



## Legislative Summary

# BILL C-12: AN ACT RESPECTING TRANSPARENCY AND ACCOUNTABILITY IN CANADA'S EFFORTS TO ACHIEVE NET-ZERO GREENHOUSE GAS EMISSIONS BY THE YEAR 2050

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For clarity of exposition, the legislative proposals set out in the bill described in this Legislative Summary are stated as if they had already been adopted or were in force. It is important to note, however, that bills may be amended during their consideration by the House of Commons and Senate, and have no force or effect unless and until they are passed by both houses of Parliament, receive Royal Assent, and come into force.

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*Legislative Summary of Bill C-12*  
(Legislative Summary)

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# LEGISLATIVE SUMMARY OF BILL C-12: AN ACT RESPECTING TRANSPARENCY AND ACCOUNTABILITY IN CANADA'S EFFORTS TO ACHIEVE NET-ZERO GREENHOUSE GAS EMISSIONS BY THE YEAR 2050

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## 1 BACKGROUND

Bill C-12, An Act respecting transparency and accountability in Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050 (short title: Canadian Net-Zero Emissions Accountability Act), was introduced in the House of Commons by the Minister of Environment and Climate Change on 19 November 2020.<sup>1</sup> **The bill was passed by both chambers of Parliament after being amended in the House of Commons, and it received Royal Assent on 29 June 2021.**

The bill requires the Government of Canada to set national targets for reducing greenhouse gas (GHG) emissions and establishes a planning, reporting and assessment process with the aim of achieving net-zero emissions by 2050.

### 1.1 GREENHOUSE GAS EMISSIONS AND CLIMATE CHANGE

GHGs are so named because they create a “greenhouse effect” that prevents some of the sun's heat from escaping the earth.<sup>2</sup> Since the industrial era, human activities have caused the emission of increasing quantities of GHGs into the atmosphere, contributing to a more significant greenhouse effect.

This human contribution to the greenhouse effect is warming the planet. According to scientists, the trend of rising global temperatures since the mid-20<sup>th</sup> century can be attributed to human activity.<sup>3</sup>

This warming is unprecedented. It is changing the earth's climate, in turn leading to less snow and ice, rising sea levels, more extreme weather events, increased desertification and other effects. These changes are affecting life across the planet, mostly negatively. Among other things, climate change threatens human health, livelihoods, food security and water supply, and biodiversity and ecosystems.<sup>4</sup>

### 1.2 NET ZERO

Reducing the emission of GHGs, or removing them from the atmosphere, can help to slow global warming and mitigate some of the effects of climate change.

In 2018, the Intergovernmental Panel on Climate Change – a United Nations (UN) body that analyzes the science of climate change – published a report on the effects of global warming of 1.5°C above pre-industrial levels. It concluded that, to limit warming to this level by 2100 and avoid the worst impacts of climate change, the world would have to achieve net-zero emissions by 2050.<sup>5</sup>

“Net zero” means a balance between emissions that are produced and those that are taken out of the atmosphere. It is not the same as “gross zero,” which means reducing emissions from all sources to zero.<sup>6</sup> To achieve net zero, GHG emissions should be reduced as much as possible, and remaining emissions must be balanced by removing an equal quantity of GHGs from the atmosphere.<sup>7</sup>

The Government of Canada has responded to the call to achieve net-zero emissions by 2050. The 2019 Speech from the Throne committed the government to this goal, and in its 2020 Speech from the Throne, the government announced its plan to legislate that target.<sup>8</sup>

### 1.3 CANADA'S GOALS TO REDUCE GREENHOUSE GAS EMISSIONS

Canada’s target for reducing GHG emissions is based on the goals of the *Paris Agreement*, which was negotiated by 196 countries as part of the *United Nations Framework Convention on Climate Change* (UNFCCC). The agreement’s long-term goal is to limit global warming to between 1.5°C and 2°C. To that end, Canada has committed to reducing its emissions to 40%–45% below 2005 levels by 2030.<sup>9</sup> The Government of Canada announced this new target in April 2021, revising an earlier target that Canada adopted in 2015.

