of extreme weather events and their catastrophic consequences. Keeping the global average temperature rise within two degrees Celsius compared to pre-industrial temperatures is the objective recommended by the scientific community, and it is recognized by the recent G8 summit in L'Aquila.

To achieve this objective, global greenhouse gas emissions must peak by 2020, at the latest, and be reduced by at least 50% by 2050 compared to 1990 levels. They should continue to decline thereafter. This 2020 objective should provide both the aspiration and the benchmark to establish mid-term goals subject to regular scientific review.

Obviously the developed countries have the greatest responsibility to contribute to these emission reductions. Science tells us that they should reduce their collective emissions by 25% to 40% by 2020, and by 80% to 95% by 2050, compared to 1990 levels.

The European Union has consistently reiterated its commitment to moving to a 30% emission reduction target by 2020, provided that other developed countries commit themselves to comparable emission reductions, and that developing countries contribute adequately according to their responsibilities and respective capabilities. I can also say that independent of an international agreement, the European Union has already made a legally binding commitment to a 20% emission reduction by 2020 compared to 1990 levels.

We are happy to see that some developed countries have increased their level of ambition for emission reduction commitments, including Japan, Norway, and Australia. However, the collective developed pledges for the time being only amount, as a maximum, to a 17% reduction compared to 1990 levels. This, of course, falls a long way below the 25% to 40% reductions that the scientific evidence requires. We therefore call on other developed countries to increase their efforts.

•(1140)

However, efforts by developed countries only, without additional action from developing countries, would not be enough to avoid dangerous climate changes. Therefore, it would be important that developing countries, as a group, also make an effort to limit the growth of their emissions by 15% to 30% below business as usual by 2020. Low carbon growth plans, LCGP, are an effective way for all countries to integrate climate concerns into their policies. The European Union, in fact, proposes that all countries, except the least developed countries, draw up such plans by 2011. They should include nationally appropriate mitigation actions, so-called NAMAs, which provide the information for identifying the needs for financial, capacity-building, and technology support to be provided to these developing countries. All plans should include credible mid-term and long-term objectives and be based on annual greenhouse gas inventories.

In the development of low carbon growth plans, developing countries should identify the actions they would like to undertake and lay out how these actions would be funded, either using the country's own resources or through the carbon market or supported by capacity building, financing, or technology support. Mitigation by all countries should be subject to measuring, reporting, and verification in order to ensure transparency, accountability, and enhanced public and private confidence for the achievement of global and national objectives.

As to the financing, that will be a central part of an agreement in Copenhagen. A significant but gradual increase in additional public and private financial flows is needed to help developing countries implement ambitious mitigation and adaptation strategies. The European Union estimates that the total additional cost of mitigation and adaptation in developing countries could amount to around €100 billion annually by 2020. That's \$150 billion to \$160 billion Canadian. This should be made through a combination of developing countries' own efforts, the international carbon market, and international public finance.

The EU is ready to take its fair share of the global effort by setting an ambitious mitigation target that would generate greater financial flows to developing countries through the carbon market and provide its fair share of public support. In addition, private financing will be stimulated by developing a broad and liquid carbon market based on robust cap and trade systems in developed countries and sector accrediting and trading mechanisms for action in developing countries. The overall level of the international public support required is estimated to lie in the range of €22 billion to €50 billion per year by 2020.

All countries, except the least developed, should contribute to financing on the basis of their ability to pay and their level of emissions. A global distribution key based on emission levels and on GDP should therefore be agreed to with a considerable rate placed on emission levels. The rate on emissions should increase over time to allow for adjustments of economies. This means that developing countries will be net recipients while developed countries will be net payers. This approach takes into account the changing status and capacities of all countries. As far as financial sources are concerned, the European Union sees the money flowing from a number of

different channels and believes that there's no need to create one single fund centralizing all financial support.

•(1145)

Financing for mitigation should be demand-driven on the basis of mitigation actions and low carbon-growth plans. A similar bottom-up approach should also be taken for funding for adaptation, which calls for the gradual integration of adaptation of international development strategies and poverty eradication plans, regular coordination of support in country, regular reporting via national communications, and exchange of good practice.

Moreover, the European Union stresses that fast-start international public support, up to 2013, is important in the context of a comprehensive, balanced, and ambitious agreement. The purpose should be to prepare for effective and efficient action in the medium and longer term and avoid delaying ambitious action. The estimate put forward by the European Commission identifies a global figure in the range of \$5 billion to \$7 billion per year. The European Union's contribution will be conditional on other key players making comparable efforts.

I thank you.

The Chair: Thank you, Ambassador. We very much appreciate those opening comments.

Your Excellency Cary, you have the floor.

His Excellency Anthony Joyce Cary: Thank you very much for this invitation.

I think I can be briefer than Matthias, because he has set out the European Union's position, which is the United Kingdom's position because we are a member of the European Union, and this is a joint position of the whole of Europe. But what I thought might be helpful for the committee is if I just tried to give you a sense of what the context is in Britain for this whole debate.

Until perhaps four or five years ago, the issue of climate change was seen as an environmental one and a soft issue, almost an esthetic issue. In the last few years we now see it as a hard international security issue, and I have circulated a paper to the committee that explains that climate change is now at the centre of our national security strategy. The national security strategy indeed says that, and I quote: "Climate change is potentially the greatest challenge to global stability and security, and therefore to national security."

So this is an issue that's at the centre of our national policy and at the centre of foreign policy, so that I, for example, at the British High Commission in Ottawa have three members of staff working almost full time on the issue of climate change, and I have one in Vancouver, and that was a decision made by my foreign secretary, that he would reduce my resources in some areas but insisted that because this was the top priority for the foreign office, I should have the resources to be able to conduct effective policy in this country on that subject.

Because of this reframing of the issue as a national security issue, we have now created a department of government for energy and climate change to try to integrate policies that were previously conducted separately—and often there were conflicts between policies being driven on the environmental side and on the energy side, for example. So we have tried to integrate that, and the effort has been very much driven first by Tony Blair and more recently by my Prime Minister, Gordon Brown, who see this as a central issue for national policy.

So it's at the top of the agenda of the foreign service. It's at the top of the agenda of the Treasury, because of the financing implications and the economic implications. It's at the top of the agenda of the Ministry of Defence because of the security implications. It's at the top of the agenda of the Ministry of Transport, the Ministry of Health—really, across government, and as I say, we now have a department of government dealing with it.

