The Climate Policy Landscape in Canada

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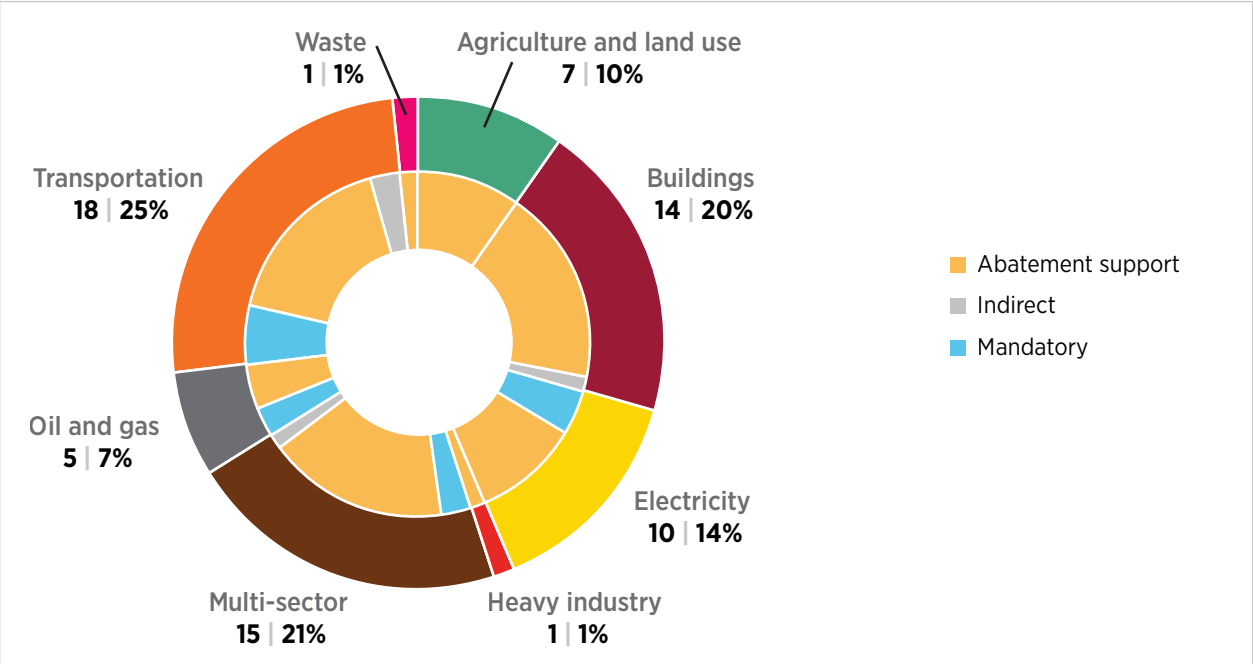
Of the 341 total emissions-reduction policies in the **Canadian Climate Policy Inventory**, the Government of Canada has implemented the largest number with 71 policies, or 21 per cent.

Figure 1 shows the policy instruments employed by the Government of Canada, categorizing them by sector. The inner ring highlights the share of instrument types—abatement support, indirect or mandatory—by sector, while the outer ring indicates the number and percentage of total policies targeting each sector.

Policies are classified by instrument type based on how they reduce emissions: mandatory, abatement support, and indirect. Mandatory policies impose a compulsory requirement on regulated parties (e.g., regulation). Abatement support policies incentivize voluntary adoption or development of lower emissions processes or products (e.g., consumer subsidies). Indirect policies do not require or directly incentivize abatement but nevertheless contribute to emissions abatement (e.g., enabling legislation and information). Mandatory policies are generally considered more effective in reducing emissions than opt-in abatement support or indirect policies.