In 2019, Environment and Climate Change Canada projected that the country was not making enough progress to meet its target.<sup>10</sup> Since then, the Government of Canada has adopted additional measures to reduce emissions. In December 2020, the federal government said that Canada was on track to reduce emissions to 32%–40% below 2005 levels by 2030.<sup>11</sup>

Canada has set goals to reduce its emissions in the past, but it has not achieved them:

- Under the 2009 *Copenhagen Accord*, Canada committed to reducing its GHG emissions to 17% below 2005 levels by 2020.<sup>12</sup> Canada’s emissions will be 3%–5% below 2005 levels in 2020.<sup>13</sup>
- Under the 1997 Kyoto Protocol, Canada committed to reducing its GHG emissions to 6% below 1990 levels by 2012.<sup>14</sup> Canada withdrew from the protocol in 2011, and the country’s emissions in 2012 were approximately 18% higher than in 1990.<sup>15</sup>

#### 1.4 CANADA'S REPORTING ON ITS RESPONSE TO CLIMATE CHANGE

As part of its commitment to the UNFCCC, Canada must report on its response to climate change. This reporting process includes three major documents:

- a national inventory report, submitted annually with a two-year time lag, outlining the country's sources of GHG emissions and the "sinks" that remove them from the atmosphere;<sup>16</sup>
- a biennial report, submitted every two years, summarizing the country's progress toward meeting its climate change goals; and
- a national communication, submitted every four years, providing additional information on the country's actions and progress toward its goals.<sup>17</sup>

#### 1.5 RELATED LEGISLATION AND PROPOSED LEGISLATION

##### 1.5.1 Canada

Parliament has considered other proposals to enact goals for reducing GHG emissions and to monitor the government's response to climate change. Those proposals were all private members' bills, rather than government bills.

- The *Kyoto Protocol Implementation Act*, enacted in 2007, required that the government publish an annual plan outlining measures to meet Canada's obligations under the Kyoto Protocol. That Act also required the Commissioner of the Environment and Sustainable Development (the Commissioner) and the National Round Table on the Environment and the Economy (the National Round Table) to analyze and report on Canada's progress. It was repealed in 2012.<sup>18</sup>
- First introduced in 2007, Bill C-377, An Act to ensure Canada assumes its responsibilities in preventing dangerous climate change, set a long-term emissions reduction target for 2050 and required the Government of Canada to set interim targets every five years from 2015 to 2045. The bill required the government to make annual statements on its progress. It also required the Commissioner and the National Round Table to assess the government's progress.<sup>19</sup> The bill was passed by the House of Commons but not by the Senate.<sup>20</sup>
- Introduced in February 2020, Bill C-215, An Act respecting Canada's fulfillment of its greenhouse gas emissions reduction obligations, would have committed Canada to achieving net-zero emissions by 2050 and required the government to establish interim emissions reduction targets every five years from 2025 to 2045. Bill C-215 also established that Canada's target for 2030 must equal or exceed the commitment it made under the *Paris Agreement*. It required that the government report annually on its progress and that the Commissioner review the government's reports. The bill was defeated at second reading.<sup>21</sup>

- Also introduced in February 2020, Bill C-232, An Act respecting a Climate Emergency Action Framework, required the government to develop and implement a “climate emergency action framework” to achieve the goals of the UNFCCC agreements and transition toward a green economy. The framework was required to uphold the principles of the *United Nations Declaration on the Rights of Indigenous Peoples*. Bill C-232 was also defeated at second reading.<sup>22</sup>

At the provincial level, British Columbia and Manitoba have adopted legislation requiring their respective governments to set GHG emissions reduction targets and to plan to meet those targets.<sup>23</sup>

#### 1.5.2 Other Countries

Several countries have adopted laws that set or require their governments to set emissions reduction targets, and that create frameworks to monitor and assess their governments’ progress.

Many of these laws are modelled after the United Kingdom (U.K.) *Climate Change Act 2008* (CCA), which defines the U.K. government’s duties to respond to climate change and indicates which parts of the government are responsible for which of those duties.<sup>24</sup>

The CCA set a long-term target for the U.K.’s emissions reductions – currently net zero by 2050 – and requires the U.K. government to set a series of five-year “carbon budgets.” A carbon budget is the maximum cumulative quantity of GHGs that may be emitted over a given period.