The other piece of context I wanted to explain to the committee is that this is an issue that has cross-party support in Britain, so that the Conservative Party is very strongly in favour of this agenda and is driving it in Britain as hard as the government is. Indeed, when we had a climate change act, which again is set out briefly in the paper that I've circulated to you, but which was a very ambitious piece of legislation with huge economic implications, you might have expected a bill of that ambition to be very highly contested in Parliament, but that actually passed in Parliament almost without opposition. So there's a very wide political consensus.

And that consensus is also shared by our business community. This is, I think, something of interest because in the early 1990s there was a famous headline in *The Economist* that said “Bye bye greens — See you in the next boom”, the assumption being that—in those days it wasn't so much climate change as the issue of the ozone layer and so on and the beginnings of the discussion of sustainable development—all of that would collapse with the economic recession because it was a sort of luxury. It was something for the good times that we could afford to put aside.

This time, despite what have been very difficult economic circumstances in Britain as a result of the market crash, the consensus has remained extremely strong, including in the business community, that this is not an agenda they can afford to abandon. Indeed, they see huge economic opportunity in trying to be ahead of the curve and trying to drive the agenda rather than be pulled along by it.

So we've had the Confederation of British Industry, which is our main business lobbying group, if anything, urging the government to be more ambitious. And the business community is very strongly behind the transition that we believe needs to be made in our economy to convert to a low-carbon economy.

• (1150)

I know you only want me to speak for six minutes, so I will stop there.

All I want to say for Copenhagen is that we share entirely the positions that have just been set out by Matthias Brinkmann, but I would list them under three headings.

We want an outcome that is ambitious, which means not only that the world signs up to the two degree Celsius goal but has the ambition to drive short- to medium-term targets that will actually get us there. That means peaking our greenhouse gas emissions by 2020 through a combination of developed and developing country action. It will mean including aviation and shipping and deforestation within the agreement, so it has to be ambitious.

It has to be effective. If it's to be effective, then it must be universal. We would like to have a single legally binding agreement, which I realize won't be negotiated at Copenhagen, but that we hope can follow political undertakings made at Copenhagen. It must have adequate monitoring, reporting, and verification so the undertakings people make can be properly tabulated. And I think we need to develop a global carbon market if we're to have an effective agreement.

So it must be ambitious, it must be effective, and finally it must be fair. If it's to be fair, that means we have to take on common but differentiated responsibilities. My Prime Minister has set out a view that we need annual financing flows of about \$100 billion by 2020. We've subsequently agreed in the European context that should be €100 billion. That would include a contribution from developing countries, because we think all but the very poorest should also be contributing to the financing flows that are needed. To be fair, we have to take account of the capacity of different countries to pay and to contribute, and the net flows will naturally be toward developing countries, which will need help in managing the transition.

Thank you very much.

• (1155)

The Chair: Thank you, High Commissioner.

We appreciate those opening comments from both Your Excellencies.

As requested by Ambassador Brinkmann, and I know in a previous conversation I had with High Commissioner Cary, they aren't going to be answering any questions that involve our internal politics and policies or be speaking specifically to Bill C-311. I do ask and encourage all members of the committee to take that into consideration since we are definitely privileged to have such distinguished gentlemen at our table.

With that, we'll go with the seven-minute round and we turn it over to you, Mr. McGuinty.

Mr. David McGuinty (Ottawa South, Lib.): Thanks, Mr. Chair.

I want to thank our two guests for coming, Mr. Chair. I don't want to ask them about anything specific to Canada's internal political debate about the climate change crisis and what the state of the situation is domestically. But I think we have a responsibility to ask these gentlemen, Mr. Chair, in their positions representing either one nation-state or in the case of the European Union—you'll forgive me, Ambassador—how many states are there now in the EU?

His Excellency Matthias Brinkmann: Twenty-seven.

Mr. David McGuinty: Twenty-seven and growing, I'm assuming.

Can you briefly give Canadians and this committee a sense of how extensive the preparations were in the plan that has been delivered to the EU and the U.K.? How large is this plan? How comprehensive is this plan as you continue with the Copenhagen round of negotiations?

His Excellency Matthias Brinkmann: It is a plan that covers the areas I've mentioned. It has been discussed for years in the European Union, in the instances decided by counsel at the highest level, and binding all 27 member states. As Anthony said, we have global targets for the European Union as such. Within the union, some countries may exceed these targets, others may not be able to meet them, so we level this out. But collectively we are subscribing to these targets now.

We have extensive documentation on that. Everything is on paper. Everything is agreed. So it is comprehensive and it is fully agreed among member states.

His Excellency Anthony Joyce Cary: Yes, I agree. It has been a central issue for European policy. It's probably been the top agenda item on the meetings of heads of state and government for the last few years.

Their last meeting was particularly focused on this because we needed to prepare a joint position for Copenhagen. It was a very difficult meeting. There was a lot of very hard discussion, because for some countries within the European Union, the implications of our policy will be very difficult. I think of countries like Poland, which is still heavily dependent on coal, for example, and a country like Spain, which is having great difficulty in meeting the Kyoto targets and which indeed has been increasing its emissions. But as Matthias explained, there are other countries, such as the United Kingdom and Germany, which are well ahead of their targets and which can even this up in the union as a whole.

But the position has been fully negotiated and fully thought through. I would just add, because I didn't say it in my opening statement, that speaking for the United Kingdom, we took on a target of 12.5% improvement on 1990 by 2012. We're at the moment on target to deliver probably exactly double that by 2012. I think we'll be 25% below 1990. We've committed to 34% by 2020 or 43% in the context of an international agreement if there can be an international agreement at Copenhagen.

Mr. David McGuinty: So any European Union citizen can get online and, the last time I checked, check over 1,000 pages of analysis, documentation, targets, plans, calculations, and modelling, all of which has been delivered up well in advance of the Copenhagen round of negotiations. That's my recollection, having looked at the EU site not too long ago, Ambassador, so I'm assuming that's what you are implying by having a plan, having that plan delivered up to 27 nation-states under the rubric of the EU, and having all of that fulsomely done in advance of the Copenhagen round.

Can I go to a second theme for your advice? There's a lot of talk from some quarters in this country and elsewhere. The most prominent spokespersons who put forward a view that I'm going to

repeat are very hard-right Republican senators in the United States Senate, but there is a position out there that it is impossible to have a true and verifiable international credit system. Both of you have spoken to it in your remarks about the verifiability, the measurability, and even the sincerity of those credits.

In this nation, not to get into detailed debate, it is the view of one party that international credits shall not form a part of our plan and shall not be even considered in the context of Copenhagen negotiations. Is it your experience that this view is a mature view and lines up with the preponderance of international practice and opinion?

