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LESSONS LEARNED FROM CANADA'S RECORD ON CLIMATE CHANGE

Report of the Standing Committee on Public Accounts

John Williamson, Chair

MAY 2022
44th PARLIAMENT, 1st SESSION

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Chair**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

THIRTEENTH REPORT

Pursuant to its mandate under Standing Order 108(3)(g), the committee has studied Report 5, Lessons Learned from Canada's Record on Climate Change, by the Commissioner of the Environment and Sustainable Development and has agreed to report the following:



LESSONS LEARNED FROM CANADA'S RECORD ON CLIMATE CHANGE

INTRODUCTION

The Commissioner of the Environment and Sustainable Development (CESD) is appointed by the Auditor General of Canada for a seven-year term, on whose behalf they provide “parliamentarians with objective, independent analysis and recommendations on the federal government’s efforts to protect the environment and foster sustainable development.”¹

The Commissioner conducts performance audits and is responsible for monitoring sustainable development strategies of federal departments; overseeing the environmental petitions process; and auditing the federal government’s management of environmental and sustainable development issues.²

In 2021, CESD released a report entitled *Lessons Learned from Canada’s Record on Climate Change*. Although it is not an audit report, it aims to

- provide “a historical perspective on Canada’s action to address climate change mitigation and adaptation in order to inform parliamentarians,” and
- “build Canadians’ awareness of the climate crisis, to share the Commissioner’s views, and to position future work on Canada’s climate change efforts.”³

On 3 February 2022, the House of Commons Standing Committee on Public Accounts (the Committee) adopted a motion to study this report.⁴ This report provides summaries

1 Office of the Auditor General of Canada, Who we are, [Commissioner of the Environment and Sustainable Development](#).

2 Ibid.

3 Commissioner of the Environment and Sustainable Development (CESD), [Lessons Learned from Canada’s Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, p. 4.

4 House of Commons Standing Committee on Public Accounts, *Minutes of Proceedings*, 1st Session, 44th Parliament, 3 February 2022, [Meeting 3](#).



of the CESD report, the Committee hearing, and audits of Canada’s climate action between 1997 and 2021.

SUMMARY OF THE CESD REPORT

General

The Intergovernmental Panel on Climate Change (IPCC⁵) “estimates that human activities have already caused global warming of 1.1 degrees Celsius above pre-industrial levels” and will continue to increase unless there are deep reductions to greenhouse gasses (GHGs) emissions.⁶

The CESD report further explains that increases in GHGs are a primary cause of climate change and that the IPCC “projects more extreme heat in most inhabited regions, heavy precipitation in several regions, and a higher probability of drought and precipitation deficits in other regions. Sea-level rise, biodiversity loss, and species extinctions will also increase. Research also reveals the human health effects of climate change. For example, a recent study found that one third of heat related deaths worldwide can be attributed to climate change.”⁷

As these effects may be long-lasting or even effectively irreversible, it further underscores the importance of GHG reduction in addition to adaptation measures.⁸

5 The IPCC is a United Nations body for assessing the science related to climate change. For further information please visit [The Intergovernmental Panel on Climate Change](#).

6 CESD, [Lessons Learned from Canada’s Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, p. 1.

7 Ibid.

8 Ibid.

Canada's History of Climate Change Action

In 1988, Canada hosted the World Conference on the Changing Atmosphere, and later that year became an active member of the IPCC.

Later, in June 1992 the United Nations Conference on Environment and Development launched the Framework Convention on Climate Change. Canada and other signatories agreed to stabilize GHG concentrations in the atmosphere at a level that would prevent dangerous interference with the climate. Since then, Canada has been party to all major international climate change agreements.⁹ Table 1 further explains this participation.

9 *Ibid.*, p. 5.



Table 1—Canada’s climate action and participation in major international climate agreements