The U.K. government can amend its targets and budgets, but only after consulting other stakeholders. It must report to the U.K. Parliament on its plan to achieve the long-term target and respect its carbon budgets. It must also assess the risks associated with the impacts of climate change and develop plans to adapt.

The CCA established an independent committee to advise the U.K. government on its response to climate change. The committee reports to the U.K. Parliament on the government’s progress. Although the U.K. government must respond to those reports, there are no penalties if it fails to meet an emissions reduction target.

Countries that have adopted similar legislation to that of the U.K. include France, New Zealand and Sweden.<sup>25</sup>

## 2 DESCRIPTION AND ANALYSIS

Bill C-12 contains 29 clauses. This section discusses the key clauses.

### 2.1 SCOPE (CLAUSES 1 TO 5)

Clause 1 establishes the short title of Bill C-12 as the Canadian Net-Zero Emissions Accountability Act (the Act).

The purpose of the bill is to require the setting of targets to reduce GHG emissions, and to create a process for planning and assessing the progress the federal government makes toward achieving those targets (clause 4).

The bill outlines a long-term goal to achieve net-zero emissions by 2050 and establishes “milestone years” for interim targets. The milestone years are 2030, 2035, 2040 and 2045 (clause 2).

A federal minister is responsible for most of the tasks outlined in Bill C-12. The bill provides that this shall be the environment minister (clause 2), but the Governor in Council may designate any federal minister to undertake that role (clause 5).

### 2.2 TARGETS AND PLANS (CLAUSES 6 TO 13)

Bill C-12 requires the minister to set national targets for GHG emissions and make plans to achieve those targets.

The bill specifies that the national GHG emissions target for 2050 is net-zero emissions (clause 6). **The target for 2030 – the same target as in Canada’s commitment for that year under the *Paris Agreement* – is known as the country’s “nationally determined contribution” (clause 7(2)).**

The minister must also set GHG emissions targets for each milestone year. These targets must be set at least 10 years before the start of the relevant milestone year (clause 7). **The bill specifies the latest date on which each target may be published (clause 7(4)).**

When setting GHG emissions targets, the minister must consider **four factors: the best available scientific information, Canada’s international commitments regarding climate change, Indigenous knowledge and submissions from an independent advisory body created by the legislation** (clause 8).



**Within a year of setting each target, the minister must publish a high level description of the key measures that will help achieve these targets (clause 7(5)).**

The minister must then establish GHG emissions reduction plans to achieve each target (clause 9(1)).

The minister must establish the plan for 2030 within six months after the Act comes into force, with a possible 90-day extension (clauses 9(2) and 9(3)). **The plan must include an “interim greenhouse gas emissions objective” for 2026 (clause 9(2.1)). The reporting requirements for this interim objective are different than for the milestone years.**

The minister must establish subsequent plans at least five years before the start of each milestone year and 2050 (clause 9(4)).

The bill outlines specific information that must be included in each plan. Plans must contain the emissions target and describe the key measures that will be taken to achieve it, including any relevant sectoral strategies and strategies aimed at reducing GHG emissions that result from federal activities. Plans must also set out a timeline for these measures, provide information and make projections of Canada’s GHG emissions. They must include information about cooperation with other levels of government and explain how the plans contribute to the achieving net zero by 2050 (clauses 10(1), 10(2) and 10(3)).

The minister can amend the emissions reduction targets and plans, so long as the amendment is consistent with the purpose of the Act (clause 11). When setting or amending targets and plans, the minister must allow other parties to make submissions. **The government must then publish a report on the submissions it received** (clause 13).

### 2.3 REPORTING ON TARGETS (CLAUSES 14 TO 16)

Bill C-12 requires the Government of Canada to report on the progress it has made toward achieving its GHG emissions targets and assess its performance with respect to each target.

In consultation with other ministers, the minister must prepare a progress report at least two years before the start of each milestone year and the long-term target year of 2050. The progress report must summarize the progress the government has made toward achieving the target for the year in question and contain information about the measures the government has implemented or could implement (clause 14).