• (1200)

His Excellency Anthony Joyce Cary: The position of the British government is that in order to drive the transition that we believe is needed nationally, one way or another we have to price carbon into the national economy and into the international economy. We believe that carbon trading is one important tool for that purpose, but not the only one. We think it probably needs to be balanced also with levies of different kinds, and we have a climate change levy and other regulation to drive change.

But we think the price instrument is one important mechanism for driving the change, and we certainly believe that carbon trading is a useful mechanism. We already have a European trading scheme, which is trading more than \$100 billion now, so it's a big market.

What I would also say is that up to now it has not been a very successful market. I think critics are right to say that the early experience of the European trading scheme has been mixed at best, if not bad. In the early stages, far too many permits were issued, so there was a collapse of the market. The Russian economy didn't develop as they had hoped, so they found themselves with a lot of sovereign credits that got dumped into the market.

We launched the second iteration two years ago. That created a much firmer price. We reduced the number of permits in the market, but that too.... The price has now gone down to roughly \$20 a tonne as a result of a lot of people needing to get cash because of their cash positions being weak in the recession. They dumped a lot of credits into the market, and the price has fallen to \$20. I think we're probably going to have to prop up the price through levies and other mechanisms.

But we're hoping that in the third iteration of the scheme we can have a fully auctioned system that will harden up the price. We certainly think the price at the moment is not high enough in itself to drive the transition that's needed; nevertheless, carbon trading is an important tool.

The Chair: Thank you. Time has expired.

Mr. Brinkmann, if you can, just give a very brief reply. We are on a tight time schedule, because this room is spoken for at one o'clock. If we want to get around and have everybody have fair comment, please be very brief.

His Excellency Matthias Brinkmann: Okay, very briefly, just to make clear what our position on this carbon market is, we think we should develop an OECD-wide carbon market based on an internationally linked cap and trade system by 2015 and then expand to economically more advanced developing countries by 2020.

[Translation]

The Chair: Mr. Bigras, for seven minutes.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Thank you very much, Mr. Chair.

I would like to thank our witnesses who introduced us this morning to what I would qualify as a refreshing view. Furthermore this view comes in addition to the Chinese and American statements calling for a comprehensive and immediate agreement. It shows, I think, that Copenhagen cannot fail if the industrialized countries decide to seat around a table. And Canada is one of these countries.

I have a simple question: what do you expect from Canada at the next UN Conference of the Parties to the Climate Change Convention?

• (1205)

[English]

The Chair: Gentlemen, you can answer that the way you feel comfortable.

His Excellency Anthony Joyce Cary: I didn't intend to comment on Canadian policy, but I would say that at the G8, Canada already agreed that the world should strive to keep temperature increases in industrialized countries to two degrees. And that certainly implies very radical policies.

[Translation]

His Excellency Matthias Brinkmann: I have already explained what we expect from the industrialized and OECD countries, and Canada is obviously a member of these two groups.

Mr. Bernard Bigras: From what I gather, it means that the industrialized countries, including Canada, would have to aim at a 25% reduction target by 2020 based on the 1990 levels.

I have a second question. Would you say that 1990, taken as the base year—and I know that all kinds of base years have been tossed around, like 2005 and 2006—is fundamental for the European Union and if so can you tell us why?

[English]

His Excellency Anthony Joyce Cary: Well, the Kyoto Convention was based on 1990 as the base year. For the sake of consistency, those who wish to see the next stage of the international framework being built on Kyoto, being an extension of Kyoto, would, for consistency's sake, like to keep 1990. For our part, the U.K. is continuing to use 1990 as the base year from which it calculates the contributions it's making.

His Excellency Matthias Brinkmann: As I have explained, that's for us, for developed countries, but for developing countries it is as compared to business as usual. So it's no different.

[Translation]

Mr. Bernard Bigras: As to the carbon market, the doomsayers would be tempted to say that the European experience proves that such a market does not work. You were one of the groups that developed this market which is much to your credit.

The problem in this case is not necessarily with the system per se but rather with the way allocations were managed over the past few years. What have you done so far? What do you intend to do so that, through these allocations, we can get a fairer price and have an efficient tool to meet the greenhouse gas emissions reduction targets? Could you give us an example that we could apply to the development of an efficient North American market?

[English]

His Excellency Anthony Joyce Cary: As I said, in the third iteration of the European scheme, we hope to have a fully auctioned system, and I think that is the best way of managing the allocation, because then the market can determine how that allocation should be made. It depends on how much people are willing to pay for the permits. In that way, the allocation is driven by market expectations, and that would be the best way of doing it.

As I said in the early stages, we had too much permit put into the market, which meant that we had weakness in the market, but we have a second problem, I would say, in Europe. There is some uncertainty about the right of the European Commission to limit the allocations given to member states, and we have two member states that have brought a case against the European Commission, saying it has been too aggressive in reducing their allocations. That case is still being heard in the European Court of Justice. The first judgment was against the commission, and if the commission loses that case, that could be very damaging to the market if countries are able to increase their allocations.

I won't go on much longer, but one other point I would make is that there are undoubtedly problems with carbon markets. You get people who are looking to “game” the system and are going into this as a profit-making opportunity by acting as brokers and middlemen and so on—I wouldn't say manipulating the market, but at least trying to find a rent-taking position within the market. I think we should be honest about that. That is a problem with carbon markets and something we have to be very careful about. I would also say there's been a problem in the early rounds with the auditing of things like the clean development mechanism, which we need again in the next stages of developing an international framework. We need much better monitoring, verification, and reporting so that we can be more confident about the basis for the market.

• (1210)

The Chair: Okay.

His Excellency Matthias Brinkmann: Of course, this is pretty new. It's a learning-by-doing process. In addition to what you mentioned, there are also other programs. There are unused credits, for example, by some countries from the Kyoto Protocol. That ought to be addressed. Two-thirds of that surplus belongs to Russia and to Ukraine, for example, and the rest to Eastern European member states. We are aware of that, but all this needs to be addressed. But that's not a reason not to do it.

[Translation]

Mr. Bernard Bigras: I have a last question.

The Chair: You will have to make it short.

Mr. Bernard Bigras: What would you consider as a fair contribution so that the industrialized countries would help the developing countries in the context of the climate change adaptation? It is expressed as a GDP percentage.

Is it 3 to 4% of the GDP? What kind of contribution by the industrialized countries, under the climate change adaptation scheme, would you consider as a good starting point to the negotiations?

[English]

The Chair: Ambassadors, perhaps you could give us a very brief response.

His Excellency Anthony Joyce Cary: I'm afraid I'm really not enough of an expert to answer that. I'm not close enough to the negotiation. I do know that we want to have a sort of key that would be based on capacity to pay and also the cost of mitigation, which would be different for different countries. For some countries there will be quite easy opportunities to mitigate, and for others it will be more expensive. Whatever key we have needs to take account of that and also take account of those who've already taken early domestic action and those who haven't. That also needs to be included in the calculation—and population trends.

