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Chair

Mr. Tom Lukiwski

Standing Committee on Government Operations and Estimates

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• (0845)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, we're about two minutes past due, but we do have quorum, so we will start now.

Mr. Kelly McCauley (Edmonton West, CPC): Chair, I have a point of order.

The Chair: Yes, go ahead.

Mr. Kelly McCauley: I'd like to introduce my motion for a procurement study, please.

The Chair: Mr. McCauley, the motion is being passed out to committee members. Would you care to read it for the record?

Mr. Kelly McCauley: Pursuant to Standing Order 108(2)....

Actually, in light of the Liberals actually showing up for work, I'm going to hold it for another time.

The Chair: Thank you, Mr. McCauley.

Since we do have quorum, we will commence.

Colleagues, we are continuing our study on the greening of government strategy. We have some guests with us via video conference. I'll introduce them quickly to you.

From Los Angeles, California, we have Madam Nancy Sutley, chief sustainability officer, Los Angeles Department of Water and Power. From the Government of the French Republic, we have Elise Calais, deputy director, Ministry for the Ecological and Inclusive Transition, General Commission for Sustainable Development, Department of the Economy; Corinne Fritsch, acting head of the Office of Public Service Leadership, Ministry for the Ecological and Inclusive Transition. We also have Jean-Baptiste Trocmé, head, Office for the Integration of Sustainable Development.

I'd like to welcome all of the video conference participants. Thank you for being here.

I think you probably know the routine and process that we go through. We will ask those of you who are making presentations to make a brief opening presentation. Once all of the presentations have been completed, we will go directly into questions by our committee members.

Madam Sutley, do you care to say a few words to make sure we hear your audio?

Ms. Nancy Sutley (Chief Sustainability Officer, Los Angeles Department of Water and Power, As an Individual): Yes. Good morning from Los Angeles.

• (0850)

The Chair: Thank you very much.

Colleagues, while we're trying to get audio from our friends from France, we will start with those participants who do have audio and video.

That said, we can start with Madam Sutley from Los Angeles.

Ms. Nancy Sutley: Thank you for the opportunity to appear.

My name is Nancy Sutley. Currently, I'm the chief sustainability officer for the Los Angeles Department of Water and Power. It is the largest municipally owned utility in the U.S. and a department of the City of Los Angeles, California. It serves four million people in Los Angeles with water and electricity.

From 2009 to 2014, I served in President Obama's administration as the chair of the White House council on environmental quality, the CEQ. The CEQ was established in 1970 by the National Environmental Policy Act to provide the president of the United States with advice regarding environmental priorities for the nation. Since the early 1990s, the CEQ has also coordinated the sustainability in greening efforts of the United States government. The CEQ houses the Office of Federal Sustainability, although the budget and employees come from the U.S. Environmental Protection Agency.

The White House Office of Management and Budget tracks and evaluates sustainability performance metrics. A number of other federal agencies provide subject matter expertise and guidance on federal sustainability-related subjects, including the United States Environmental Protection Agency, the Department of Energy, the U.S. Department of Agriculture and the General Services Administration.

Successive presidents since the 1990s have issued a series of presidential executive orders that have established sustainability and greening goals for the U.S. government. The U.S. government has long been a leader in sustainability, demonstrating sustainable practices such as green building techniques that are now common practices in the wider U.S. economy. These executive orders have generally built on the progress in previous executive orders, although the most current one, executive order 13834, issued by President Trump in May 2018, is a step backwards, particularly with respect to climate change.

The U.S. Congress has enacted a number of goals and programs that affect the greening of the U.S. government in the Energy Policy Act of 1992, the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007, among others. However, executive action has broadened and expanded these goals and programs, relying on the president's authority to manage the U.S. government. Executive orders are directives by the president that manage the operations of the U.S. government and have the force of law.

The oversight and management of the U.S. government's greening efforts have evolved since the 1990s. The U.S. government is the single largest energy consumer in the U.S. economy. It has more than 350,000 buildings, 600,000 vehicles and nearly 2 million civilian employees. It purchases \$500 billion annually in goods and services and spends \$16 billion per year on energy.