Year	Event/Agreement	Outcome
1988	Intergovernmental Panel on Climate Change	Canada hosts a major international climate event, the World Conference on the Changing Atmosphere, and later that year becomes an active member of the Intergovernmental Panel on Climate Change.
1991	United Nations Framework Convention on Climate Change	Canada ratifies the United Nations Framework Convention on Climate Change.
1997	Kyoto Protocol	Canada signs the Kyoto Protocol in 1998 and formally ratifies the agreement in 2002, committing to reducing its greenhouse gas emissions by 6% below 1990 levels between 2008 and 2012.
2009	Copenhagen Accord	Canada commits to this non-binding agreement and to reducing its greenhouse gas emissions by 17% below 2005 levels by 2020.
2011	Canada’s withdrawal from the Kyoto Protocol	Canada abandons its commitment to emission reduction under the protocol.
2015	Paris Agreement	Canada signs the Paris Agreement in 2016 and commits to reducing its greenhouse gas emissions by 30% below 2005 levels by 2030.
2021	Canada’s new greenhouse gas emission target	The Paris Agreement asked countries to enhance targets over time. Canada commits to a higher emission reduction target of 40% to 45% below 2005 levels by 2030, which equates to annual emissions of about 406 to 443 megatonnes of carbon dioxide equivalent.

Source: Commissioner of the Environment and Sustainable Development, [Lessons Learned from Canada’s Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, Exhibit 5.2.

In 2015, 196 countries adopted the Paris Agreement, whose goal is to limit global warming to below 2 degrees Celsius. According to the IPCC, in order to achieve this goal and establish a net-zero-emission world by 2050, countries must begin to significantly

reduce their GHG emissions. However, current global commitments fall far short of this goal, leading to projections of global warming by 3 degrees Celsius by 2100.¹⁰

The CESD report explains that despite various policies and commitments from government after government to significantly reduce greenhouse gas emissions over the past 30 years, “Canada has failed to translate these commitments into real reductions in net emissions. Instead, Canada’s emissions have continued to rise. Meanwhile, the global climate crisis has gotten worse.”¹¹

It further specifies that repeated commitments, strategies, and action plans to reduce emissions in Canada have not yielded results. Furthermore, per “Canada’s 2021 National Inventory Report, emissions were 730 megatonnes of carbon dioxide equivalent in 2019, while its target for 2020 was 607 megatonnes. Canada’s new target for 2030 equates to approximately 406 to 443 megatonnes. Despite progress in some areas, such as public electricity and heat generation, Canadian emissions have actually increased by more than 20% since 1990.”¹²

The report further clarifies that although “Canada’s population and economy have grown faster than emissions have,” its GHG emissions “have increased since the Paris Agreement was signed, making it the worst performing of all G7 nations since the 2015 Conference.”¹³

Canada’s Two Current Climate Action Plans

The CESD report explains Canada’s two current climate action plans:

1. The 2016 Pan-Canadian Framework on Clean Growth and Climate Change

This is Canada’s first-ever national climate plan, developed in collaboration with territories, provinces and input from Indigenous peoples, and includes over 50 measures to reduce carbon emissions; selected examples include: :

10 ibid.

11 ibid.

12 ibid., p. 7. A megatonne of carbon dioxide equivalent is defined as the amount of a greenhouse gas that has the same warming potential as a million tonnes of carbon dioxide over a specified period.

13 ibid., p. 8.



- carbon pricing in all jurisdictions by 2018;
- a nationwide strategy for electric vehicles by 2018;
- a federal clean fuel standard that will require liquid fuel suppliers to reduce carbon intensity by 2030;
- an accelerated nationwide coal phase-out by 2030;
- methane regulations for the oil and gas sector; and
- investment in clean technology.¹⁴

2. Canada's A Healthy Environment and a Healthy Economy Plan

Launched in 2020, the plan builds on the framework and the 2018 Generation Energy Council report, which outlined four pathways that could lead Canada to an affordable, sustainable energy future. The plan includes 64 new or strengthened federal policies, programs, and investments to cut carbon emissions, based on five key pillars:

- making the places Canadians live and gather more affordable by cutting energy waste;
- making clean, affordable transportation and power available in every Canadian community;
- continuing to ensure pollution isn't free and households get more money back;
- building Canada's clean industrial advantage; and
- embracing the power of nature to support healthier families and more resilient communities.¹⁵

14 ibid.

15 ibid.

The plan also includes new “measures to support Indigenous climate leadership, to cut emissions from waste and from federal operations, and to introduce nature-based climate solutions, such as planting trees and restoring grasslands.”¹⁶

COVID-19

The CESD report proposes that Canada’s responses to the COVID-19 pandemic “suggests that Canadians can draw crisis management lessons from [it]” and that “economic recovery efforts will provide opportunities for the emergence of a stronger, more climate-resilient society—if governments at all levels, citizens, the private sector, and civil society work together.”¹⁷

LESSONS LEARNED

The CESD report presents the following eight lessons learned from the analysis of Canada’s historical performance regarding climate change actions and policies, along with corresponding “Considerations for Parliamentarians,” which provide questions for legislators to consider as they develop policy to address these issues (see Table 2).