The Chair: Thank you, High Commissioner.

We're going to continue on.

Ms. Duncan, you have the floor.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Thank you, Mr. Chair.

I want to thank you both, Your Excellencies, for appearing. I'm absolutely delighted to see you here and I want to personally commend both the European Union and the United Kingdom for your incredible dedication to this issue.

I would like to ask Ambassador Cary this. Thank you for the excellent overview of all the initiatives in the United Kingdom. I'm wondering if it's possible, if you have copies available online of those specific documents, to make those available to the committee. I know I certainly I would welcome the opportunity to look at them.

His Excellency Anthony Joyce Cary: I set out at the back of the paper a list of websites from which you will be able to download the particular documents.

Ms. Linda Duncan: If there are any of those you would particularly like to make available to us—for example, the national security strategy—I would be immensely interested in reviewing that.

I'm going to have very little time to ask you questions and I look forward to the opportunity to follow up outside of the committee to pursue more.

First of all, my question is to Ambassador Brinkmann. Am I to understand that the European Union has actually issued a binding directive for all of the member states in setting these targets?

His Excellency Matthias Brinkmann: It's not by way of a directive. For the time being, these are targets for the negotiations in Copenhagen. That's our position, and we will negotiate along these lines.

Later on, once we have an agreement—hopefully—it will be transposed into *acquis*, as we call it, in community legislation. Whether it's by directive or by regulation remains to be seen. We have the carbon market already. We've built on the Kyoto Protocol. In terms of implementation, there will be legally binding instruments internally.

Ms. Linda Duncan: Thus far, it's the member states that have or have not issued binding targets. In addition to the United Kingdom, how many other members of the European Union have actually issued binding targets in law?

His Excellency Matthias Brinkmann: As for the European Union, we have set these overall binding targets for ourselves. How we distribute that amongst ourselves is still to be seen. I cannot speak for individual member countries; I don't know.

• (1215)

Ms. Linda Duncan: So you're not aware.

His Excellency Matthias Brinkmann: No.

Ms. Linda Duncan: Okay.

Ambassador Cary, it's absolutely stunning what you've presented to us here, and very illustrative of the frameworks. It sets an incredible map for the kinds of instruments that can be used.

I'm particularly interested in your national security strategy. It seems to mirror the direction the United States has gone in, including under the Bush regime, where they've put together national security with climate change. I'm wondering if you could give us a little bit more detail out of this framework of the climate change act, various initiatives on housing and so forth. Can you tell us specific initiatives under that framework that are already under way in the United Kingdom to actually begin to meet these targets?

In other words, you have legislation on the books, but are there initiatives already under way pursuant to those laws and policies?

His Excellency Anthony Joyce Cary: Yes, there certainly are.

One example would be the renewables obligation. All utilities in the United Kingdom now must have a rising percentage of renewable energy in their energy mix. Every year, that goes up by 1%.

We start from a very different position than Canada does. We have almost no hydro, and we depended very heavily on coal 20 years ago. So we start from less than 2% renewable, whereas I think Canada is at around 70%.

But we are driving that up as fast as we can, and that's being done through a renewables obligation. There's an obligation on utilities to have a rising percentage. They combine that energy, too; they can get some government subvention for energy that's created with renewable energy.

That has done a lot to stimulate the market. People producing renewable energy, whether it's solar or wind or tidal or biomass, know that they have a ready market for that and will be able to sell it, and sell it at well above normal market price. That is already driving behaviour.

Ms. Linda Duncan: I understand you also have a number of energy efficiency mechanisms for housing and building. Is that also driven by legislation?

His Excellency Anthony Joyce Cary: That's not yet driven by legislation. There was a consultative document suggesting that all newly built housing should operate as carbon neutral by 2016. That went out for consultation.

On the basis of the consultation, the government then produced a policy statement, called "Building a Greener Future", that confirmed their intention that all houses should be carbon neutral by 2016, with a progressive tightening of building regulation by 25% in 2010 and by 44% in 2013.

As far as I know, the legislation for that is still to be put through Parliament.

Ms. Linda Duncan: Thank you.

We all were made aware yesterday of the new agreements between the United States government and China that set out a framework for how they're going to work together towards cleaner energy, cleaner electricity, cleaner vehicles, and exchange of technology. Has the United Kingdom or has the European Union pursued similar-type agreements with China or with any of the other "developing nations"?

His Excellency Anthony Joyce Cary: I'll perhaps answer first.

We have a near-zero utility, which we're doing as a joint project with China, in China. We originally were aiming to have that up and running and fully on stream by 2020. The Chinese came back to us earlier this year and said they wanted it up and running by 2014.

So the Chinese now are the ones who are pushing us to move faster on this. I think they see enormous potential and opportunities in developing carbon capture technology. I think that's why they were interested in a faster delivery of that near-zero utility.

Ms. Linda Duncan: Ambassador Brinkmann.

His Excellency Matthias Brinkmann: Yes. The EU has a number of agreements on science and technology, research, and so on with developing countries, but we think it's important that the private sector be engaged in that. That's why we think technology cooperation and research and development must be substantially scaled up. At the same time, we believe it is important to maintain intellectual property rights because that stimulates research being done, and also you can then have market-specific rules for the intellectual property rights so that you can differentiate prices.

• (1220)

The Chair: Thank you. Your time has expired. It goes by fast when you're having fun.

Mr. Warawa, you're batting cleanup in the first round.

Mr. Mark Warawa (Langley, CPC): Thank you, Mr. Chair.

Thank you, Your Excellencies. I appreciate your being here.

As you know, the committee has been looking at a private member's bill, Bill C-311, but your comments today are focused more on the general issue of climate change and the negotiations for a new international agreement on climate change as we approach Copenhagen, which is just weeks away.

I'd like to focus, first of all, on a collective position of the EU and the U.K. as part of that collective position's targets. What is the importance of having a collective position? What would be the disadvantage of each of the 27 countries having their own position on climate change?

His Excellency Anthony Joyce Cary: I think the whole basis for the European Union is that we have tried, as a collection of countries, to identify our common interests and to develop policy together to meet our common interests. Just as within a country you may have one region that is very well able to meet the target and another region that won't, but as a country you're able to meet the target because you can balance those against each other, so within the European Union we have some still developing countries that are still growing parts of their economy that are going to be very carbon-intensive, and we have others that are in a different position, so we can balance out. As a union, we can deliver certain targets that we can agree on between ourselves, and we can then, through an internal negotiation, work out how we are going to divvy that up. I think it's much more effective if we can act together for that reason.

