



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **JUST TRANSITION TO A LOW-CARBON ECONOMY**

**Report of the Standing Committee on Public Accounts**

**John Williamson, Chair**

**OCTOBER 2022  
44th PARLIAMENT, 1st SESSION**

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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

## **TWENTY-FIRST REPORT**

Pursuant to its mandate under Standing Order 108(3)(g), the committee has studied Report 1, Just Transition to a Low-Carbon Economy, of the 2022 Reports 1 to 5 of the Commissioner of the Environment and Sustainable Development and has agreed to report the following:







# JUST TRANSITION TO A LOW-CARBON ECONOMY

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## KEY FINDINGS OF THE COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

- The federal government was not prepared to support a just transition to a low-carbon economy.
- Federal programs and benefits fell short of a just transition for coal workers.
- Federal commitments and supports for the coal transition addressed some of the recommendations of the Task Force on Just Transition for Canadian Coal Power Workers and Communities. Employment and Social Development Canada and the regional development agencies used existing mechanisms to support affected workers and communities, but fell short of a just transition. In addition, the gender-based analysis plus undertaken for the coal-transition programs did not reflect the diversity of the workers.<sup>1</sup>

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1 Office of the Auditor General of Canada (OAG), Just Transition to a Low-Carbon Economy, Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, [At a Glance](#), Our findings.



## SUMMARY OF COMMITTEE RECOMMENDATIONS AND TIMELINES

Table 1—Summary of Committee Recommendations and Timelines

Recommendation	Recommended Action	Timeline
Recommendation 1	Natural Resources Canada, in collaboration with Employment and Social Development Canada, should provide the House of Commons Standing Committee on Public Accounts with a report on: 1) its implementation plan describing measures for helping workers and communities and enabling a just transition to a low-carbon economy; 2) the results of its engagement activities; and 3) a review of federal programming and an identification of gaps.	30 April 2023
Recommendation 2	NRCan, in collaboration with ESDC, should provide the Committee with a report describing the mandate of the Directors General Interdepartmental Working Group, the departments involved, their roles, responsibilities and accountabilities with regard to the transition to a low-carbon economy.	31 January 2023
Recommendation 3	NRCan, in collaboration with ESDC, should provide the Committee with a report detailing the work it has done to address the findings and recommendations of the Commissioner of the Environment and Sustainable Development, specifically with regard to: 1) obtaining high-quality data on the communities and workers affected by the transition to a low-carbon economy; 2) developing monitoring tools using the data; and 3) establishing public reporting requirements for measuring progress. Additional reports, including results indicators, must also be presented.	30 April 2023 and 30th of April of 2024, 2025, 2026, 2027, 2028, 2029, and 2030

Recommendation	Recommended Action	Timeline
Recommendation 4	ESDC should provide the Committee with a progress report on the implementation of the Community Workforce Development Program and the mandate commitment to implement the Clean Jobs Training Centre. A final report on the results of this pilot project and mandate commitment must also be presented.	30 April 2023 and 30 April 2024
Recommendation 5	NRCan, in collaboration with the Atlantic Canada Opportunities Agency, Prairies Economic Development Canada, and ESDC, should provide the Committee with a report explaining the government's approach to supporting a just transition to a low-carbon economy, including a description of the existing programs that will be used for that purpose and any new programs, as well as a description of ways it plans to address the ten recommendations made by the Task Force on Just Transition for Canadian Coal Power Workers and Communities that have not yet been addressed by the government.	31 January 2023
Recommendation 6	ACOA and PrairiesCan, in collaboration with NRCan and ESDC, should provide the Committee with a joint report containing: 1) the selected indicators for monitoring the long-term effects of the coal phase-out on affected communities and workers; 2) the targets associated with these indicators; and 3) the reporting schedule for reporting on the outcomes related to these indicators.	30 April 2023



## INTRODUCTION

### A. Background

On 26 April 2022, the Reports of the Commissioner of the Environment and Sustainable Development (the CESD or Commissioner) were tabled in the House of Commons and referred to the Standing Committee on Environment and Sustainable Development for study.<sup>2</sup> On 28 April 2022, the House of Commons Standing Committee on Public Accounts (the Committee) agreed to study one of these reports, entitled “Just Transition to a Low-Carbon Economy.”<sup>3</sup>