16 *Ibid.*

17 *Ibid.*, p. 10.



Table 2—Lessons Learned and Considerations for Parliamentarians

Lesson	Considerations for Parliamentarians
<p>Lesson 1: Stronger leadership and coordination are needed to drive progress toward climate commitments</p>	<p>How can coordination across all levels of government be strengthened?</p> <p>How will the federal government ensure that lead departments on climate change are given the resources and authority they need to provide leadership to other departments and agencies?</p> <p>How will the federal government ensure that policies within various jurisdictions are complementary rather than redundant or contradictory?</p> <p>Is there a way to depolarize aspects of the issue and ensure that the necessary elements of Canada’s climate actions remain consistent through changes in government?</p>
<p>Lesson 2: Canada’s economy is still dependent on emission-intensive sectors</p>	<p>How much financial support does Canada provide to the oil and gas industry? Could this support be reallocated to workers?</p> <p>How can Canada deliver on its promise to reduce fossil fuel subsidies that undermine the achievement of climate change actions?</p> <p>What role could a national energy strategy play in diversifying Canada’s economic interests and mitigating risks to the energy supply across Canada?</p> <p>How can the federal government identify and assist communities and workers most affected by the transition to a low-carbon economy?</p>
<p>Lesson 3: Adaptation must be prioritized to protect against the worst effects of climate change</p>	<p>How will the federal government ensure that all sectors of society are involved in developing and implementing adaptation strategies?</p> <p>As the federal government dedicates resources to adaptation, how can it ensure that the most pressing risks are prioritized?</p> <p>How can the federal government catalyze nature-based solutions as a route to adaptation?</p> <p>How will the federal government ensure that funding is available for adaptation projects and initiatives?</p> <p>How can the federal government better integrate local and community-level insights into federal adaptive planning and action?</p>
<p>Lesson 4: Canada risks falling behind other countries on investing in a climate-resilient future</p>	<p>How should the federal government incorporate climate disclosures into the regular risk-disclosure practices of federal organizations and Crown corporations? How should the federal government mandate firms that are seeking investment capital to disclose their climate risks?</p> <p>How can the federal government better contribute to international discussions on climate finance?</p> <p>How can the federal government mandate investments that are managed across its operations to decarbonize their investment portfolios?</p>

Lesson	Considerations for Parliamentarians
Lesson 5: Increasing public awareness of the climate challenge is a key lever for progress	<p>How can the federal government strengthen Canadians' awareness of the climate crisis and the measures to address it?</p> <p>Where are the knowledge gaps and sources of misinformation on the topic and how can they be addressed?</p> <p>What are the best ways to relay climate-related messaging so that it resonates with Canadians?</p>
Lesson 6: Climate targets have not been backed by strong plans or actions	<p>How can the federal government tangibly demonstrate accountability and transparency in its results?</p> <p>How will Parliament ensure that the federal government is held to account for action on climate change?</p> <p>What steps will the federal government take to ensure that Canada's climate plan, policies, and actions align with its new targets?</p> <p>How can the federal government (advised by the Net-Zero Advisory Body) advance the implementation of the Canadian Net-Zero Emissions Accountability Act and its incremental 5-year milestones?</p>
Lesson 7: Enhanced collaboration among all actors is needed to find climate solutions	<p>What steps can the federal government take to better collaborate with all sectors of society to meet Canada's climate targets and develop mitigation and adaptation strategies?</p> <p>How can Parliament facilitate more effective ways for non-government actors to hold the federal government to account for its climate objectives?</p> <p>How can the federal government support industry, trade, and professional associations to help them equip their members for the effects, risks, and opportunities of climate change and the transition to the low-carbon economy?</p> <p>How can the federal government help sectors create transition plans to accelerate the transition to a low-carbon economy?</p>
Lesson 8: Climate change is an intergenerational crisis with a rapidly closing window for action	<p>How can the federal government be held to account for solving long-term issues such as climate change?</p> <p>How can the federal government ensure that the interests of future generations are included in present decisions?</p> <p>How can the principle of intergenerational equity be incorporated into institutional decision making?</p> <p>How can the federal government better involve youth in climate policy?</p>

Source: Prepared with information from Commissioner of the Environment and Sustainable Development, [Lessons Learned from Canada's Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, pp. 10-34.