His Excellency Matthias Brinkmann: I think the basic rule of why we are doing all this is because we have an internal market. The European Union is like one country. It could be Canada with its provinces, and we can compare it like that. We have one market, and we need to have a level playing field. That's why we join sovereignty and decide collectively on overall goals and legislation in general. That's the reason.

Mr. Mark Warawa: I think it's important, because there's a principle I'd like to share. Your economies are linked. You even have a common currency. You're intricately linked, except the U.K., of course, which has its own currency. But Europe as a whole is very much linked.

I'm sure you're aware of our number one trading partner, and that's our neighbour to the south, the United States. Our economies are linked. As of last year, we have a new President in the United States, President Obama. Since his election, there has been ongoing work on climate change. A clean energy dialogue has been ongoing. Canada's position now is that we have a continental approach to climate change, as Europe has a continental approach, because our economies are linked. We have an ongoing commitment to a more efficient electricity grid, so that all the renewable types of energy used can be connected, and to a continental cap and trade system. Negotiations are ongoing.

Europe has its target. And different countries, as you've shared, have different challenges. Not all countries are able to meet these targets, but collectively they are. Also, as we approach the new international agreement, it has to be fair and practical. It is a very important issue that as a world, a global agreement, a framework, is achieved so we can all tackle the issue of climate change.

Canada's position is that we do it continentally, as Europe is doing it continentally. And the targets have to be fair.

I'd like to ask you where the developing countries play into this new international agreement. Again, in the spirit of fairness, it's not possible.... We've been discussing the issue of climate change in committee, in the House, for a number of years, and we realize that it is a very important and critical issue that has to be dealt with properly. Without all the major emitters participating, we cannot reduce greenhouse gas emissions globally. We've heard that from the scientists. So all the major emitters have to be participating in some way.

The EU is asking developing countries to limit their emission growth to about 15% to 30% below business-as-usual levels by 2020. Do you have views on how developing countries should share that responsibility to meet that aggregate target?

• (1225)

His Excellency Anthony Joyce Cary: That's a matter for negotiation. You would have to look at different countries and what they're able to contribute and what would be reasonable as an equivalent effort.

Without commenting at all on Canadian policy, I would just say that I think that Europe at Kyoto was prepared to proceed with the commitments it had made, despite the fact that the U.S., in the end, was unable to ratify the agreement and that China and others were not a part of it. There were some who said that this would be a ruinous thing to do and that we would be fools to follow through on our Kyoto commitments. But we believe it was a necessary thing for the world and that somebody had to start this process. We couldn't all wait until everybody moved together, because it wasn't going to happen. Somebody had to create the momentum and get the thing going.

I think that although we do act as a single union and move together and have a single target as a union, the individual countries still have national plans and are driving them, because they believe it to be necessary, not simply because they're going to wait for the rest of the European Union and move only when the rest move.

His Excellency Matthias Brinkmann: If I may also agree with Anthony, in my country, Germany, we also are very ambitious and see this not as a burden but rather as an opportunity. The business community fully subscribes to the policies of the government, and they see a chance to prepare for markets of green technology, green energy production, and so on. There's vibrant and vivid technology research being done in Germany. Individual member states can very well go further and announce further targets that are more ambitious than what has been collectively agreed to.

The Chair: Your time has expired. Thank you very much.

We're going to go into our five-minute round. I'm going to keep you right on five minutes, because we don't have a lot of extra time and we want to make sure everybody gets a chance to ask their questions.

Mr. Scarpaleggia, perhaps you could start.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Thank you very much, and welcome.

I'm just trying to wrap my mind around your process. So you have a target going into the negotiations. It's a binding target. Correct?

A witness: Yes.

Mr. Francis Scarpaleggia: The individual country targets will be developed later on through negotiation within the EU. Is that correct?

Witnesses: Yes.

Mr. Francis Scarpaleggia: So then the naive question is, who does your EU-wide target bind? It's binding on whom? In other words, if the 27 countries haven't agreed to individual country targets, who is the EU's target binding on?

My second question is kind of a related question: When you say it's binding, does that mean there's no negotiation, that you will not be negotiating your binding EU target whatsoever in response to what other countries might come up with?

His Excellency Anthony Joyce Cary: Perhaps I could answer first.

We've already agreed that we will offer 20% by 2020 in the context of an international agreement. If there can be an ambitious agreement in Copenhagen, then we've said that we will want to increase that to 30%. So we will be affected by the ambition of the outcome from Copenhagen.

On the question of who it binds, it binds the European Union. Within the next two weeks, the Treaty of Lisbon is going to come into force and the European Union will have a legal personality. But we are taking on a commitment as a union, and then through our national policies we will aim to deliver on that together. If the European Union finds that the overall target is not being achieved, then the heads of government will meet and will have to decide on who will have to make a bigger national effort.

• (1230)

Mr. Francis Scarpaleggia: That sounds like a very complicated negotiating process.

A witness: That's how we live.

Mr. Francis Scarpaleggia: Again, a naive question: how do you know that 27 entities will come to an agreement on individual targets? That's one question.

The other question is, will there be cross-subsidization from one country to another? For example, if there's a country that's weaker or less able to achieve an ambitious target, would there be some kind of fiscal cross-border assistance from one country to another?

In Canada, when we talk about reaching the 2020 target of a 25% reduction below 1990 levels, there's always the caveat that there would have to be redistribution of income. For example, a certain percentage of moneys raised from the oil sands would remain in Alberta. So you'd have subsidies to one part of the country that wouldn't apply across the country in order to achieve this idea of keeping a certain amount of money in a certain region. Is that the kind of model you'll be dealing with, or is just going to be emissions credit trading and that's it?

His Excellency Anthony Joyce Cary: We have within the European Union a regional fund that isn't specific to climate change or to the carbon market but seeks, through having a central part, sort of an equalization mechanism and distributes money to those in need of additional federal funds to manage their development. No doubt there may be a chapter opened within the regional fund that would be specific to the undertakings that the union is making on carbon, but that hasn't yet happened and we'll have to see how that develops.

His Excellency Matthias Brinkmann: We not only have the regional fund, we also have the cohesion fund and other funds. So there is a certain kind of redistribution. We have net contributors and net receivers in the European Union, and that is a continuous process.

Mr. Francis Scarpaleggia: You negotiate those—

The Chair: Your time has expired, unfortunately, Mr. Scarpaleggia.

Mr. Woodworth, five minutes or less.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Thank you very much, Mr. Chair.

Thank you, Your Excellencies, for attending here today. I know that the world of diplomacy is a delicate place to be, and I commend you on the manner in which you presented yourselves.