According to the Commissioner’s report:

- In November 2016, the federal government announced that it would be amending its existing coal-fired electricity regulations to accelerate the phase-out of traditional coal-fired electricity in Canada by 2030. This phase-out would affect workers and communities in four provinces: Alberta, Saskatchewan, New Brunswick, and Nova Scotia.<sup>4</sup>
- In 2017, the government made an international commitment, as part of the Powering Past Coal Alliance Declaration, to transition workers away from coal in a sustainable and economically inclusive way, with appropriate support for workers and communities.<sup>5</sup>
- In 2021, Canada also committed to ending exports of thermal coal, which is the type of coal used for generating electricity, by 2030.<sup>6</sup>

### B. Audit parameters

The main parameters of the Commissioner’s audit are summarized in Table 2.

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2 House of Commons, *Journals*, 26 April 2022.

3 House of Commons, Standing Committee on Public Accounts, *Minutes*, 44th Parliament, 1st Session, 28 April 2022, [Meeting 16](#).

4 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.3.

5 *Ibid.*, para. 1.2.

6 *Ibid.*, para. 1.3.

**Table 2—Audit Parameters**

<b>Audited organizations</b>	<ul style="list-style-type: none"> <li>• <a href="#">Natural Resources Canada</a> (NRCan)</li> <li>• <a href="#">Employment and Social Development Canada</a> (ESDC)</li> <li>• <a href="#">Atlantic Canada Opportunities Agency</a> (ACOA)</li> <li>• <a href="#">Prairies Economic Development Canada</a> (PrairiesCan)</li> </ul>
<b>Audit objective</b>	<p>To determine whether:</p> <ul style="list-style-type: none"> <li>• NRCan, ESDC, ACOA and PrairiesCan adequately supported a just transition for workers and communities impacted by the accelerated federal coal-fired electricity phase-out; and</li> <li>• NRCan, working with ESDC and partners, was prepared to support workers and their communities for a just transition to a low-carbon economy.</li> </ul>
<b>United Nations’ Sustainable Development Goals</b>	<p>The audit team examined actions in support of the United Nations’ Sustainable Development Goals, to understand the departments’ contributions to Goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), Goal 10 (reduce inequality within and among countries) and Goal 12 (ensure sustainable consumption and production patterns).</p>
<b>Audit period</b>	<p>The audit conclusion applies to the period from January 2018 to September 2021.</p>

Source: Office of the Auditor General of Canada, Just Transition to a Low-Carbon Economy, Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, [About the Audit](#).



### C. Roles and responsibilities

The roles and responsibilities of the audited organizations are set out in Table 3.

**Table 3—Roles and Responsibilities of Audited Organizations**

<p><b>Natural Resources Canada</b></p>	<ul style="list-style-type: none"> <li>• Advance legislation to support the futures and livelihoods of workers and their communities in the transition to a low-carbon economy.</li> <li>• Report on two coal-transition programs: the Canada Coal Transition Initiative (the Initiative) and the Canada Coal Transition Initiative—Infrastructure Fund (the Fund).</li> </ul>
<p><b>Employment and Social Development Canada</b></p>	<ul style="list-style-type: none"> <li>• Support NRCan in advancing legislation to support the future livelihood of workers and their communities in their transition to a low-carbon economy.</li> <li>• Provide support to workers affected by the accelerated federal phase-out of coal-fired electricity. This includes support related to skills development, employment, training, and other measures.</li> </ul>
<p><b>Atlantic Canada Opportunities Agency</b></p>	<p>Design and deliver on the Initiative and the Fund in Nova Scotia and New Brunswick.</p>
<p><b>Prairies Economic Development Canada</b></p>	<p>Design and deliver on the Initiative and the Fund in Alberta and Saskatchewan.</p>

Source: Office of the Auditor General of Canada, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, paras. 1.5 to 1.8.