**The minister must publish additional reports on the progress made toward achieving the 2030 target. In addition to publishing a progress report at least two years before the start of 2030 – that is, by the end of 2027 – the minister must also publish progress reports by the end of 2023 and 2025. These three reports describe the progress the government has made toward achieving the interim GHG emissions objective for 2026 (clauses 14(1.1), 14(1.2) and 14(3)).**

The minister must also prepare an assessment report after each milestone year and 2050. The report must be prepared within 30 days following the submission of Canada’s national inventory report to the UNFCCC. The assessment report must summarize Canada’s GHG emissions for that year, state whether Canada achieved its emissions target and assess the measures that different levels of government took to achieve the target or could be taking to achieve future targets (clause 15).

If Canada fails to achieve an emissions target for a given year, the assessment report must explain the reasons for the failure and how the government plans to achieve the target (clause 16).

#### 2.4 TABLING AND PUBLICATION (CLAUSES 17 TO 19)

Under the bill, the targets, plans and reports prepared by the minister must be tabled before each house of Parliament and made available to the public, along with any amendments the government has made to those targets, plans and reports (clauses 17 to 19).

#### 2.5 ADVISORY BODY (CLAUSES 20 TO 22)

Bill C-12 establishes the Net-Zero Advisory Body, an advisory body responsible for advising the minister and “conducting engagement activities” on achieving net-zero emissions by 2050. The minister may determine and amend the body’s terms of reference (clause 20).

The Governor in Council appoints the members of the advisory body on the recommendation of the minister, and determines their pay. It may appoint up to 15 members, who will work on a part-time basis for a renewable term of up to three years (clause 21).

In recommending members of the advisory body, the minister must consider that the body needs to have expertise in various subjects. **These subjects are: climate change science, Indigenous knowledge, other relevant physical and social sciences, climate change policy, energy supply and demand, and relevant technologies (clause 21(1.1)).**

The advisory body must submit an annual report to the minister regarding its advice and activities. **The minister must publish this report and respond to the advice it contains** (clause 22).

2.6 MINISTER OF FINANCE REPORT  
(CLAUSES 23 AND 29)

Clause 23 of Bill C-12 requires the Minister of Finance to prepare and make public an annual report explaining how the federal government is managing financial risks and opportunities related to climate change. This clause comes into effect on a date determined by the Governor in Council (clause 29). **The rest of the bill came into force upon receiving Royal Assent on 29 June 2021.**<sup>26</sup>