Recent accomplishments by the U.S. government, as reported by the Office of Federal Sustainability, include a more than 7% reduction in building energy use per square foot from 2015 to 2017; a 25% reduction in potable water use since 2007; more than 10% of facility energy use being met with renewable energy; and, a doubling in alternative fuel use since 2005.

Federal sustainability and greening directives and efforts have gotten increasingly comprehensive and ambitious over the last 25 years, until President Trump aimed to scale those efforts back to only those statutorily mandated and cost effective.

His executive order contains qualitative goals around building energy use, energy efficiency, renewable energy, water use, waste prevention and recycling and procurement. It retains the structure of an inter-agency sustainability steering committee chaired by the Council on Environmental Quality and the White House Office of Management and Budget and the designation of chief sustainability officers by each federal agency, and it continues the practice of issuing scorecards to federal agencies on sustainability measures. The CEQ has yet to issue implementation instructions and guidance to federal agencies under this latest directive.

• (0855)

However, his executive order eliminates any mention of climate change and certain quantitative and prescriptive performance requirements contained in Obama-era executive orders, including requirements for federal agencies to account for and reduce greenhouse gas emissions and prepare for the impact of climate change and the preparation of agency-strategic sustainability performance plans.

President Obama's 2015 executive order 13693, which expanded the reach and ambition of a 2009 executive order, emphasized climate change mitigation, noting that the actions outlined in his executive order could result in a 40% reduction in greenhouse gas emissions by U.S. government operations by the year 2025.

Executive order 13693 required federal agencies to set greenhouse gas reduction goals for scopes one, two and three emissions for 2025 relative to a 2008 baseline. It also set a number of other performance requirements in the areas of building energy conservation, renewable energy use, water use reduction, fleets, net zero buildings, sustainable procurement, recycling and waste management and electronics stewardship. For the first time it required the U.S. government to manage supply chain greenhouse gas emissions. Under another executive order, since revoked by the Trump administration, federal agencies had to address climate change impacts on their operations through agency adaptation plans.

Key to all these efforts is oversight by the White House through the CEQ and OMB. In addition to demonstrating leadership by the federal government, it's important that there is a business case for these measures, either budgetary or to meet some other agency operational need. For example, the U.S. government was an early adopter and encourager of green building practices that result in long-term budgetary savings. Also, these executive orders have encouraged federal agencies to use energy savings performance contracts that are authorized by federal law. These ESPCs allow federal agencies to enter into budget-neutral, long-term contracts with third parties that guarantee energy savings with no upfront costs paid through the energy savings.

In another example, military bases worked with third parties to develop renewable energy projects to provide power for bases. In addition to the environmental benefits of these projects, they provide resiliency for the base and its critical infrastructure in the event of a disruption to the electricity grid. The Department of Defense and the military services account for most the energy use by the U.S. government.

In conclusion, despite the Trump administration's scaling back, the U.S. government continues to pursue greening goals. Progress towards sustainability by the U.S. government will help the U.S. meet its overall goals. These efforts also bring budgetary and operational benefits to federal agencies. They ensure that the U.S. government can continue to lead by example as it has for decades.

Thank you for the opportunity to share these thoughts.

• (0900)

The Chair: Thank you very much.

Colleagues, I have a couple of housekeeping notes before we continue.

Number one, we have an additional guest with us today who will be providing testimony, but you do not have this individual on your agenda. We have, from the Government of Finland, Madam Hannele Pokka. I hope Madam Pokka is not on the agenda because we were just informed, as of 7:15 this morning that she was available, which gave us enough time to connect her by video conference.

Welcome.

My apologies to all committee members that you don't have her on your agenda.

The last housekeeping item, colleagues, I should have done at the outset. We have some committee business to deal with today, so at approximately 10:15, 30 minutes prior to the completion of this meeting, I will be asking that this part of the meeting conclude so that we can go into committee business. We have a number of details and decisions to make.

With that, we will now turn it over to Madam Pokka, from Finland. She is the permanent secretary with the Ministry of the Environment.

Madam Pokka, the floor is yours.

Ms. Hannele Pokka (Permanent Secretary, Ministry of the Environment, Government of the Republic of Finland): Thank you. I am delighted to appear.

