

**STATEMENT BY CANADA
ASIA-PACIFIC PARTNERSHIP
ON CLEAN DEVELOPMENT AND CLIMATE**

3RD MINISTERIAL MEETING

Shanghai, China
October 27, 2009

Thank you, Mr. Chairman.

I am happy to speak today on behalf of Canada's Minister of the Environment, the Honourable Jim Prentice.

Climate change is at the top of the Government of Canada's agenda.

At home, Canada has been working on implementing a suite of aggressive policies to achieve long-term reductions in greenhouse gas emissions.

Continently, we are aligning our policies with our major trading partners in North America.

And globally, we are an active and constructive participant in efforts to address climate change through a new international agreement.

In all cases, clean technology is one of the pillars of our approach to addressing climate change.

At home, our forthcoming industrial greenhouse gas emissions regulations will drive the adoption of energy efficiency and low-carbon clean technologies that will be needed to achieve the Government's mid-term and long-term reductions objectives.

All levels of government in Canada are also significantly investing in clean energy technologies.

Notably, we have committed over \$3 billion towards the development and deployment of carbon capture and storage, and have actively engaged in international demonstration and R&D efforts for CCS, in recognition of the need for international collaboration to accelerate the development of this important technology.

We are also taking steps to develop clean electricity, and to increase the amount of renewable content in our total energy supply mix. Already, Canada produces 75 per cent of its electricity from renewable energy. We are aiming to increase this amount to 90 per cent by 2020.

Hydroelectricity is the single most important source of renewable energy in Canada, accounting for about 12 per cent of total primary energy. After that wind power has become the fastest growing renewable energy source in Canada.

With an average annual growth rate of 60 per cent since 1998, installed Canadian capacity of wind power has increased from 26 megawatts in 1998 to over 2,803 megawatts now. Moreover, we are expecting significant continued growth, with projections of installed capacity of nearly 10,000 megawatts by 2012.

Moving beyond wind and hydro to meet our goal of 90 per cent will require increased energy efficiency, continued fuel-switching away from coal, and expanded use of nuclear and other renewable sources.

Canada is also committed to actively and constructively contribute to international efforts aimed at accelerating the deployment of clean technology. We believe that achieving long-term global reductions in greenhouse gas emissions will require all major economies to scale-up their implementation of high-efficiency, low-carbon technologies in the short-term and to sustain their deployment over the decades to come.

As part of this international effort, the APP occupies a potentially important space, with its public-private partnership approach providing a relatively unique way to advance international cooperation on capacity building, to engage the private sector and to secure robust financing.

The Partnership has only begun to fulfill its potential to create real climate change impacts through market-led initiatives in the clean technology field.

Mr. Chairman, one of the Government of Canada's fundamental principles for addressing climate change is to address the environment and the economy as equals. Our approach to participating in the APP is thus guided by three main objectives:

- One - delivering tangible environmental benefits, in particular greenhouse gas emissions reductions;
- Two - delivering trade and commercial opportunities to APP Partner countries;
- And three - accelerating the development and deployment of clean technologies.

Our Government recognizes that achieving these objectives will require continued public investments in clean technologies. This is why last June Minister Prentice announced an initial Government of Canada investment of \$2 million to partner with Canadian business in 11 clean technology projects under the APP.

Since then, the Task Forces have unanimously endorsed five of the eleven projects, and Canada obtained concurrence from the Policy and Implementation Committee yesterday. Among the 11 projects are two that I would like to draw to your attention to as examples of how Canada is contributing its clean technology innovation to the APP.

- First, **Canada's Building and Appliances Task Force (BATF) Flagship** project, which seeks to establish an International Dialogue to accelerate the widespread adoption of Net Zero Energy Housing. Canada - in collaboration with the U.S. - has initiated a collaborative dialogue with BATF partners to establish a formal international partnership that will map the path to achieving NZEH. Through the development of a roadmap and a series of workshops, this project will offer the BATF an opportunity to bring together the

fragmented supply chain to discuss the full range of climate-related issues and opportunities facing the sector. In addition to the dialogue, several residential demonstration projects will be built in APP partner countries.