I'd like to begin by picking up on a statement that you made, Mr. Brinkmann, that the EU is one market and therefore you need a level playing field. I'm old enough to remember when the EU was the European Common Market. So when you say that, I think in terms of an economic market. Is that what you meant when you said it was one market, an economic market, and therefore you need a level playing field?

His Excellency Matthias Brinkmann: Yes, of course. It all started out by economics. Now we also have a political community.

So we have one economic market, certainly, but that's only part of what the European Union is.

Mr. Stephen Woodworth: Understood. But that common economic market means the fluidity of movement of employers and employees across borders. So when you said that it was one market and therefore a level playing field was needed, I was thinking of the issue of leakage, if I can use that term. That is, if the price for emissions is greater in Germany than it is in France, there might be a danger that German employers will move to France in order to take advantage of lower emission rates. Is that the kind of level playing field that we're talking about, where every sector, every employer, has the same rules to play by so there's no advantage in going to one country or another?

• (1235)

His Excellency Matthias Brinkmann: First, as to the internal market, we have what we call the four freedoms: freedom of movement of people, goods, services, and capital. Concerning the carbon market, the price of carbon is established by the system, so there is auctioning going on. I understand the market forces see to it that it's the same price, but I'm not a specialist.

Mr. Stephen Woodworth: I want to understand the logic that, if you did have different prices in different countries, that would create a potential economic problem for countries. Do you agree with that, Mr. Brinkmann?

His Excellency Matthias Brinkmann: Yes, of course. It's a huge market of 500 million people, so I don't know if there are differences in carbon prices, but in consumer goods prices and so on there are market forces at play.

His Excellency Anthony Joyce Cary: There are also differences because there are national regulations that differ, which in effect increase the price of carbon in a particular national jurisdiction because there are carbon levies and so on in addition to the price established by the market. So you are right that investment will tend to be driven by where people see the most advantage and possibilities for profit.

Mr. Stephen Woodworth: So to level the playing field, you have to either try to level those incentives or disincentives or else you have to get subsidies here and there. Is that correct? I'm going back to Mr. Brinkmann's comment about leveling the playing field. Am I getting it correct?

His Excellency Matthias Brinkmann: Subsidies are strictly controlled both nationally and at the European Union level. So subsidies must be justified and they are controlled by the European Commission and then eventually by the Court of Justice. So it's not so that a national government could unilaterally decide to give the subsidies to their own industry.

Mr. Stephen Woodworth: It is European-wide. Do you understand that the North American economy between Canada and the United States is also highly integrated? Would you agree with the comment that the same kind of level playing field needs to be worked out on a North American economic basis as you have in Europe?

His Excellency Anthony Joyce Cary: I think that's a matter for North America.

Mr. Stephen Woodworth: As I understand it, the issue around climate change is human activity causing emissions. Do you agree with that?

His Excellency Anthony Joyce Cary: I think that human causation is a factor, and scientists are still determining how great a factor. There are some who think it's a very important driving factor and some who would say it's a less important driving factor, but I think there's very wide agreement that it's a factor.

Mr. Stephen Woodworth: All other things being equal, more people probably mean more emissions, correct?

His Excellency Anthony Joyce Cary: Certainly, yes.

Mr. Stephen Woodworth: And population growth therefore probably makes emission control a little more challenging. Would that be correct?

His Excellency Anthony Joyce Cary: Definitely.

The Chair: Your time has expired, Mr. Woodworth. You're just getting rolling, I can see.

His Excellency Anthony Joyce Cary: I agree.

[Translation]

The Chair: Mr. Ouellet, please.

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Thank you, Mr. Chair.

Thank you for coming and for enlightening us with your testimonies.

Let me go come back to the regional or territorial approach that you mentioned earlier. As it is now, some want us to believe that we must absolutely adopt the American targets. However, last weekend, I spent the whole afternoon with the members of a Mexican delegation talking about environment, and we even carried the discussion over the next day. So we cannot speak in terms of a North-American approach. As far as I am concerned it is a Canadian approach, period.

You keep on referring to the global approach, and I think that this is what we should be aiming for. We should set global targets. It is in this spirit that we will be meeting in Denmark in fifteen days from now. We must stop thinking only about ourselves and in terms of our next-door market.

I would like to know if together with the 27 European states you decided to set your targets based on the least able or least willing countries or rather on the most progressive ones.

• (1240)

[English]

His Excellency Anthony Joyce Cary: I'm not sure I entirely understood the question. When we made the European targets, you're asking did we take into account—

Mr. Christian Ouellet: The lowest or the highest country. You said a while ago that various countries are not at the same level of possibilities. Which one did you choose? Did you choose to lower everybody to the lowest one or to bring them all up to the highest?

His Excellency Anthony Joyce Cary: The target we've chosen is not driven by comparing what others can do. It is driven by what the scientists are telling us. In the UN climate change conference, they

are telling us that two degrees is the maximum level that we can allow the world to warm up without very dangerous security implications that would lead to extreme weather events, mass migrations, and crop failures. If we want two degrees, scientists agree that this means we have to have at least a 50% reduction on 1990 by 2050. In the case of the developed countries, that means we must take on between 80% and 95% of the reductions. So our target is not driven by comparing the highest or the lowest in other countries; it is driven by the science.

[Translation]

Mr. Christian Ouellet: Don't you think that your goal, which is to keep the global temperatures rise within two degrees Celcius, will impact people's way of life, that they will choose different means of transportation?

The fact is that we have been told again and again that, in Europe and particularly in Denmark, gasoline and motor car taxes are expensive. Don't you foresee a change in lifestyle, mainly in transportation and other areas?

His Excellency Matthias Brinkmann: Of course, and it is already the case because of the costs of electricity, oil and gas, among others, that are a lot higher over there. We have always have small cars; we turn off building lights, ride on bicycles, etc.

[English]

The behaviour of the people is changing all the time.

[Translation]

Mr. Christian Ouellet: Would you say that this change in lifestyle has led to a reduction in greenhouse gas emissions since 1990?

His Excellency Matthias Brinkmann: No doubt about it.

Mr. Christian Ouellet: All right.

[English]

His Excellency Anthony Joyce Cary: On changing lifestyles, I sometimes feel there's a sense that change is bound to lead to a lower standard of living, that if the price of gas doubles people will be only half as happy. My impression from living in Sweden, where there was a very high energy price, was that people actually lived extremely well. They just have a different basket—

Mr. Christian Ouellet: Mark, you should listen.

His Excellency Anthony Joyce Cary: —of goods that they spend their money on. And so they have different weightings on different parts of their spending. That means it changes the way they live, but it certainly isn't the worst way to live; it's a different way to live.