Hello, Canada. It's a great pleasure to see you all on the other side of the video. It's a very interesting time to give a presentation from Finland to you, because a couple of weeks ago our Prime Minister and government resigned and we will have parliamentary elections on April 14. I have been listening to what the parties and candidates have been talking about as the elections are coming, and it's amazing how universal it is that all parties in Finland feel that we need to be very active in stopping climate change.

Actually, most of these strategies and some good examples, which I will now tell you about, have been adopted by Parliament, so they are very widely supported.

First of all, in terms of climate change and the circular bio-economy, Finland has a long-term objective to reduce greenhouse gas emissions by at least 80% by 2050 compared to 1990 levels. The Finnish government has set an additional target that Finland will be carbon neutral by 2045. Significant actions have already been carried out. For example, the Finnish Parliament just recently accepted legislation, and under this new law, it will be prohibited to use coal in energy production from June 2029 onward.

Finland is part of an EU-wide emissions trading system and has ambitious targets for 2030 to reduce its greenhouse gas emissions in the so-called effort sharing sector by 39% compared with 2005 levels. "Effort sharing sector" means traffic, construction, houses and agriculture.

Finland aims also to be a forerunner in the circular economy by 2025. This is a guiding principle in the Finnish road map to a circular economy, prepared jointly by relevant ministries and other stakeholders to respond to the opportunities offered by the circular economy.

Transition towards a more circular economy is in progress. New businesses are closing the loops in product life cycles. For example, land filling has greatly decreased and recycling and reuse are gaining ground. As another example, as you know, Finland has a lot of forests. We have also a lot of pulp mills. Nowadays pulp mills call themselves bio-economy centres because nothing is wasted; all by-products are used and made into new products such as biofuel and other things. So, the circular economy is also that.

I'll say a few words about the sustainable development goals, SDGs for 2030. Finland is included, through international sustainable development goals, in different strategies and we have had for quite a long time, actually, a national commission on sustainable development chaired by the Prime Minister. But instead of having a traditional strategy document, the national commission on sustainable development decided to introduce society's commitment to sustainable development. It is called "The Finland we want by 2050". Under the commitment, the public sector together with other actors pledges to promote sustainable development in all its work and operations. Different stakeholders and public sector organizations have already made almost 2,000 commitments personally once they are in office or through their authority, aiming to implement sustainable development goals.

● (0905)

Also, in our annual budget, which the government gives to Parliament, we give a review of what we have really done to implement SDGs in the year and what we are aiming to do next year.

I have two examples of how the government is greening its activities. One comes from my ministry, the Ministry of the Environment. We have some other partners—not all are ministries, but many are—who have certified offices by the World Wildlife Fund, WWF green offices. The green office certificate helps offices to reduce the carbon footprint of the office, to use natural resources wisely and to protect biodiversity.

In my office we can follow what we have really done—for example, saving paper, being more energy effective and perhaps also travelling less by airplane. Another example of greening the government comes from public procurement, probably also like in Canada. In Finland, the value of public procurement is over 30 billion euros annually, so around 16% of our GDP.

The government has made a decision in principle, setting targets on public procurements. They are good targets, but the practical tool we use is established between relevant ministries. It's a sort of a network-based centre of excellence, the purpose being to increase the ambition and expertise of various actors and influence sustainability and circularity in procurements. Not only the state government or ministries are doing this job; also the local municipalities and companies are making quite a big decision by public procurements.

The last topic is that we will be chairing the European Union's council from the beginning of July to the end of this year. We are preparing for our coming chairmanship. One issue that we are now dealing with is that we know when we are chairing, it will increase the flight travels of European politicians and secret service people between Brussels and Helsinki. As part of this presidency program, the government is planning to compensate CO2 emissions of flight travels. We are planning that beyond this chairmanship; we'll continue this compensation system.

Thank you for listening to me.

● (0910)

The Chair: Thank you very much.

Lastly, we will have three representatives from the Government of the French Republic.

I'm not quite sure who will be making the presentation, or whether you will be splitting your time. Whoever wishes to start, please go ahead.

[Translation]

Ms. Elise Calais (Deputy Director, Ministry for the Ecological and Inclusive Transition, General Commission for Sustainable Development, Department for the Economy, Evaluation and Integration of Sustainable Development Policies, Division of Environmental Responsibility of Economic Actors, Government of the French Republic): Good morning, Mr. Chair and honourable parliamentarians.