Figure 1: Policy Instruments Employed by the Government of Canada by Sector



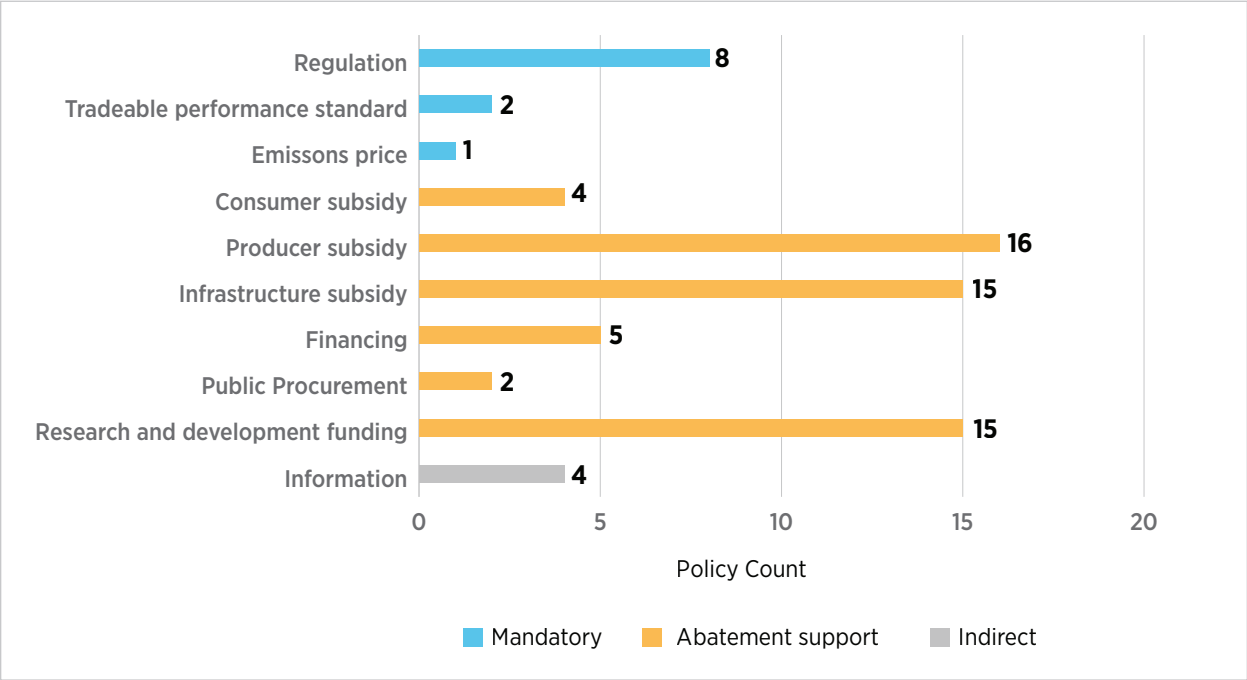
Source: Canadian Climate Policy Inventory, Version 3

KEY FACTS

- Carrots (abatement support) dominate compared with sticks (mandatory action) regarding the policy instruments employed by the Government of Canada. Carrots: e.g., the Clean Electricity Initiative. Sticks: e.g., the Output-Based Pricing System Regulations.
- Policies targeting the transportation, buildings and multi-sector account for most emissions-reduction policies (e.g., Clean Fuel Regulations).
- Most policies reduce emissions through improving energy efficiency and end-use fuel switching.
- The federal government has a roughly even mix of broadly applied policies that cover multiple sectors (e.g., the Federal Fuel Charge) and narrowly scoped policies that are technology or project specific (e.g., the Low Carbon Economy Fund).

In Figure 2, the chart displays the number of policies by the policy instrument applied to mitigate emissions.

Figure 2: Number of Policies by Instrument



Source: Canadian Climate Policy Inventory, Version 3

Note: Abatement support policies can be implemented using a combination of instruments, thus the total number of instruments is greater than the total number of the Government of Canada's policies.

ABOUT C2P2

The Canadian Climate Policy Partnership (C2P2), led by Dr. Jennifer Winter provides publicly accessible information on Canadian climate policies, supporting effective strategies to adapt and mitigate climate change, improving resilience, and helping Canada meet its net-zero emissions target.

Partners and funders include the Canadian Climate Institute, CIRANO (Centre Interuniversitaire de Recherche en Analyse des Organisations), the Government of British Columbia, the Government of Canada's Environmental Damages Fund, Mitacs, Quebec Net Positif, Royal Roads University, the Smart Prosperity Institute, the Social Sciences and Humanities Research Council, the Office of the Vice-President (Research) at the University of Calgary, and the School of Public Policy at the University of Calgary.