### D. Meeting of the Standing Committee on Public Accounts

On 7 June 2022, the Committee held a meeting on the Commissioner’s report with the following in attendance :

- CESD – Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development, and Elsa Da Costa, Director
- NRCan – John Hannaford, Deputy Minister; Mollie Johnson, Assistant Deputy Minister; and Ainslee Emerson, Acting Director General

- ESDC – Andrew Brown, Senior Assistant Deputy Minister, Skills and Employment Branch, and Chris Bates, Director General, Apprenticeship and Sectoral Initiatives Directorate
- ACOA – Francis P. McGuire, President
- PrairiesCan – Dylan Jones, Interim Deputy Minister; Justin Riemer, Assistant Deputy Minister, Alberta; and Douglas Zolinsky, Director General, Enterprises and Ecosystems<sup>7</sup>

## FINDINGS AND RECOMMENDATIONS

### A. Preparedness for a Just Transition to a Low-Carbon Economy

#### 1. No Federal Implementation Plan

The Commissioner found that NRCan “had not developed legislation to support affected workers and communities, which it had planned for fall 2021.”<sup>8</sup> However, “on 10 March 2022, subsequent to [the] audit period, the department formally launched the next round of the government’s consultations on proposed legislation.”<sup>9</sup>

The Commissioner also found that “the department had not established an implementation plan that would outline how the federal government would support a just transition for workers and communities that may be affected by the transition to a low-carbon economy.”<sup>10</sup> In the Commissioner’s view, “the current pace of planning for a just transition will make it difficult to address the upcoming shifts in the labour market and the needs of the Canadian workforce during the transition to a low-carbon economy.”<sup>11</sup>

According to the Commissioner:

Without a proper just-transition plan in place, the risks are comparable to what occurred with the collapse of the northern cod fishery in Atlantic Canada in the 1990s. In

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7 House of Commons, Standing Committee on Public Accounts, *Minutes*, 44th Parliament, 1st Session, 7 June 2022, [Meeting 23](#).

8 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.26.

9 *Ibid.*, para. 1.27.

10 *Ibid.*, para. 1.28.

11 *Ibid.*



our 1993 audit, we found that the government was unprepared to deal with the consequences of the moratorium on cod fisheries for local communities and workers.<sup>12</sup>

He also gave the following example to illustrate the consequences of having no plan in place:

This department, Natural Resources Canada, was able to create from scratch the emissions reduction fund without a criterion regarding job retention during the pandemic. It chose to put this file, the just transition file, aside during that period. That's a choice it made and is one of the reasons why they're behind in implementing this very important commitment for Canadians, the affected communities and the affected workers.<sup>13</sup>

Regarding the development of a strategy, the Commissioner made the following recommendation:

Natural Resources Canada, with the support of Employment and Social Development Canada, should define how the federal government will support workers and communities in a just transition to a low-carbon economy. Natural Resources Canada should

- outline the federal government's approach to supporting a just transition to a low-carbon economy
- develop an engagement strategy that includes key stakeholders that represent the diversity of affected workers and communities
- review the federal programming to determine how existing federal policies and programs can contribute to a just transition for workers and communities
- undertake a gap analysis to determine which policies and programs should be scaled up to support a just transition.<sup>14</sup>

According to their detailed action plans, the departments have taken or will take the following actions to deliver on this recommendation:

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12 House of Commons, Standing Committee on Public Accounts, *Evidence*, 44th Parliament, 1st Session, 7 June 2022, [Meeting 23](#), 1105.

13 Ibid., 1155.

14 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.30.



- Outline of federal approach:
  - Information communicated through NRCan’s website (ongoing);
  - Information sharing between government departments facilitated through the creation of a directors general interdepartmental group (completed in March 2022) and the creation of a working group on employment and skills (expected completion in June 2022).
- Development of an engagement strategy:
  - The engagement strategy has been developed.
  - Consultations were held in 2021 and 2022. A report on these consultations will be published in the fall of 2022.
  - Consultations will continue until 2025.
- Review of federal programming and gap analysis:
  - NRCan, in collaboration with relevant federal departments, will continue to review federal programming.
  - NRCan will collaborate with provinces, territories and other parties through the development of place-based economic strategies through the Regional Energy and Resource Tables (2022 to 2025).
  - ESDC plans to continue reviewing its existing programming.<sup>15</sup>

The Committee therefore makes the following recommendation, which must be addressed by 30 April 2023, approximately one year after the tabling of the Commissioner’s report:

**Recommendation 1—On the development of a just transition strategy**

**That, by 30 April 2023, Natural Resources Canada, in collaboration with Employment and Social Development Canada, provide the House of Commons Standing Committee on Public Accounts with a report on: 1) its implementation plan describing measures for helping workers and communities and enabling a just transition to a low-carbon**

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15 Employment and Social Development Canada (ESDC), [Detailed Action Plan](#), p. 1–3, and Natural Resources Canada (NRCan), [Detailed Action Plan](#), pp. 1–3.