2.7 COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT  
(CLAUSES 24 AND 28)

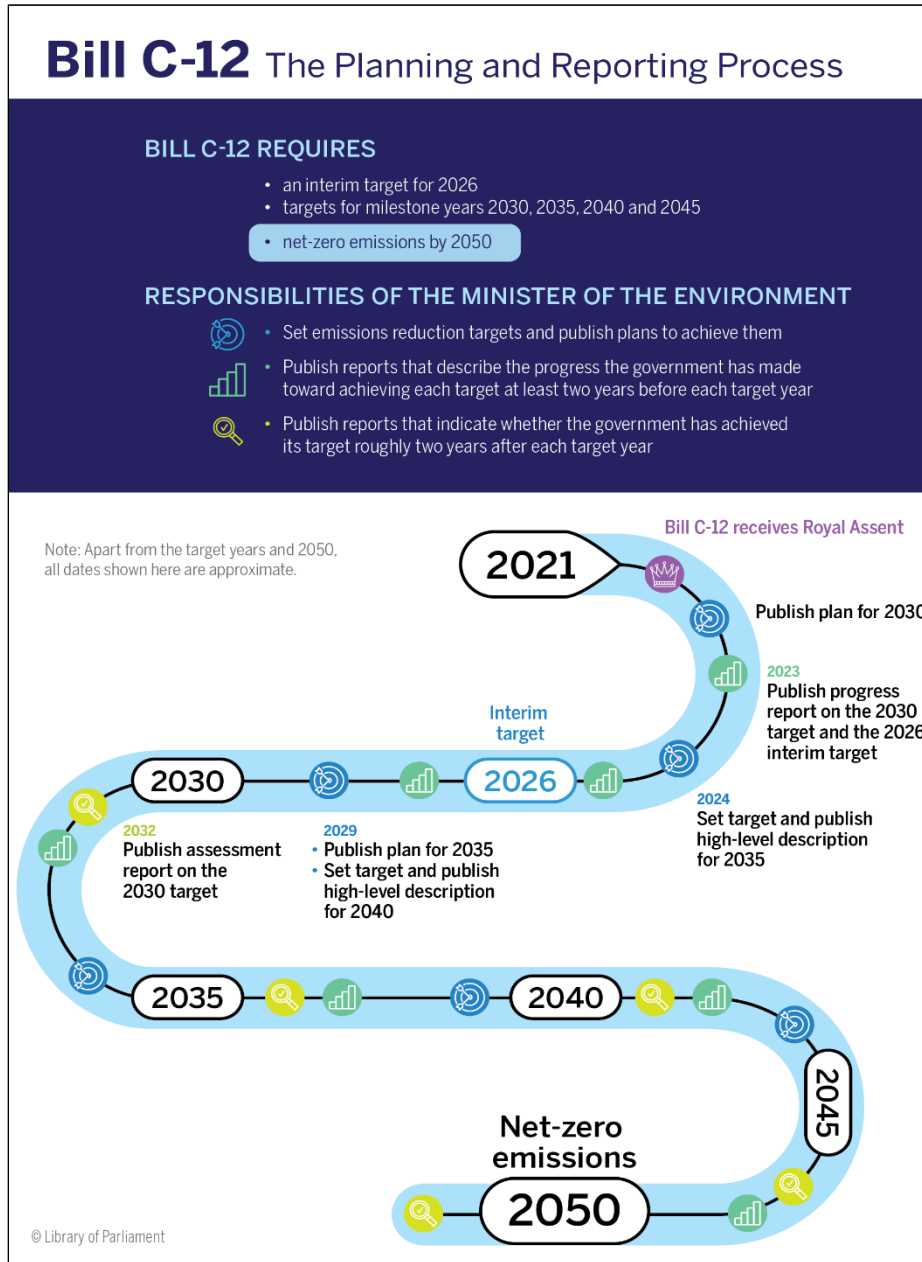
According to the bill, at least once every five years, the Commissioner must report on the federal government's implementation of measures to address climate change and achieve its emissions reduction targets. The Commissioner's reports can recommend improvements to the implementation of the federal government's approach to climate change mitigation (clauses 24(1) and 24(2)). **The Commissioner must publish the first report by the end of 2024 (clause 24(4)).**

The bill amends the *Auditor General Act* to require the Commissioner to produce these reports (clause 28).

2.8 TIMELINE

Figure 1 shows the timeline for the planning and reporting process established by Bill C-12. Figure 2 shows the reporting process that is followed by the Net-Zero Advisory Body, the Minister of Finance and the Commissioner of the Environment and Sustainable Development.

