The Climate Policy Landscape in Canada

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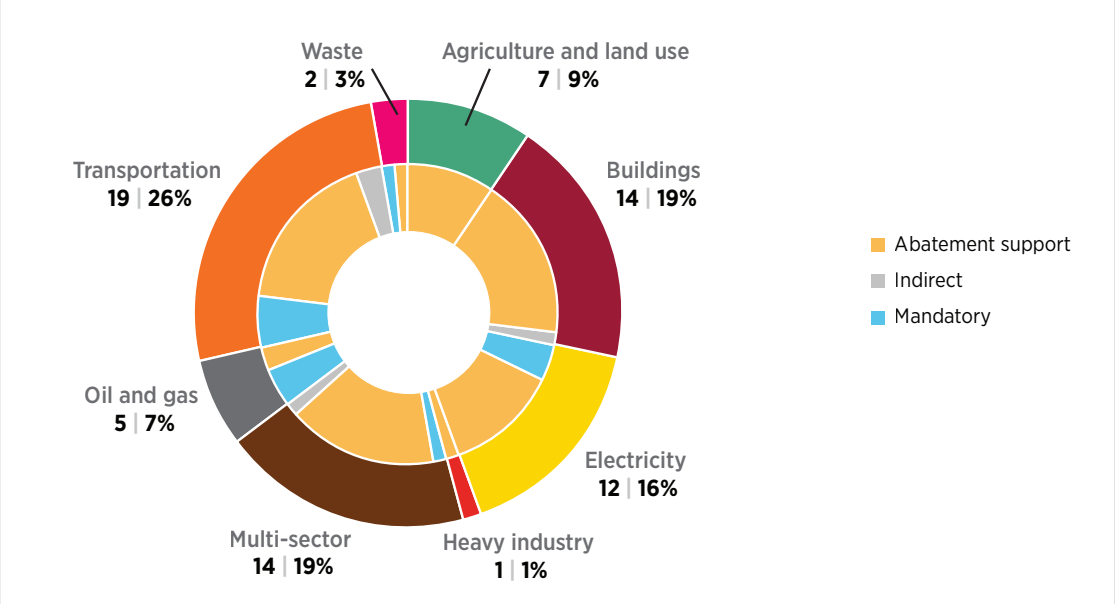
Of the 359 total emissions-reduction policies in the **Canadian Climate Policy Inventory**, the Government of Canada has the largest number with 74 active policies (20 per cent) and three inactive policies.

Figure 1 shows the active 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. Active policies are those currently requiring compliance or providing support, including policies that are proposed or announced. This category also includes abatement support policies (e.g., consumer subsidies) that are fully subscribed but still have ongoing projects. Inactive policies are those that have concluded as scheduled, or have been suspended or cancelled.

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



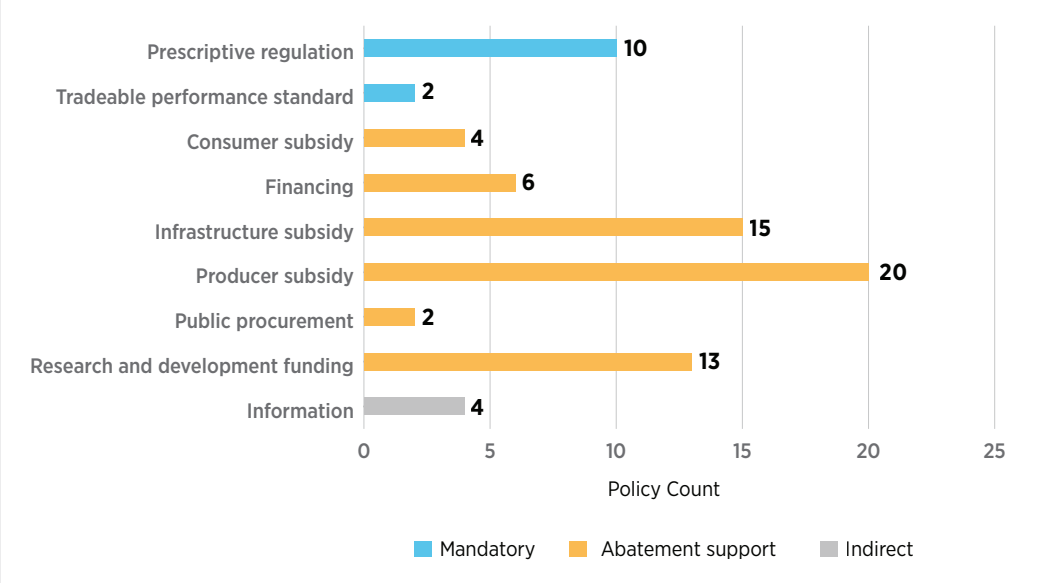
Source: Canadian Climate Policy Inventory, Version 6.
Note: This figure does not include inactive (cancelled, concluded, or suspended) policies.

KEY FACTS

- In Canada, carrots (abatement support) dominate instrument type when compared with sticks (mandatory action). Carrots: e.g., the Clean Electricity Initiative. Sticks: e.g., the Output-Based Pricing System Regulations.
- There are 65 implemented policies, with two proposed and two announced policies federally. Five policies have their funding allocated.
- Since publication of the first version of the C2P2 database in **August 2024**, four policies have been implemented, four policies have changed from implemented to funding allocated, two policies have concluded, and three have been cancelled. Eight new policies have been added.
- Most policies reduce emissions through improving energy efficiency and end-use fuel switching.
- Policies targeting the transportation and buildings sectors or multiple sectors account for most emissions-reduction policies (e.g., Clean Fuel Regulations).
- The federal government has a roughly even mix of broadly applied policies that cover multiple sectors (e.g., the Strategic Response Fund) and narrowly scoped policies that are technology or project-specific (e.g., the Low Carbon Economy Fund).

Figure 2 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 6.
Note: Abatement support policies can be implemented using a combination of instruments, making the total number of instruments greater than the total number of the Government of Canada's policies. This figure does not include inactive (cancelled, concluded, or suspended) 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 Alberta Real Estate Foundation, 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 Positive, 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.