OBSERVATIONS

On 8 February 2022, the Committee held a hearing on the CESD report with the following in attendance:¹⁸

- Office of the Auditor General – Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development; Kimberley Leach, Principal; and Elsa Da Costa, Director
- Equiterre – Colleen Thorpe, Executive Director and Marc-André Viau, Director, Government Relations

Implementation

The effective implementation of climate change plans was often addressed in the CESD report. For example, it noted that “effective implementation of adaptation measures depends on policies and cooperation at all levels of government.”¹⁹ Furthermore, as “[municipal] governments, Indigenous communities, businesses and industry groups, and local non-government actors are closest to the problem” they are “well positioned to offer context-specific, adaptive solutions. The federal, provincial, and territorial governments can draw on this local knowledge and provide forums for planning and implementation to enable the sharing of experience and expertise.”²⁰

This topic was also raised at the hearing. For example, when questioned about which of the eight lessons learned would be easier than others to address and eventually implement, Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development, explained that the easiest would be Lesson 1 (Stronger leadership and coordination are needed to drive progress toward climate commitments) through increased collaboration at the federal level (e.g., increased co-ordination between Environment and Climate Change Canada and Natural Resources Canada). Conversely, he posited that Lesson 8 (Climate change is an intergenerational crisis with a rapidly closing window for action) would be the most challenging given that there are “a lot of structures in society—governmental and non-governmental—that discount the future”

18 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#).

19 CESD, [Lessons Learned from Canada’s Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, p. 21.

20 *Ibid.*, p. 22.

and “it will be hard to have people think about long-term implications and not just think about them but act on them.”²¹

Greenhouse Gas Reduction Targets

The CESD report posited that achieving “the Paris Agreement goals to limit global temperature rise requires an urgent, transformative response. While setting ambitious emission reduction targets is necessary, countries must also ensure that they are implementing policies and actions toward their goals.”²² Moreover, since 1990, “Canada has repeatedly made domestic and international commitments to reduce greenhouse gas emissions, to adapt to the effects of climate change, and to support clean energy technology. However, as documented in the Commissioner’s past climate reports, Canada has consistently failed to meet its climate targets, including the specific emission targets set in response to the Kyoto Protocol.”²³

At the hearing, in response to a question about whether Canada was meeting the targets of the Copenhagen and Paris accords (to reduce GHG emissions by 17% below its 2005 level by 2020 and by 30% below 2005 levels by 2030, respectively), the Commissioner provided the following:

I'd like to address that by first saying that the 2020 data are coming from Environment and Climate Change Canada very soon, so we can't definitively say what the 2020 data will be. However, looking at the trend line, it does not appear that the 2020 target will have been met. There's a two-year lag in Canada in the data on emissions.

So, no, the targets have not been met. We've had several targets over the years and four major international agreements: Rio, Kyoto, Copenhagen and Paris. We've had several plans over the years, but the problem is in implementation, not so much in setting targets.²⁴

Additionally, when asked if the government had achieved any of the international carbon reduction targets, the Commissioner answered: “Not that I’m aware of.”²⁵

21 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#), 1250.

22 CESD, [Lessons Learned from Canada’s Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, p. 29.

23 Ibid.

24 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#), 1120.