**economy; 2) the results of its engagement activities; and 3) a review of federal programming and an identification of gaps.**

## **2. No Formal Governance Structure**

The CESD found that NRCan “had not established a governance structure, roles, or responsibilities to guide federal departments in coordinating and collaborating to support a just transition to a low-carbon economy. [NRCan] had discussed relevant issues with other government departments, such as [ESDC], including through an informal working group on just transition and future skills. This working group did not have any terms of reference with defined roles and responsibilities, a clear mandate, or a meeting schedule. Nor did it require formal meeting minutes. The working group had met 4 times since 2019 and had not met since October 2020.”<sup>16</sup>

Consequently, the Commissioner made the following recommendation:

To enable a coordinated approach to planning and implementing a just transition for Canadians, Natural Resources Canada, with the support of Employment and Social Development Canada, should formalize a governance structure to ensure that all relevant federal departments and agencies have clear roles, responsibilities, and accountabilities for advancing the federal support for a just transition to a low-carbon economy.<sup>17</sup>

According to their detailed action plans, the departments believe the creation of a directors general interdepartmental group (completed in March 2022) and the creation of a working group on employment and skills (expected completion in June 2022) will address that recommendation.<sup>18</sup> At the hearing, John Hannaford, Deputy Minister, NRCan, added the following:

We have a committee structure now that derives from a deputy minister’s implementation committee that relates to climate. At both the director general and the director level, we now have a governance structure within the government.<sup>19</sup>

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16 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.31.

17 *Ibid.*, para. 1.33.

18 ESDC, [Detailed Action Plan](#), p. 3–4, and NRCan, [Detailed Action Plan](#), p. 3.

19 House of Commons, Standing Committee on Public Accounts, *Evidence*, 44th Parliament, 1st Session, 7 June 2022, [Meeting 23](#), 1205.

To ensure that this structure clearly establishes the departments' roles and responsibilities, the Committee therefore recommends:

**Recommendation 2—On the establishment of a formal governance structure**

**That, by 31 January 2023, Natural Resources Canada, in collaboration with Employment and Social Development Canada, provide the House of Commons Standing Committee on Public Accounts with a report describing the mandate of the Directors General Interdepartmental Working Group, the departments involved, their roles, responsibilities and accountabilities with regard to the transition to a low-carbon economy.**

### 3. No Program Measuring and Monitoring System

The Commissioner found that although NRCan and ESDC “had collected similar information, they had not coordinated their efforts to establish a measuring and monitoring system to understand and report on progress for a just transition to a low-carbon economy.”<sup>20</sup>

Consequently, the Commissioner made the following recommendation:

Natural Resources Canada, with the support of Employment and Social Development Canada, should work with relevant federal organizations to determine an approach to measure, monitor, and report on progress toward a just transition to a low-carbon economy. This approach should

- establish what data is needed related to sectors, skills, occupations, and the diversity of workers and communities
- develop the tools for measuring and monitoring affected workers and communities
- establish public reporting requirements for measuring progress toward a just transition for workers and communities to a low-carbon economy<sup>21</sup>

According to their detailed action plans, the departments plan to continue working to improve the data needed for analysis, developing analytical tools, and developing

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20 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.34.