Can you hear me?

[English]

The Chair: We can hear you, but I'm not sure if we're getting interpretation.

Go ahead, please.

[Translation]

Ms. Elise Calais: If interpretation is a problem, I can switch to English.

Do you have access to interpretation?

[English]

The Chair: Is everyone receiving it simultaneously?

Some hon. members: Yes.

The Chair: Please go ahead. We're connected now.

[Translation]

Ms. Elise Calais: Thank you, Mr. Chair.

Thank you, members of Parliament.

There are three of us representing the Government of France today. My name is Elise Calais, and I am deputy director of the Division of Environmental Responsibility of Economic Actors.

Joining me is Corinne Fritsch, the acting head of the Office of Public Service Leadership in my division. The two of us will be discussing inter-ministerial public policy, because we are responsible for the strategy government-wide, including all ministries.

Also with me is Jean-Baptiste Trocmé, from the General Secretariat of the ministry. He is actually responsible for implementing the public policy within the ministry all three of us represent, the Ministry for the Ecological and Inclusive Transition.

First of all, what is exemplary administration in France all about? Article 6 of the charter for the environment, which was incorporated into France's constitution in March 2005, provides that public policies must promote sustainable development. To that end, public policy seeks to balance environmental protection and development, economic growth and social advancement.

It is these principles that we are working to incorporate into administration and public procurement through policy. Our mechanism seems to be very much in line with what other countries have in place, particularly what the Finnish government official described. What this means is that the government decides on a host of policies that are then implemented by the ministries.

France has 50,000 procurement authorities, in other words, government service organizations, and territorial communities, which include regions, departments, communes and public institutions of intercommunal co-operation, as well as public institutions such as hospitals, courts and universities. They account for roughly 15% of France's gross domestic product, so they have a major role to play in a successful green transition, namely, the transition to a circular economy.

The inter-ministerial policy we are responsible for is based on the February 17, 2015 circular issued by the Prime Minister of France calling on each ministry to adopt an exemplary administration plan setting out a certain number of principles and to submit an annual report taking into account specific indicators.

Here is an example: the proportion of low-emission vehicles acquired through public procurement. This refers to the percentage of vehicles purchased by public administration authorities that are electric or produce low emissions, in accordance with established criteria. Another indicator is the ratio of recycled paper to total paper used by administration authorities. Indicators also include annual water use and annual energy consumption by public buildings.

These policies have been in place since 2008. Furthermore, underlying the ministerial plans are certain obligations imposed on all the procurement authorities. Here is an example. Every three years, each government service organization is required to report its greenhouse gas emissions attributable to building consumption, transportation of officials or any other cause. French businesses are subject to a similar reporting requirement every four years.

Another example is the fact that the country's major strategies have all been incorporated into the obligations of the administrative authorities. In that connection, the French government released a circular economy roadmap in March 2018.

Some of the commitments undertaken in relation to administrative authorities involve the use of recycled paper, the reuse of mobile phones and the use of retreaded tires, in other words, used tires for administration authority vehicles.

In July 2018, we also adopted a biodiversity plan. Similarly, the plan takes account of public administration authorities.

Here's one final example. In November 2018, France adopted a national strategy to combat imported deforestation, which it built into its inter-ministerial mechanism. There again, obligations tie in with exemplary administration plans.

● (0915)

However, the mechanism isn't necessarily robust enough today. We are realizing that, despite the large number of regulatory obligations, the desired effects aren't always forthcoming, primarily because measures are lacking to sanction organizations for failing to follow through on their obligations. What's more, in some cases, we don't even have the information to tell us whether the plans are being followed.

The February 2015 circular I mentioned earlier required all ministries to report annually to our division on progress towards their ministerial action plan in relation to the prescribed indicators. On a practical level, what we're seeing is that some ministries never submit their reports. When the mechanism was launched, a *bonus malus* financial incentive scheme was in place. The scheme hardly made us any friends in other ministries and has since been eliminated. Of course, we received the reports when financial penalties applied.