25 Ibid.

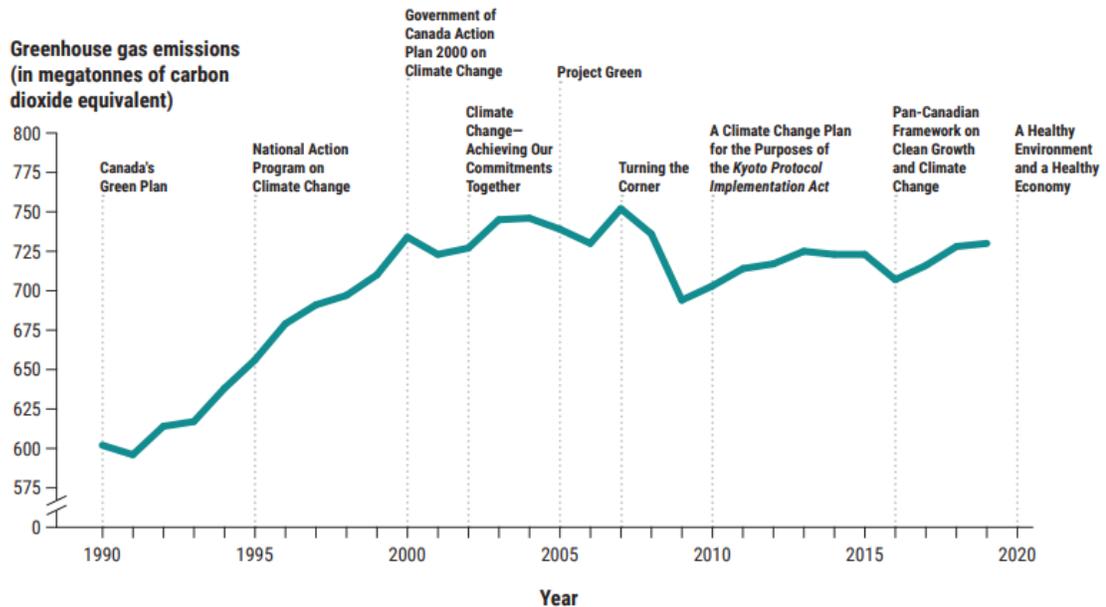


Further on the issue targets, the Commissioner added the following:

It's nice to have plans and targets, but if you don't act on them, then what are Canadians getting for all of this effort? The story from 1990 to 2019—which is the full time span for which we have data—has been about a 20% increase in emissions over successive governments, from the first commitment in the green plan to Rio, all the way to the present, so there have been a series of failures followed by failures and other failures.²⁶

Figure 1 provides further data about this issue.

Figure 1—Canada’s overall Greenhouse gas emissions from 1990 to 2019



Source: Commissioner of the Environment and Sustainable Development, [Lessons Learned from Canada’s Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, Exhibit 5.4.

Additionally, when questioned if he believed that Canada would be able to meet its existing GHG emission reduction targets with its current approach, the Commissioner explained as follows:

No, we don't have a plan that meets our targets right now. The old plan is for the old target, and it was going to exceed the old target by a few percentage points. The old target has been displaced by the new target of 40% to 45%. The new plan that's coming

26 Ibid., 1150.

out next month should add up. It's not for us to put it together; it's up to the federal government to put it together. But they have their 40% to 45% target for 2030 and they have an obligation in law to put out that plan by the end of March.²⁷

Yet, when questioned about whether he believed the federal government could realistically meet its new, higher target of 45%, the Commissioner provided the following response:

If the best predictor of future performance is past performance, then I would be a pessimist and I'd say it's not going to happen. But you see on the last page of our report that we strike an optimistic tone. Because of certain changes, including the carbon levy, the codification of net zero into law, the requirement for a new plan, there's reason to be optimistic. There's reason to be optimistic for other reasons, too, in terms of society's understanding of the problem and the global momentum. It is possible to meet it; it's a question of will. Will the government do what it takes to actually come up with a plan next month, and then, most importantly, implement that plan to achieve the target in 2030 and then eventually in 2050?²⁸

Coordination/Collaboration/Participation

The CESD report states that addressing “the climate change crisis requires leadership and coordination among many government actors—not only federal organizations, but also the provincial, territorial, and municipal governments.”²⁹ In fact, the report’s first Lesson Learned speaks to improved co-ordination. There was much discussion on this theme at the hearing; for example, when asked about the biggest obstacles to coordinating the work required to achieve GHG reduction targets, the Commissioner replied as follows:

There are many obstacles.

First, departments work in silos. Not only the federal, but many other governments are organized in such a way that departments each have their own mandate. However, the challenges are there horizontally, that is, they affect all departments. So we need to rethink the vertical system and figure out how we can work horizontally within the same level of government.

Then, the different levels of government, for example provinces, territories, municipalities and indigenous communities, need to work together to really make sure that they get results, rather than just making plans and setting targets. In Canada, we've

27 Ibid., 1230.

28 Ibid., 1235.

29 CESD, [Lessons Learned from Canada's Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, p. 10.



had a lot of plans and targets over the last 30 years and a lot of studies, but not a lot of results.

In this respect, we differ from other G7 countries. Since 1990, our greenhouse gas emissions have increased by 20%, while those of the other G7 countries have not increased, or in many cases have even decreased by 30% to 40%. Canada has not contributed to the GHG reduction effort, unlike its G7 partners.³⁰

In response to a question about how various actors (including Canada's Indigenous peoples) should be included in such collaborations, the Commissioner provided the following:

It's absolutely essential to involve all actors, what we call in our report a whole-of-society approach.