[Translation]

The Chair: Thank you very much.

Your time has expired, Mr. Ouellet.

[English]

Mr. Calkins, you're on.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

I've certainly been listening with great interest to the testimony of the witnesses here today.

I wanted to start off by letting you know I'm the chair of the Canada-Poland Parliamentary Friendship Group. I had an opportunity to visit Poland recently. Poland was brought up in earlier discussions, and it was lamented that Poland is still lagging. They're pursuing economic union development, but they're still reliant quite heavily on their carbon technology.

But I also found it quite interesting that Poland is actually the only country in the European Union, given its current state of technology, that has positive GDP growth and a falling unemployment rate. I'm wondering if there's any correlation between the two, and if either of you would like to comment on that. It's the only country that hasn't adopted a wide range of these environmental targets at this point in time.

His Excellency Anthony Joyce Cary: I certainly understand that Poland is still very heavily dependent on coal, which is not its fault—we're also very heavily dependent on coal, and we're all having to manage a transition. I think the reason for its GDP growth is no doubt related to the rate at which it's managing the transition, but it too accepts that it needs to manage a processing transition. The whole world economy needs to manage that process of transition, and the European Union is already committed to it.

• (1245)

Mr. Blaine Calkins: Also in your briefing, Your Excellency Cary, if I go to page 2 and the end of page 1, you talked about how in October 2008...and you brought this up in your testimony:

In October 2008 the UK Department of Energy and Climate Change (DECC) was created, bringing together:

- energy policy (previously with the Department for Business, Innovation & Skills), and;
- climate change mitigation policy (previously with the Department for Environment, Food and Rural Affairs).

The overall objectives of this new Department are:

- to ensure that our energy is secure, affordable and efficient;
- to bring about the transition to a low-carbon Britain; and
- to secure an effective international agreement on climate change.

Given the fact that you brought together climate change mitigation policy, none of your overall objectives actually talk anything about climate change mitigation policy, unless I'm not reading something in there. Is mitigation policy enveloped in one of those three objectives that I'm missing?

His Excellency Anthony Joyce Cary: I think the transition to a low-carbon Britain implies mitigation. That's what we mean by a low-carbon Britain. It means with much lower emissions.

Mr. Blaine Calkins: All right, no problem. I'm not sure that we're using the same definition of mitigation or adaptive measures, but that's quite all right.

His Excellency Anthony Joyce Cary: I apologize if I use too much shorthand.

Mr. Blaine Calkins: No, that's quite all right. I just wanted some clarification. I think I understand.

The thing I do want to stress, though, is this. I represent a riding in Alberta, which of course has been fixed in the crosshairs certainly with the oil sands. We rely quite heavily in Alberta as well on coal-fired electrical generation. We're transitioning, of course, as much as we can to wind energy. We don't have, of course, any coastal areas, so we don't have the ability to do tidal. We don't have a whole lot of rivers. We only have five major river basins in the province: not all of them are conducive to building hydroelectric. So it's a very difficult position for my province to be in to transition away from a carbon-based economy.

And we haven't had a whole lot of luck in recent years as a nation in negotiating with our largest trading partner, which is the United States. There has been a change, of course, in the United States, and I know you've been asked this question before. But it seems to me that the European Union, through its economic policies, has agreed that there is strength in numbers, and it only makes sense that the European Union countries come together to discuss items such as economic policies, such as environmental policy. It seems to be that the collective wisdom of the 27 countries in the European Union is served best when there is that cooperation and collaboration among those countries.

I know you're reluctant to comment on this, but if that were the case, it would only make sense for Canada to engage its North American partners and its largest economic partners in coming up with similar policies and objectives. Given the fact that we haven't had much cooperation with the previous U.S. administration—there seems to be a new level of cooperation with the recent change in the American administration—would you not suggest, as a friend of Canada, that it would seem to be in our best interest to have as many allies or as many collective trading partners as possible to protect Canada's interests?

His Excellency Anthony Joyce Cary: Luckily, I don't want to comment on Canadian policy. All I would say is that it is important that the whole world move forward, and quickly, and Canada is part of the world community.

The Chair: Thank you.

Ms. Hall Findlay, the floor is yours.

Ms. Martha Hall Findlay (Willowdale, Lib.): Thank you, Mr. Chair.

And thank you, Mr. Ambassador and High Commissioner, for being here. I also want to thank you for your leadership on this file over a number of years.

My questions relate more to the business perspective and the opportunities that the business community has seen in the U.K. Here in Canada, we have had a business community clamouring for a national policy. We have 10 provinces and three territories. I know that from your experience with the European Union you understand the challenges of coordinating many jurisdictions. I and my colleagues have heard many businesses say that they know something is coming and that they want us to help them determine what it is so they can form a plan, make a budget, and take advantage of future opportunities.

Could one or both of you give me some examples of businesses taking advantage of the opportunities created by your governments in their regulatory approaches to the environmental file? Has the business community seen these measures as a positive move?

• (1250)

His Excellency Anthony Joyce Cary: I would say that the whole clean technology business sector, which is one of the fastest-growing sectors in the European Union, is being driven by the sorts of things I was talking about, like the renewables obligation. They knew there was a growing market for any energy they could produce of that kind. The European Union is desperate to have it in order to meet the targets. This has driven very rapid growth in the clean technology businesses throughout the European Union. The one most often referred to is the wind power in Denmark, but it's true throughout the European Union, including in the United Kingdom.

His Excellency Matthias Brinkmann: You asked about what governments did. In my own country, in Germany, there have been incentives for wind energy, the insulation of buildings, and so on, and it has been widely used. It has helped industry a lot in going into these markets.

His Excellency Anthony Joyce Cary: I would like to quote one statistic I've just seen. We have now in the United Kingdom over 800,000 people employed in the low-carbon clean technology sectors, and we're aiming to have 1.2 million by 2015, so it's a very rapidly growing sector.

Ms. Martha Hall Findlay: Am I correct that most of the earlier fears about the challenges to the economy and business interests have been allayed in Europe? There were naysayers at one point, but in the U.K. and the European Union you seem to have turned that around significantly. You said that the business community is now encouraging this trend.

His Excellency Anthony Joyce Cary: In Britain, that is the case. One example that's often quoted in Britain is that the big car companies in America spent hundreds of millions of dollars lobbying to prevent emission controls, but in the end they were forced to spend hundreds of millions more against their own interests because they found themselves with uncompetitive products. In contrast, those who got ahead of the curve found themselves in a strong market position.

Ms. Martha Hall Findlay: It's tempting, but I'll refrain from commenting on the auto sector challenges.