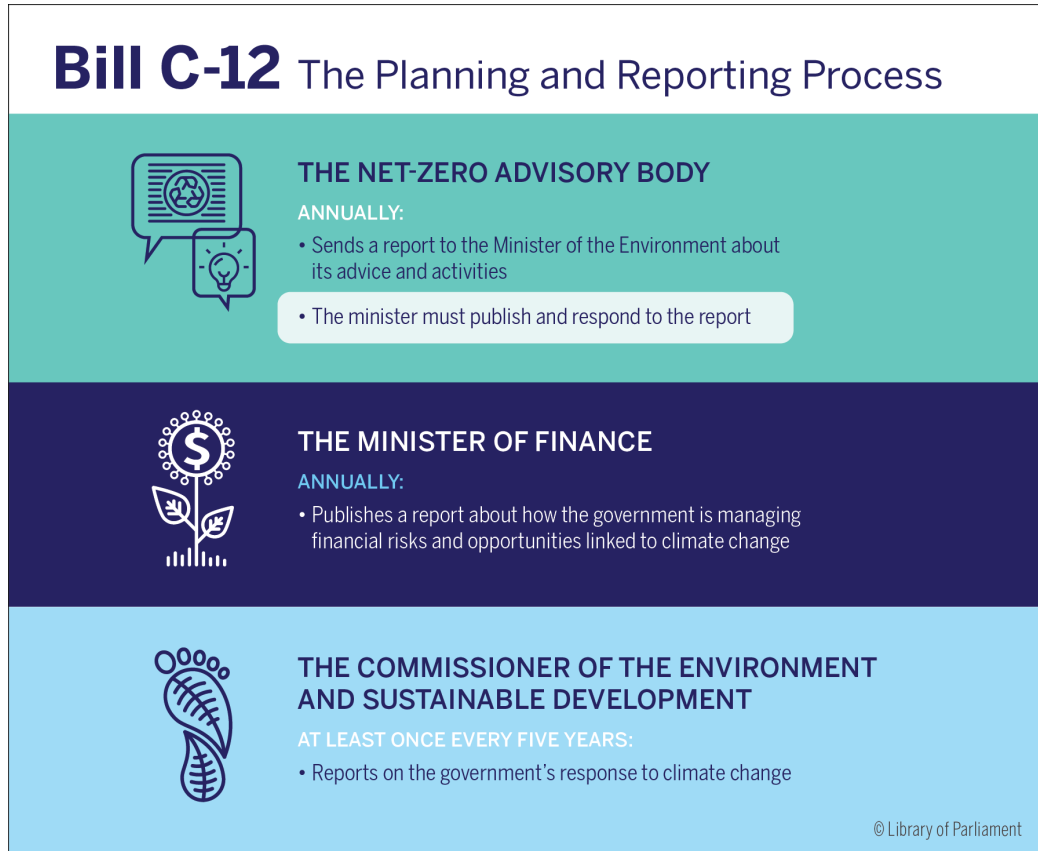
Figure 1 – Timeline for Planning and Reporting Process Established by Bill C-12



Note: Bill C-12 provides that the responsibilities described in this figure will be assumed by the Minister of the Environment (clause 2), but the Governor in Council can designate any federal minister for this purpose (clause 5). **This figure was updated on 8 July 2021.**

Source: Figure prepared by the Library of Parliament using information obtained from [Bill C-12, An Act respecting transparency and accountability in Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050](#), 43<sup>rd</sup> Parliament, 2<sup>nd</sup> Session, (S.C. 2021, c. 22).

**Figure 2 – Reporting Process Followed by the Net-Zero Advisory Body, the Minister of Finance and the Commissioner of the Environment and Sustainable Development**



Source: Figure prepared by the Library of Parliament using information obtained from [Bill C-12, An Act respecting transparency and accountability in Canada’s efforts to achieve net-zero greenhouse gas emissions by the year 2050](#), 43<sup>rd</sup> Parliament, 2<sup>nd</sup> Session, (S.C. 2021, c. 22).

NOTES

1. [Bill C-12, An Act respecting transparency and accountability in Canada’s efforts to achieve net-zero greenhouse gas emissions by the year 2050](#), 43<sup>rd</sup> Parliament, 2<sup>nd</sup> Session, (S.C. 2021, c. 22).
2. Although greenhouse gases (GHGs) are emitted through natural processes, human activities – including deforestation and the burning of fossil fuels – contribute to increased concentrations of GHGs in the Earth’s atmosphere. See National Aeronautics and Space Administration (NASA), Global Climate Change, “The Causes of Climate Change,” [Facts](#).
3. Intergovernmental Panel on Climate Change (IPCC), [Climate Change 2014: Synthesis Report – Summary for Policymakers](#).
4. Ibid.
5. Myles Allen et al., “[Summary for Policymakers](#),” in Valérie Masson-Delmotte et al., eds., *Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty*, IPCC, 2018.