As Commissioner, I report on the performance of the federal government, so the focus is there. The solutions are not entirely there. As you mentioned, the solutions are dispersed across all levels of government, communities and people. They are dispersed across the world, too, given that it's a global issue.³¹

Additionally, the Commissioner outlined some actions that could be taken at the federal level:

Canada can make inroads in that. One of them, and I used an example already today, is having a body like this that was focused on other matter[s] previously, with the environment set aside as a niche area for others to be concerned about. I'm very happy to see this committee expand its ambit of concern to look at climate. Government departments, especially central agencies, and the Department of Finance, for example, need to not only expand their ambit of concern to these important environmental and sustainable development issues, but also expand the ambit of input from the communities you spoke about.

This is absolutely crucial, especially at the local level, for climate adaptation. The communities are the ones that experience it. They should have a strong say in how we address it.³²

When questioned about what specific areas would be best served with increased collaboration to be more effective, the Commissioner explained the following (including repeating his opinion about the hearing itself):

30 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#), 1225.

31 *Ibid.*, 1140.

32 *Ibid.*

I'm going to use this meeting as an example of that enhanced collaboration and involving all actors.

Just as this committee has for decades held the government to account on financial matters and program implementation, taking this step today shows that this committee is willing to expand its view and look at issues that traditionally have been seen as environment and sustainable development, separate from social and economic.

I'm very pleased that this committee has invited us here today to speak about this issue because it is a sign that this lesson is being learned and being implemented.

It's important in all three of those areas. As I mentioned, climate change is not just an environmental issue anymore. It's an economic issue and a social issue, so that all of our structures that typically focused on other matters at the expense of the environment and sustainable development now bring them into account.³³

Lastly, in response to a question about the public's understanding of the roles of the various actors as regards to collaboration, the Commissioner noted the following:

The general public looks to its governments as the expression of their collective will as to what they want the governments to do. They don't have a lot of patience for "not my department" or "not my level of jurisdiction" answers. They would really want their collective representatives at all levels to get together and work together. That's the whole-of-society comment we make in our report; we need everyone working together.

The federal government, though, with these global crises of climate change and biodiversity, definitely needs to take the lead. There is no doubt about that.³⁴

Youth Involvement

The CESD report notes that the "experience of climate change is highly unequal. Certain populations bear a disproportionate burden and are particularly vulnerable to the effects of climate change because they are less able to anticipate, cope with, and recover from adverse effects" and that "youth and future generations face intergenerational equity issues as they will be burdened by the consequences of an increasingly dangerous climate."³⁵ It also asks: "How can the federal government better involve youth in climate policy?"³⁶

33 Ibid., 1130.

34 Ibid., 1210.

35 CESD, [Lessons Learned from Canada's Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, p. 2.

36 Ibid., p. 34.



Additionally, as Lesson 8 speaks to climate change as “an intergenerational crisis with a rapidly closing window for action,” there was some discussion at the hearing on this topic. For example, in response to a question about how to better engage with Canada’s youth, the Commissioner posited the following:

I think they, along with local communities and others, are important sources of input. It's their future at stake. We're supposed be holding this planet and this country in trust for future generations, but for the last 30 years we've breached that trust.

I would say that youth have an important role. They themselves are self-organizing, and I wouldn't want to be too prescriptive about how they participate and how they learn about climate change, because I think there's no shortage of initiative on their own part to do that. It's whether our generation will listen.³⁷

Conversely, the Commissioner noted that youth and intergenerational engagement must also include action; specifically:

[To] see that movement and mobilization of young people having their voices heard and, of course, the democratization of information through the Internet and so on has facilitated that. Are we just going to allow them to voice their concerns, or are we going to act on them? That's really the question now, and that's why we ended the report on lesson number 8 in terms of intergenerational equity, because we do hold this planet and this country in trust for the future generations...We need to figure out how to make decisions that further that trust rather than breach it... We need to take seriously our obligations to future generations rather than just using it as a mantra or a buzzword. It's been codified in Canadian law already, but it hasn't been operationalized.³⁸

Financial Disclosure / Reporting Requirements

The CESD report explained that investors “and other users of financial reports cite the inconsistencies in disclosure practices and non-comparable reporting as major obstacles to incorporating climate-related risks and opportunities as considerations in their investment, lending, and insurance-underwriting decisions. Evidence suggests that the lack of consistent information also hinders investors and others from considering climate-related issues in their asset valuation and allocation processes.”³⁹

37 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#), 1145.