The second component of the exemplary administration approach is the 2015-20 national action plan for sustainable public procurement. It, too, is an inter-ministerial plan. A certain number of objectives were set for 2020, one being that at least 30% of public contracts in a year include, at a minimum, an environmental clause. Another objective provided for a comprehensive analysis of every contract, as soon as the procurement requirement had been defined, to determine whether the contract could take account of the sustainable development objectives. This demonstrates exemplary government administration in relation to energy and electricity conservation.

Lastly, we have set the following objective for 2020: 80% of organizations purchasing paper, printing devices, office supplies, furniture, clothing and office systems are to take into account product life cycle, either through the delivery mechanisms of the contract or a comprehensive end-of-life management approach. This can include recycling, reuse and treatment of waste. We are really working to fully transition to a circular economy. The objectives I just listed were set for 2020, which is just around the corner. We've already decided to follow up with another inter-ministerial plan for the subsequent five-year period, 2020 to 2025, and we are working with a number of stakeholders to that end.

I would also like to draw your attention to our public procurement awards ceremony, which is quite successful. Every year, we recognize procurement authorities for stellar performance in various categories related to the way in which they concluded contracts or

the inclusion of objective-oriented clauses for CO2 or greenhouse gas emissions, the circular economy, clean practices and so forth.

We also have an inventory of public procurement clauses that stakeholders can share. We set up a decentralized information-sharing system for stakeholders because we realize how important sharing practices and experiences can be. Supportive procurement authorities can do a lot on their smaller scale. The ability to replicate best practices has a lot of advantages, whether in terms of drafting legal clauses for public tender processes or adopting voluntary best practices. Take, for example, workplace carpooling, water-saving and energy efficiency practices or the greening of spaces.

That's it for the inter-ministerial, or government, component of our presentation. I will now turn the floor over to my colleague, Jean-Baptiste Trocmé, who will speak to exemplary administration as it relates to our ministry.

Thank you.

● (0920)

Mr. Jean-Baptiste Trocmé (Head, Office for the Integration of Sustainable Development in Support Functions, Ministry for Ecological and Inclusive Transition, General Secretariat, Department for Information Technology and Policy Support, Department of Ministerial Policies for Sustainable Operations and Procurement, Government of the French Republic): Good morning Mr. Chair and members of Parliament.

You've just heard the most important part of our presentation. I will merely be rounding out my colleague's remarks.

The Chair: Excuse me, Mr. Trocmé.

[English]

We have only a couple of minutes left before we need to get into questions, so if you could make your comments extremely brief, I would appreciate it.

[Translation]

Mr. Jean-Baptiste Trocmé: No problem.

Within the ministry, we build on that foundation, setting out a clear path for implementation. I'm going to speak to the methodology piece.

I would point out that an extensive number of changes are necessary and, thus, it is important, not to mention much easier, to pool efforts and share innovative solutions as well as lessons learned. The ministry puts a strong emphasis on that aspect.

For instance, we have a network of counterparts in each of our regional divisions, closest to our territories. We meet regularly to discuss challenges or, conversely, policies that have had a positive impact. The goal is to build a common toolbox, if you will, to make everyone's job easier. The practice underscores a voluntary action objective and a horizontal approach that isn't part of our usual procedure, but is producing results nonetheless.

To wrap up, I would like to highlight the fact that we pay special attention to policy participation by stakeholders across ministries, including ours. It's important to strike the right balance between a prescriptive and participatory approach, in other words, balancing the binding targets and the engagement of public servants and service heads who believe in the merits of what they're being asked to do and move quickly to implement it. We strive for a comprehensive approach that marries rules and regulations with more practical and communication-based elements. To that end, we explain why we are asking for something and what the expected impact is. We promote practices that have been successful elsewhere. What was the problem? How was it remedied? What was the outcome? By building on that knowledge, we can accomplish a lot.

That was really the point I wanted to make, in adding to my colleague's remarks.

Thank you.

[*English*]

The Chair: Thank you very much. Colleagues, we're going to questions now, and I would ask you to identify at the outset whom you're posing your question to, just so that our guests will know.

Madam Ratansi.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, and thank you all for being here on a conference call. I'm sure you have weird times there—it must be evening time for you. My question will go, first, to Los Angeles, and second, to both Finland and Paris. We just received a report stating that Canada is warming faster than the world average, because of human-caused climate change and its global effects. We are a consumer-oriented society and we dispose of things. The government has to take action, whether it's towards its own buildings, real estate, fleets, etc.