6. Josh Burke, [What is net zero?](#), London School of Economics and Political Science, Grantham Research Institute on Climate Change and the Environment, 30 April 2019.
7. GHGs can be removed from the atmosphere by natural or engineered means. Natural removals could involve the absorption of carbon dioxide (CO<sub>2</sub>) by trees or wetlands. An engineered solution might involve directing CO<sub>2</sub> that is emitted by industrial operations into underground storage. See Kelly Levin et al., [“What Does ‘Net-Zero Emissions’ Mean? 8 Common Questions, Answered.”](#) World Resources Institute, 17 September 2019.
8. Government of Canada, [Moving Forward Together: Speech from the Throne to Open the First Session of the 43<sup>rd</sup> Parliament of Canada](#), 5 December 2019, p. 5; and Government of Canada, [A Stronger and More Resilient Canada: Speech from the Throne to open the Second Session of the Forty-Third Parliament of Canada](#), 23 September 2020, p. 22.
9. Justin Trudeau, Prime Minister of Canada, [Prime Minister Trudeau announces increased climate ambition](#), 22 April 2021.
10. Government of Canada, [Progress towards Canada’s greenhouse gas emissions reduction target](#).
11. Government of Canada, [“Exceeding Canada’s 2030 target.”](#) *A Healthy Environment and a Health Economy*.
12. Environment Canada, [“Executive Summary.”](#) *Canada’s Emissions Trends*, Report, July 2011.
13. Government of Canada, [Progress towards Canada’s greenhouse gas emissions reduction target](#).
14. Environment Canada, [“Canada’s Kyoto Protocol Targets and Obligations.”](#) *A Climate Change Plan for the Purposes of the Kyoto Protocol Implementation Act – May 2009*, Report.
15. United Nations (UN) Climate Change, [Canada. 2020 National Inventory Report \(NIR\)](#).
16. Examples of GHG sinks include forests, wetlands, and CO<sub>2</sub> capture and storage facilities.
17. UN Climate Change, [Preparation of NCs and BRs](#); and UN Climate Change, [National Inventory Submissions 2020](#).
18. The repeal also abolished the National Round Table on the Environment and the Economy. See [Jobs, Growth and Long-term Prosperity Act](#), S.C. 2012, c. 19, s. 699; and [Kyoto Protocol Implementation Act](#), S.C. 2007, c. 30.
19. [Bill C-377, An Act to ensure Canada assumes its responsibilities in preventing dangerous climate change](#), 39<sup>th</sup> Parliament, 2<sup>nd</sup> Session.
20. The bill was reintroduced in subsequent parliaments as Bill C-311 and then as Bill C-224, but was not passed into law. See [Bill C-311, An Act to ensure Canada assumes its responsibilities in preventing dangerous climate change](#), 40<sup>th</sup> Parliament, 3<sup>rd</sup> Session; and [Bill C-224, An Act to ensure Canada assumes its responsibilities in preventing dangerous climate change](#), 41<sup>st</sup> Parliament, 2<sup>nd</sup> Session.
21. [Bill C-215, An Act respecting Canada’s fulfillment of its greenhouse gas emissions reduction obligations](#), 43<sup>rd</sup> Parliament, 2<sup>nd</sup> Session.
22. [Bill C-232, An Act respecting a Climate Emergency Action Framework](#), 43<sup>rd</sup> Parliament, 2<sup>nd</sup> Session.
23. British Columbia, [Climate Change Accountability Act](#), S.B.C. 2007, c. 42; and Manitoba, [The Climate and Green Plan Act](#), C.C.S.M., c. C134.
24. United Kingdom, [Climate Change Act 2008](#), c. 27.
25. France, [LOI n° 2015-992 du 17 août 2015 relative à la transition énergétique pour la croissance verte \(1\)](#) [AVAILABLE IN FRENCH ONLY]; New Zealand, [Climate Change Response \(Zero Carbon\) Amendment Bill](#), 136-3; and Naturvårdsverket (Swedish Environmental Protection Agency), [Sweden’s Climate Act and Climate Policy Framework](#).
26. A bill will sometimes provide a “coming into force” mechanism for some of its provisions but be silent regarding others. In such cases, the provisions about which the bill is silent will enter into force upon Royal Assent. See [Interpretation Act](#), R.S.C. 1985, c. I-21, s. 5.