38 *Ibid.*, 1200.

39 CESD, [Lessons Learned from Canada's Record on Climate Change](#), Report 5 of the 2021 Reports of the Commissioner of the Environment and Sustainable Development, Exhibit 5.13.

Subsequently, in 2015 the G20 finance ministers and central bank governors tasked the Financial Stability Board to study how the financial sector could take climate matters into account. To wit, the Board “identified the lack of available information as a key issue and created the Task Force on Climate-related Financial Disclosures to address it. In 2017, the Task Force released its recommendations, which promote transparency as a contributor to better climate risk management.”⁴⁰

At the hearing, when asked if the government could do more by requiring all financial institutions to disclose their climate-related financial information, the Commissioner provided the following:

That is actually another topic we are interested in and are considering right now.

I can tell you that the mandate letters of the Minister of Finance and the Minister of Environment and Climate Change ask them to implement rules on this and to require federal organizations to disclose their climate risks, as proposed by the TCFD [Task Force on Climate-related Financial Disclosures]. So this is underway.⁴¹

The Commissioner went on to state:

I recommend that you look at section 23 of the new *Canadian Net–Zero Emissions Accountability Act*, whereby the minister of finance must disclose information on financial risks and opportunities related to the climate. I don't know when the Minister of Finance's first report will be published.⁴²

Value for Canada's Global Climate Investments

Additionally, from a question about whether Canada is getting value for its multi-billion dollar contributions towards global climate finance commitments, the Commissioner responded as follows:

It's an area that interests our office greatly... I can't tell you what value for money they've received from those expenditures to date, but it is something that we're looking at closely and it may be something that we select as an audit for the coming year in

40 Ibid.

41 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#), 1135. For additional information, refer to Bank of Canada, [Annual Report 2020](#) (Coordinating the Bank's Climate Change Work) and HM Government (United Kingdom), [“UK to enshrine mandatory climate disclosures for largest companies in law”](#), Press release, 20 October 2021. It should be noted that in the UK, this requirement applies to large companies as well as financial institutions.

42 For the latest mandate letters of the current Ministry, please visit the Prime Minister's [webpage](#).



making sure that Canadians are getting value for money from investments like that. This is similar to how we looked at the emissions reduction fund in November in assessing whether Canadians are getting value for money from these large expenditures that are intended to help with climate change, and whether these are in fact helping.⁴³

CONCLUSION

The Committee thanks the Commissioner of the Environment and Sustainable Development for providing Parliament and Canadians with this important historical analysis of Canada's climate action.

Additionally, the Commissioner's position – that this Committee's undertaking of studying this report is a way to increase co-ordination and collaboration of climate action – is not only appreciated, but will guide this Committee's considerations for future studies of the Commissioner's audit reports.

43 House of Commons Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 8 February 2022, [Meeting 4](#), 1145.

APPENDIX A—REPORTS OF THE COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT AND AUDITOR GENERAL OF CANADA ON CANADA’S CLIMATE PERFORMANCE 1997-2021

2021—Investing in Canada Plan (Auditor General’s report)

The plan includes funding for mitigating climate change’s effects on existing infrastructure.

The federal government was unable to provide meaningful public reporting on the plan’s overall progress toward its expected results.

2019—Review of the 2018 Progress Report on the Federal Sustainable Development Strategy (Commissioner for the Environment and Sustainable Development’s report)

The government’s projected 2030 greenhouse gas emission values and documentation failed to demonstrate that its existing and planned actions would enable Canada to meet the country’s 2030 target for emission reductions.

2019—Non-Tax Subsidies for Fossil Fuels and Tax Subsidies for Fossil Fuels (CESD report)

The government did not have a complete inventory of potential fossil fuel subsidies.

The government did not conduct a rigorous assessment of its potential non-tax subsidies inventory to determine whether they were actual subsidies.

Canada’s assessments to identify inefficient tax subsidies for fossil fuels were incomplete and did not clearly define how a tax subsidy for fossil fuels would be inefficient.

2018—Perspectives on Climate Change Action in Canada—A Collaborative Report from Auditors General (CESD report)

Canada was not on track to meet its 2020 target for reducing greenhouse gas emissions.