21 *Ibid.*, para. 1.36.



diagnostic materials and advice for the government.<sup>22</sup> However, it is unclear whether the departments plan to adequately address the part of the Commissioner’s recommendation stating that they should “establish public reporting requirements for measuring progress toward a just transition for workers and communities to a low-carbon economy.”<sup>23</sup> Therefore, the Committee recommends:

### **Recommendation 3—On program measuring and monitoring**

**That, by 30 April 2023, Natural Resources Canada, in collaboration with Employment and Social Development Canada, provide the House of Commons Standing Committee on Public Accounts with a report detailing the work it has done to address the findings and recommendations of the Commissioner of the Environment and Sustainable Development, specifically with regard to: 1) obtaining high-quality data on the communities and workers affected by the transition to a low-carbon economy; 2) developing monitoring tools using the data; and 3) establishing public reporting requirements for measuring progress. Reports, including results indicators, must also be presented on the 30<sup>th</sup> of April of 2024, 2025, 2026, 2027, 2028, 2029, and 2030.**

## **B. Just Transition for Coal Workers and Communities**

### **1. Business-As-Usual Support For Coal Workers**

According to the Commissioner, ESDC “used a business-as-usual approach to support affected workers by using an existing delivery mechanism. Specifically, the department relied on Employment Insurance benefits, which provide 55% of earnings up to a maximum amount, to support coal workers who had lost their jobs because of the coal phase-out. However, this benefit was not sufficient to meet their needs.”<sup>24</sup>

Furthermore, no evidence was found that responsibility had been allocated for exploring how the government could protect the pensions of affected workers. The department had not implemented the Employment Insurance Training Support Benefit or amended existing labour market transfer agreements to offer specific support to affected coal workers.<sup>25</sup>

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22 ESDC, [Detailed Action Plan](#), p. 5, and NRCan, [Detailed Action Plan](#), p. 4.

23 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.36.

24 *Ibid.*, para. 1.46.

25 *Ibid.*, paras. 1.47–1.49.

## 2. Support for Communities Not Designed for a Just Transition

The Commissioner found that, to understand community-level needs, ACOA and PrairiesCan “engaged with affected communities and workers” and that “during summer 2018, the agencies supported the Task Force on Just Transition for Canadian Coal Power Workers and Communities in its consultations with affected communities, to further understand their needs and the effects of the coal phase-out on them.”<sup>26</sup>

Regarding the downturn in the Atlantic coal sector, Francis McGuire, President, ACOA, stated the following at the hearing:

In New Brunswick and in Nova Scotia, there is no imminent shuttering of the coal-generating facilities. Therefore, the labour transition is not going to occur for another five or six years. For us, focusing on the community adjustment rather than the labour force was timely. In our situation, the respective power companies are well equipped to redeploy employees to other higher-skilled jobs and to look at things like early retirement and other measures.<sup>27</sup>

Dylan Jones, Interim Deputy Minister, PrairiesCan, described the consultations carried out by the agency:

We believe strongly in the concept of “nothing about us without us”. That’s why PrairiesCan staff have spent countless hours at community meetings, municipal and band council meetings, worker transition meetings and events, and talking one on one with community leaders, businesses and workers. This people-centric approach puts workers and communities at the centre of our policy and decision-making on climate change action. That just makes sense. It makes sense to listen to the people who are affected by all of this.<sup>28</sup>

However, in the absence of a federal approach to a low-carbon economy, the regional development agencies used existing terms and conditions to facilitate the delivery of the coal-transition programs. Key features, such as recipient eligibility, activity eligibility, and the assessment criteria, were designed to meet the objectives of existing economic diversification programs.<sup>29</sup>

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26 Ibid., para. 1.51.

27 House of Commons, Standing Committee on Public Accounts, *Evidence*, 44th Parliament, 1st Session, 7 June 2022, [Meeting 23](#), 1110.

28 Ibid., 1125.

29 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.52.



### 3. Underrepresented Groups Not Considered in Gender-Based Analysis Plus

The Commissioner found that the gender-based analysis plus undertaken by the regional development agencies “did not consider the diversity of the coal worker population nor the indirect effects of a coal transition on other members of the community.”<sup>30</sup>

### 4. Not All Task Force Recommendations Addressed

The Task Force on Just Transition for Canadian Coal Power Workers and Communities “made recommendations calling for just-transition principles to be embedded in planning, legislative, regulatory, and advisory processes to ensure ongoing and concrete actions throughout the coal phase-out.”<sup>31</sup> The Commissioner found that “the federal government had committed to supporting some of the task force’s recommendations but delivered on only 4 of the 10.”<sup>32</sup> The following six recommendations were either partly or not addressed:

- Develop, communicate, implement, monitor, evaluate, and publicly report on a just transition plan for the coal phase-out, championed by a lead minister to oversee and report on progress.
- Include provisions for just transition in federal environmental and labour legislation and regulations, as well as relevant intergovernmental agreements.
- Establish a targeted, long-term research fund for studying the impact of the coal phase-out and the transition to a low-carbon economy.
- Create a pension bridging program for workers who will retire earlier than planned due to the coal phase-out.
- Create a detailed and publicly available inventory with labour market information pertaining to coal workers, such as skills profiles, demographics, locations, and current and potential employers.