When this report was produced in Los Angeles, you assessed the community needs. I was quite pleasantly surprised that the people in that community connected climate change and environmental issues to their health, and that 93% of the people in that area of south Los Angeles stated that they wanted job training on the green economy. The report has been presented. What is its status? Has there been any action on the report?

● (0925)

Ms. Nancy Sutley: Generally, you're right that people in Los Angeles connect environmental degradation and climate change to public health issues. There's been an effort in the city of Los Angeles to promote the growth of green jobs, in part through activities the city itself has undertaken to reduce its energy use. The city works with a number of community-based organizations to provide jobs in retrofitting buildings, as well as to provide some financial support to community-based organizations to help promote the conservation of energy and water. There's an effort across the municipality to promote green jobs and to work with disadvantaged communities to grow those jobs. Much of this is encapsulated in the city's sustainability plan, which was issued by the mayor in 2015 and is due to be updated very soon.

Ms. Yasmin Ratansi: What sort of challenges have you faced in educating people on the fact that climate change is real and that polluters have to pay?

Ms. Nancy Sutley: In California this has been a subject of public discussion for probably 15 years now. I think the public generally sees the connection between climate change and impacts in their community. You are probably aware that California has suffered some of the worst wildfires it has ever faced, resulting in about 85 people dying last fall, and people do connect that to climate change. Another area where California is very vulnerable is drought. For the first time in 10 years no part of the state of California is in drought, and people understand the connection between climate change and drought, sea level rise and other things, so there's a lot of concern in the community. They are seeing the impacts of climate change on a regular basis and are very supportive of activities and policies to address that.

Ms. Yasmin Ratansi: Thank you.

My second question is for both Finland and Paris.

We have been listening to oceanologists, and they have been telling us that whales have been found with plastic in their stomachs. We do waste management. I came from Samoa, where they have converted waste—garbage—into consumable goods. Do you have any strategy for how we all, as a consumer-oriented society, manage our garbage, because that creates another problem for us?

Ms. Hannele Pokka: Thank you for having this plastic issue in this discussion because this is a huge problem. In Finland we are very glad that this plastic matter is now on the United Nations' agenda and also on the EU's agenda. Just lately we adopted our own plastic strategy in Finland. We made it with parliamentarians. Ordinary citizens were very committed and they asked for it, but they have taken it on personally too. We have made a plastic deal between the Ministry of the Environment and the central organization of commerce. It has been in force for more than one year. This was the first step before this strategy. The purpose of this deal was that people who don't want to buy any more plastic bags when they go shopping have their own bag with them. It has worked very well. The plastic bags have disappeared from markets and shops so there is 30% to 40% less, so it's quite a good solution. But this plastic strategy is going further than only consumers. We are seeking possibilities to deal with material other than plastics, and also to push forward with recycling plastic material.

● (0930)

The Chair: Thank you. We're going to have to move on.

We'll now go to Mr. Deltell.

[*Translation*]

You have the floor for seven minutes.

[*English*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you so much, Mr. Chair.

Thank you so much, everybody, for attending this meeting.

First of all, I would like to make some general comments about that.

[*Translation*]

First of all, I'd like to point out that this morning's discussion has had a neutral environmental impact. We've heard from people from all over the world—California, Finland and France—all by video conference here, in Ottawa. No airplanes were chartered and no gas-guzzling transportation was used to make this meeting possible. That's a very good thing.

I still have a few general comments.

[*English*]

I think we have a lot to learn from Finland. Madam Pokka is a good example. As everybody knows, while Canada and Finland maybe don't share exactly the same kind of climate, we at least have some comparisons to make. In Canada, everybody knows that Victoria is not Quebec City and that Niagara Falls is not Whitehorse, but at least we know what winter is in Canada, as you people from Finland know.

It's also very interesting to learn from the Los Angeles experience. I welcome you, Madam, for being with us so early. It's, what, 6 a.m. there, or around that? Thank you so much for your participation.