I am also interested in hearing your comments about the carbon capture arrangement that the United Kingdom has with China, and the fact that it's China that has asked that this be moved to 2014. In this country, previous governments invested significantly in carbon capture technology, but we seem to have stalled in the last few years. What kind of investment has taken place in the U.K.?

I'm a bit upset that Canada hasn't been as involved as the U.K. in this effort with China. We have stalled on further investment in the last few years. Can you give me a bit of history on how you established that point and—

The Chair: I'm sorry to interrupt.

Mr. Warawa, you seem to have a point of order.

Mr. Mark Warawa: The statements of members in committee have to be accurate, and comments that carbon capture and storage technology has stalled in Canada are not true. We don't want to mislead anybody, and I believe this is a televised meeting.

Ms. Martha Hall Findlay: That's not a point of order.

The Chair: I do ask that we respect the diplomats who we have at the table. We don't want to be commenting on Canadian policies and politics.

We will give the floor back to you. You have actually less than four seconds left. I will add on 15 seconds for that interjection, so quickly get to your point.

Ms. Martha Hall Findlay: Thank you very much.

It's not a question about Canadian policy; it's in fact directly a question about U.K. policy. What has been done to establish that kind of leadership in carbon capture such that you're now doing the deal with China?

His Excellency Anthony Joyce Cary: I'm not sure that we have leadership. I think this is a technology where Canada has shown great leadership, and it has put a lot of money into trying to develop carbon capture. I think it's a hugely promising technology for Canada.

We are trying to put money into creating demonstration projects in Britain, and we are, as I said, also working with China and others. I think carbon capture is going to be a necessary technology for the world because so much of Chinese power is going to come from brown coal over the next two or three generations.

The Chair: Thank you very much.

We have six minutes and two committee members left to ask questions. I'm going to split it between the two of you, with three minutes each, if that's okay.

Mr. Watson.

• (1255)

Mr. Jeff Watson (Essex, CPC): That's fine, Mr. Chair. Thank you very much.

Thank you, of course, to our witnesses for appearing here today.

Mr. Brinkmann, I believe in your opening statement you used this terminology: "Science tells us that [developed countries] should reduce their collective emissions by 25% to 40% by 2020" from 1990 levels. Did I catch that correctly?

His Excellency Matthias Brinkmann: Yes.

Mr. Jeff Watson: I'm not going to ask you to comment on the specific testimony of Canadian scientists before this panel a few weeks ago, but the basis for differentiation of targets between developed and developing countries is the application of, if I understand it correctly, an equity interpretation. I did question Canadian scientists as to whether that's a standard scientific term, and they unanimously said it was not. So I just take issue.... Science may inform us in a certain direction, but there are other non-scientific applications applied to that particular decision.

You did also mention that the European Union has lowered its target. For the record and for Canadians who are watching, of course, and want to know, from what level in what baseline year to what level and what baseline year did you lower the European target?

His Excellency Matthias Brinkmann: As we said before, we took 1990 as the baseline because that was the basis of Kyoto. We stick to that. We always do our percentages on the basis of 1990.

Mr. Jeff Watson: So from what level to what level did you lower the EU target?

His Excellency Matthias Brinkmann: We did not lower any target. We set the targets that I have explained to you.

Mr. Jeff Watson: I thought the comment you made at the table was that the EU has lowered its target. What did I misunderstand in that?

His Excellency Anthony Joyce Cary: The EU has set a target of a 20% reduction on 1990 by 2020, but it said that in the context of an international agreement, it would aim to be more ambitious and to achieve a 30% target.

Mr. Jeff Watson: All right. I must have misheard you, then, Mr. Brinkmann. My apologies. I will defer the remaining time to Mr. Braid.

The Chair: You have four minutes, Mr. Braid.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you very much, Mr. Chair.

Thank you, Mr. Ambassador and Mr. High Commissioner, for being here today.

Mr. High Commissioner, if I could start with you, please, in the plan that you provided us today, the "UK Climate Change Policy", you indicate that by 2020, for example, you have a goal of creating 1.2 million green jobs.

I presume that some of those jobs have been created already on our way to 2020. Could you describe what those green jobs are and where they've been created? What is the nature of those jobs?

His Excellency Anthony Joyce Cary: As I said, there are about 800,000 such jobs. Some of those are in the technologies being developed for renewable energy. Many of them are going to be service jobs.

We already have people who are, for example, helping people to adapt their houses to lower their emissions, selling them cleaner boilers, selling them insulation, helping them to audit, putting in the metering that's going to be needed in people's houses so they know

how much energy they're using, and advising people on how best to manage the transition.

There are a lot of service jobs as well as manufacturing jobs.

Mr. Peter Braid: Very good.

If I understood you correctly earlier, I believe that, using 1990 as the base year, the U.K. has already reduced greenhouse gas emissions by 25%. Is that correct?

His Excellency Anthony Joyce Cary: We're on target for 25% by 2012. I think at the moment we're at about 22%.

Mr. Peter Braid: How have you done that? From what sectors of the economy have those reductions come?

His Excellency Anthony Joyce Cary: We've done it partly—and I don't claim any great virtue for this—because we were managing a transition anyway. We had been a very heavily coal-dependent economy and we were moving towards using more gas as a fuel because we were getting gas from the North Sea. We were able to convert to gas. We've also had some reduction in our manufacturing sector, so to some extent we have exported our problem with emissions to countries from which we're now importing goods.

So partly it has been happening anyway as a result of structural change in our economy, but I would say that it has also been driven because government policy has tried to move further and faster through the sorts of mechanisms I've described.

Mr. Peter Braid: Mr. Ambassador, could you quickly remind us who the non-member EU states are?

His Excellency Matthias Brinkmann: Non-member EU states?

Mr. Peter Braid: Yes.

His Excellency Matthias Brinkmann: The rest of Europe. You have Ukraine, the Balkan countries, parts of Switzerland and Norway—

Mr. Peter Braid: Very good.

How do you reconcile their targets for reducing greenhouse gas emissions and how do they participate in the overall consolidated European framework? How do you make sure they're doing their part?

● (1300)

His Excellency Matthias Brinkmann: They're not members of the European Union; they're sovereign countries, so they participate in the Copenhagen process and they'll have to bring their input there. They're not part of what I described as the EU position.

The Chair: Thank you very much, Mr. Braid.

I want to thank both Your Excellencies for coming. It's not often we have the heads of missions testify before committees. I do appreciate that all committee members treated you with courtesy and respect. On behalf of the committee, I would like to thank you for appearing.

With that, I'll entertain a motion to adjourn. So moved.

The meeting is adjourned.

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