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30 Ibid., para. 1.55.

31 Ibid., para. 1.57.

32 Ibid.

- Create a comprehensive funding program for workers staying in the labour market to address their needs across the stages of securing a new job, including income support, education and skills building, re-employment, and mobility.<sup>33</sup>

Consequently, the Commissioner recommended the following:

To better integrate just-transition principles into federal programs, the Atlantic Canada Opportunities Agency, Prairies Economic Development Canada, and Employment and Social Development Canada should work with Natural Resources Canada to establish the federal government’s approach, which could include the design of new federal programs and leverage existing mechanisms, to support a just transition to a low-carbon economy that meets the diverse needs of affected workers and communities.<sup>34</sup>

In its action plan, NRCan states that new legislation “may include just-transition principles which, if passed, would help inform the design of new or expanded federal programs”<sup>35</sup> to ensure that all Canadian workers and communities benefit from the opportunities that the transition to a low-carbon economy will bring.

ESDC plans to rely on existing or recent programs, such as the Sectoral Workforce Solutions Program, which will “fund sectoral projects that focus on a range of industry-driven activities to help address labour market needs, with a particular focus on building talent for the clean economy.”<sup>36</sup>

A new pilot project, the Community Workforce Development Program, will “test innovative community-based approaches that aim to address regional and national priorities such as de-carbonization and supporting a just transition for workers in transforming sectors such as energy.”<sup>37</sup>

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33 Ibid., Exhibit 1.5.

34 Ibid., para. 1.58.

35 NRCan, [Detailed Action Plan](#), p. 5.

36 House of Commons, Standing Committee on Public Accounts, *Evidence*, 44th Parliament, 1st Session, 7 June 2022, [Meeting 23](#), 1120.

37 ESDC, [Detailed Action Plan](#), p. 7.



ESDC “is also currently working on a mandate commitment to launch a Clean Jobs Training Centre to help workers across key sectors and occupations improve or gain new skills in order to be on the leading edge of the zero carbon industry.”<sup>38</sup>

The regional development agencies plan to collaborate with the departments on the design and delivery of new programs, as needed.<sup>39</sup>

The Committee therefore recommends the following:

**Recommendation 4—On the federal government’s approach for the transition**

**That, by 30 April 2023, Employment and Social Development Canada provide the House of Commons Standing Committee on Public Accounts with a progress report on the implementation of the Community Workforce Development Program and the mandate commitment to implement the Clean Jobs Training Centre. A final report on the results of this pilot project and mandate commitment must also be presented by 30 April 2024.**

**Recommendation 5—On the federal government’s approach for the transition**

**That, by 31 January 2023, Natural Resources Canada, in collaboration with the Atlantic Canada Opportunities Agency, Prairies Economic Development Canada, and Employment and Social Development Canada, provide the House of Commons Standing Committee on Public Accounts with a report explaining the government’s approach to supporting a just transition to a low-carbon economy, including a description of the existing programs that will be used for that purpose and any new programs, and a description of ways it plans to address the ten recommendations made by the Task Force on Just Transition for Canadian Coal Power Workers and Communities that have not yet been addressed by the government.**

## **5. Insufficient Results Measurement, Monitoring and Reporting**

The Commissioner found that “the measuring and monitoring of results did not provide a sufficient understanding of whether programs were supporting just-transition outcomes for workers and communities.”<sup>40</sup> For example, ACOA and PrairiesCan had “established indicators that were not designed to measure and monitor outcomes for

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38 Ibid., p. 6.