Meeting Canada’s 2030 target would require substantial effort and actions beyond those currently planned or in place.

Most Canadian governments had not assessed and did not fully understand what risks they face and what actions they should take to adapt to a changing climate.

2018—Climate Change in Nunavut (AG report)

The Government of Nunavut was not adequately prepared to respond to climate change. It lacked implementation plans for its adaptation and emission strategies.

The Government of Nunavut did not fully assess the risks of climate change to Nunavut.

2017—Progress on Reducing Greenhouse Gases (CESD report)

Canada was not on track to meet its 2020 emission target and had shifted its focus to a 2030 emission target.

2017—Adapting to the Impacts of Climate Change (CESD report)

No priorities were set and no adaptation action plans were instituted to advance the Federal Adaptation Policy Framework across the federal government.

2017—Climate Change in Yukon (AG report)

The Government of Yukon created a strategy, an action plan, and 2 progress reports to respond to climate change. However, the commitments were weak and not prioritized.

Deficiencies in reporting made it difficult to assess progress.

2017—Climate Change in the Northwest Territories (AG report)

The territory's Department of Environment and Natural Resources did not identify climate change risks and did not establish a territorial adaptation strategy.

The Government of Northwest Territories departments and communities pursued their own adaptation efforts, resulting in a piecemeal and uncoordinated approach to adaptation.

2017—Fossil Fuel Subsidies (AG report)

The government did not define what the 2009 G20 commitment to phase out and rationalize inefficient fossil fuel subsidies meant in the context of Canada's national circumstances.

2017—Funding Clean Energy Technologies (CESD report)

The government had rigorous and objective processes in place to assess, approve, and monitor projects.

2016—Mitigating the Impacts of Severe Weather (CESD report)

The government had not done enough to help mitigate the anticipated effects of severe weather events.

2016—Federal Support for Sustainable Municipal Infrastructure (CESD report)

The government could not adequately demonstrate that the Gas Tax Fund had resulted in reduced greenhouse gas emissions.

2014—Mitigating Climate Change (CESD report)

Canada would not meet its 2020 emission reduction target.

The federal government had no plan for working toward the greater reductions required beyond 2020.

There was no coordination with provinces and territories to achieve the national target.

2012—Meeting Canada’s 2020 Climate Change Commitments (CESD report)

Canada was not on track to meet its 2020 emission target under the Copenhagen Accord.

2011—Climate Change Plans under the *Kyoto Protocol Implementation Act* (CESD report)

Canada was not on track to meet its Kyoto Protocol greenhouse gas emission target.

The governance mechanisms for climate change were inadequate.

2010—Adapting to Climate Impacts (CESD report)

No concrete actions were taken to adapt to the effects of a changing climate.

2009—*Kyoto Protocol Implementation Act* (CESD report)

The climate change plans overstated the reductions that could be reasonably expected.

Climate plans lacked transparency.

Reporting was deficient.

2006—Adapting to the Impacts of Climate Change (CESD report)

The government had not put in place key measures to support climate adaptation and had no strategy for federal adaptation efforts to indicate expected results and timelines and for which departments would assume responsibilities.

Federal progress in working with provinces and territories was limited.

2006—Managing the Federal Approach to Climate Change (CESD report)

Canada was not on track to meet its Kyoto Protocol greenhouse gas emission target.

Governance mechanisms for climate change were inadequate.

Reporting was deficient.

2001—Climate Change and Energy Efficiency: A Progress Report (CESD report)

Despite some progress, the federal government had a great deal of work left to do to engage partners to take action on climate change.

Action Plan 2000 lacked specific performance expectations.

1998—Responding to Climate Change: Time to Rethink Canada’s Implementation Strategy (CESD report)

Governance mechanisms for climate change were inadequate.

1997—Report of the Commissioner of the Environment and Sustainable Development to the House of Commons (CESD report)

This was the first of the Commissioner’s reports. Climate change is mentioned as a key issue of concern to Canadians and as the subject of one of the first reports to be issued by the Commissioner.

APPENDIX B LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Équiterre Colleen Thorpe, Executive Director Marc-André Viau, Director, Government Relations	2022/02/08	4
Office of the Auditor General Elsa Da Costa, Director Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development Kimberley Leach, Principal	2022/02/08	4

MINUTES OF PROCEEDINGS

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 4, 16, 18 and 19](#)) is tabled.

Respectfully submitted,

John Williamson, M.P.
Chair