- The second example is **Cement Task Force (CTF) Project 09-11**, which involves collaborating with China on the creation of an industry-led body to diffuse and deploy existing and emerging technology to optimize the use of Supplementary Cementitious Materials (SCMs) as a means of substantially reducing GHG emissions. The project will develop an expert system to provide online guidance concerning all aspects of concrete structures during design and construction. This initiative will enable the construction industry to maximize GHG reductions, while maintaining high levels of concrete construction quality and cost efficiency.

These projects are part of Canada's efforts to create real climate change impacts through market-led initiatives using clean technology, and we would like to thank PIC members for their support.

Last June, our Government also announced its intention to finance future initiatives that will focus on the development and deployment of existing and emerging cost-effective, clean energy technologies and practices. And, we are also pleased to advise you that Minister Prentice is expected to announce funding for a second round of Canadian APP initiatives shortly.

Activities Update

When we last met in Australia, Canada offered to prepare a non-paper on options for 'scaling-up' the APP, to be discussed at the current meeting.

Work has progressed over the summer in consultation with APP countries. We expect to share a draft of this document with our APP partners in the coming weeks. We look forward to a productive discussion of financing issues related to APP as part of our review of the Partnership's future, and hope that the paper we have contributed will provide some useful input into that discussion.

Since the last PIC meeting, Canada has continued to step up its involvement in the Partnership with commitments to host a number of meetings.

In September, in conjunction with the U.S. Department of Energy and private sector partners, Canada delivered a Net Zero Energy (NZE) Homes Workshop in Washington, as part of its Flagship Project. The objective the workshop was to agree on a pragmatic approach for reaching internationally applicable definitions of NZE and net zero ready homes; to identify key issues, barriers and opportunities related to NZEH; and to begin developing an international industry community that is committed to raising awareness and accelerating the widespread adoption of NZEH. The outcomes of that event were presented earlier this month at the 8th BATF meeting in Tokyo.

Still in September, and in conjunction with the U.S. Environmental Protection Agency, we

hosted a joint Methane to Markets - APP workshop on the margins of the M2M Oil and Gas subcommittee at Lake Louise in Canada. The objective of the workshop was to use case studies from China and Mexico that demonstrate how methane reductions can be an integral component of public and private sector policies and activities for the reduction of greenhouse house emissions (GHG).

Canada also used the workshop to outline the strong links between M2M and the APP, based on Theme 5 of the Cleaner Fossil Energy Task Force's Action Plan. Both Partnerships share complementary objectives of reducing global emissions in order to enhance economic growth, strengthen energy security, improve air quality, improve industrial safety and reduce greenhouse gas emissions.

Earlier this month, Canada, in collaboration with our private sector partners, successfully hosted the 8th Steel Task Force meeting in Toronto. APP delegates were able to demonstrate positive progress on a number of important issues, including the deployment of best practice steel technologies; increased methods of collaboration; processes to reduce energy usage, air pollution and greenhouse gas emissions from steel production; and increased recycling across the Partnership.

Finally, we are planning to host Renewable Energy and Distributed Generation Task Force, Cement Task Force and Building & Appliances Task Force meetings as well as a Power Generation Task Force technical workshop and a NZEH workshop in March 2010 in Vancouver, British Columbia. We hope that this concurrent set of meetings will help encourage collaborative activities among task forces, while also creating synergies with GLOBE 2010, the 11th Biennial Trade Fair & Conference on Business & the Environment which is being held at the same time.

In closing, Canada believes that APP can continue to play a significant and hopefully increasing role in the global efforts to address climate change efforts.

I look forward to our discussions, and to further contributing to the ongoing success of the Partnership.

Thank you.