



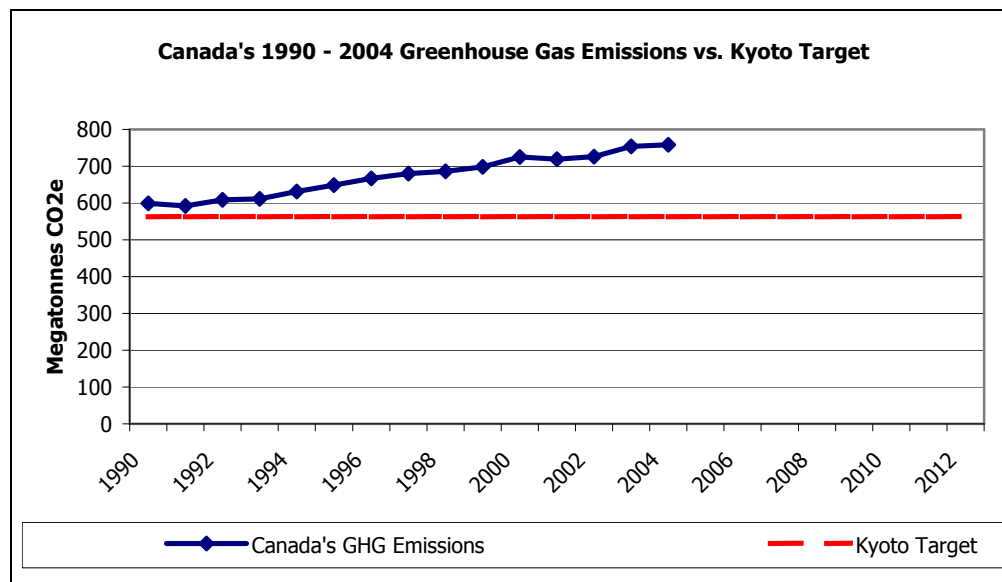
# Backgrounder

## The Kyoto Protocol & Canada's Contribution to Avoiding Dangerous Climate Change

The Kyoto Protocol is the first, and only, binding international agreement that sets targets to reduce the greenhouse gas emissions that cause climate change. More than 160 countries have ratified Kyoto, including countries representing over 55% of greenhouse gas (GHG) emissions from industrialized nations.

During the negotiations over the Kyoto Protocol in 1997, Canada agreed to reduce GHG emissions to 6% below 1990 levels during the 2008-2012 period. Other countries agreed to Canada's proposal to create an international carbon trading system that would allow Parties to meet a portion of Kyoto obligations through the purchase of accredited emission reduction credits.

Canada's emissions have increased from 599 megatonnes (MT) in 1990 to 758 MT in 2004 (the most recent year for which data are available). Over the five-year period, emissions must be an average of 563 MT, a reduction of about 200 MT per year. From today's levels, that would represent a 26% reduction.



A comprehensive plan of action is required to achieve these reductions, which addresses all aspects of energy production and use. As a first step, the government must cap emissions in line with Kyoto obligations and facilitate the development of a carbon market to provide the legal and economic motivation and a mechanism to drive and underwrite greenhouse gas reduction activity throughout the economy. Given the lack of domestic progress to date, Canada will almost certainly have to avail itself of the carbon trading compliance option it helped negotiate into the Kyoto Protocol. Any country that fails to meet its 2008 - 2012 target and cannot/does not purchase emission credits to make up the difference, must pay a penalty of a 1.3 tonne increase in the next round of reductions for every tonne it missed.

The recent Intergovernmental Panel on Climate Change report has clarified the acute and accelerating impact fossil fuel pollution is having on the planet's climate and ecosystems. To stabilize greenhouse gases and keep global warming under the two degree Celsius danger threshold will require reducing fossil fuel emissions by approximately 80% below 1990 levels by mid-century. Canada must work with other nations to meet and build on the Kyoto Protocol, which is acknowledged to be only the first step in the global effort to avoid dangerous climate change.