39 Atlantic Canada Opportunities Agency (ACOA), [Detailed Action Plan](#), pp. 1–2, and Prairies Economic Development Canada (PrairiesCan), [Detailed Action Plan](#), pp. 1–2.

40 OAG, [Just Transition to a Low-Carbon Economy](#), Report 1 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 1.37.



the coal-transition programs.”<sup>41</sup> In addition, NRCan had not led “the reporting on results of the activities implemented to support a just transition for the affected workers and communities.”<sup>42</sup>

Consequently, the Commissioner recommended the following:

Natural Resources Canada, the Atlantic Canada Opportunities Agency, and Prairies Economic Development Canada, with the support of Employment and Social Development Canada, should work together to measure, monitor, and report on just-transition outcomes. This would include

- establishing indicators and determining data requirements to measure and monitor the long-term effects of the coal phase-out on affected workers and communities;
- tracking progress against indicators that align with the Canadian Indicator Framework for the Sustainable Development Goals and reflect the diversity of directly and indirectly affected workers and communities;
- establishing results to be achieved for workers and communities that support a just transition to a low-carbon economy; and
- establishing a reporting schedule to publicly report on the outcomes of the just-transition programs.<sup>43</sup>

The departments and agencies agreed with this recommendation. As a result, NRCan, the regional development agencies, ESDC “and other relevant departments, where appropriate, will work together to measure, monitor, and report on just-transition outcomes. The development of a framework for measuring quantitative and qualitative outcomes of the coal phase-out on affected workers and communities will be led by [ACOA and PrairiesCan].”<sup>44</sup>

To ensure that there is adequate monitoring of just-transition programs, the Committee therefore recommends the following:

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41 Ibid., para. 1.59.

42 Ibid., para. 1.61.

43 Ibid., para. 1.63.

44 NRCan, [Detailed Action Plan](#), p. 6.



### **Recommendation 6—On results measurement and monitoring**

**That, by 30 April 2023, the Atlantic Canada Opportunities Agency and Prairies Economic Development Canada, in collaboration with Natural Resources Canada and Employment and Social Development Canada, provide the House of Commons Standing Committee on Public Accounts with a joint report containing 1) the selected indicators for monitoring the long-term effects of the coal phase-out on affected communities and workers; 2) the targets associated with these indicators; and 3) the reporting schedule for reporting on the outcomes related to these indicators.**

### **CONCLUSION**

The Committee notes that the Commissioner concluded that NRCan, working with ESDC and partners on behalf of the federal government, was not prepared to support workers and their communities for a just transition to a low-carbon economy. Although new legislation had been planned for 2021, no federal implementation plan, formal governance structure, or monitoring and reporting system was in place.

In the absence of a federal approach for a just transition to a low-carbon economy, ESDC, ACOA and PrairiesCan had not adequately designed the federal programs and benefits to support a just transition for workers and communities affected by the accelerated federal phase-out of coal-fired electricity. In the Commissioner's view, this represents a significant missed opportunity, as the coal phase-out is the first of several transitions to a low-carbon economy facing Canadian workers, communities, and governments.

The Committee is therefore making six recommendations to ensure that the Commissioner's recommendations are adequately addressed and that the departments and regional development agencies involved provide evidence of this to the Committee through progress reports.

## APPENDIX A LIST OF WITNESSES

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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
<b>Atlantic Canada Opportunities Agency</b> Francis P. McGuire, President	2022/06/07	23
<b>Department of Employment and Social Development</b> Chris Bates, Director General, Apprenticeship and Sectoral Initiatives Directorate Andrew Brown, Senior Assistant Deputy Minister, Skills and Employment Branch	2022/06/07	23
<b>Department of Natural Resources</b> Ainslee Emerson, Acting Director General John Hannaford, Deputy Minister Mollie Johnson, Assistant Deputy Minister	2022/06/07	23
<b>Office of the Auditor General</b> Elsa Da Costa, Director Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development	2022/06/07	23
<b>Prairies Economic Development Canada</b> Dylan Jones, Interim Deputy Minister Justin Riemer, Assistant Deputy Minister, Alberta Douglas Zolinsky, Director General, Enterprises and Ecosystems	2022/06/07	23



## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 23, 30 and 31](#)) is tabled.

Respectfully submitted,

John Williamson, M.P.  
Chair