I want to emphasize the fact that everybody talks about California as an example and all of that stuff, and yes, I think everybody can learn from each other, but it's interesting to remark and to outline that the first laws were adopted by President Nixon in 1970. We talked a lot about President Obama for sure, and we've talked a lot about other presidents, but we have to recognize the fact that the first president to introduce legislation and regulations on environmental issues was President Nixon. So many people forget that.

[*Translation*]

I'd like to say hello to our friends in Paris, France, and address my first questions to them.

My thanks to all three of you for speaking French. I'm going to address you in French, if you don't mind. I assume that is your preference as well.

You talked about the balance between binding targets and stakeholder engagement. Clearly, binding measures usually involve taxation of some sort. As far as participation-based measures go, stakeholders are rewarded for their achievements. You said you recognize stakeholders who demonstrate stellar performance.

Given your experience in France, which would you say is more effective as far as businesses and public authorities are concerned: binding measures or measures that focus on participation and recognition?

Ms. Elise Calais: It's possible to address both aspects.

I'd like to clarify something. On our end, we are responsible for the inter-ministerial mechanism, and Mr. Trocmé is responsible for the ministerial mechanism. He can provide more information on that.

What is the right balance between binding and voluntary measures? That's a great question. In fact, it's something we are trying to determine as we speak.

In terms of binding measures, it all depends on your ability to impose sanctions or penalties. I would say that's true for any

statutory or regulatory measure. It all depends on the penalties: whether there are any, whether they provide a deterrent and whether they are likely to be enforced.

Currently, the French model is really quite voluntary in terms of commitment level. I'll give you an example. In theory, 50% of government-purchased vehicles have to be low-emission vehicles. In practice, however, the percentage is estimated at 12% for short term and 7% for inventory. Clearly, the reality is way off target. It all has to do with the fact that public authorities are given a certain number of exemptions, which they take full advantage of. When it comes to a mandatory approach, it all depends on political will.

As for a voluntary approach, it's a very good way to go because it encourages people not to focus solely on penalties, but also to think about the benefits of a virtuous circle and to work with us voluntarily.

• (0935)

Mr. Jean-Baptiste Trocmé: That's quite right. It's really about balance, in that you need both legs in order to walk.

I'll give you an example that isn't based on society. In our ministry, when we try to impose something through rules alone—for instance, requiring people to purchase electric vehicles or replacing a single garbage with three or four bins for different kinds of waste—we see that it doesn't work. Of course, you have to have rules because services that are reluctant to move in the right direction will not do so unless forced to. Making an action mandatory, however, isn't enough. If stakeholders aren't willing to put something into practice and make progress, if there is no buy-in, it won't work. For that reason, you need both elements.

Ms. Corinne Fritsch (Acting Head of the Office of Public Service Leadership, Ministry for the Ecological and Inclusive Transition, General Commission for Sustainable Development, Department for the Economy, Evaluation and Integration of Sustainable Development Policies, Division of Environmental Responsibility of Economic Actors, Government of the French Republic): You have to make it meaningful.

Mr. Jean-Baptiste Trocmé: Making it meaningful is key. Imposing an obligation without explaining the purpose it will serve or the results it will produce makes it harder for people to buy in and follow through. At least that's the case in France. Some even go to the trouble of doing things a different way simply because they didn't understand what the purpose was.

At the other end of the spectrum, limiting the approach to voluntary participation doesn't necessarily work either when it doesn't fit into a broader framework that makes clear the reason behind it and the importance of the measure from the government standpoint.

The fact of the matter is that the right balance is essential. The plan for 2020-25, which the General Commission for Sustainable Development is currently working on, balances the two elements. On the one hand, it sets out indicators for mandatory measures under the law, measures everyone has to comply with. There is no choice in the matter. On the other hand, stakeholders on the ground have the option to propose ideas specific to their context, ideas that would not have flowed from the central administration level. That's very important. When it comes to sustainable development, no one has the monopoly on good ideas.

Therefore, obligations need to be imposed from the top down, and good ideas need to be able to flow from the bottom up. It's a combination of both; success lies in achieving that alchemy.

Ms. Corinne Fritsch: Overall, the idea is to—
[English]

The Chair: Thank you.

I'm sorry, Madame Fritsch, but we're completely out of time. Perhaps you will have an opportunity to expand upon your answer with our next intervenor.

Mr. Blaikie, you have seven minutes, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

Thank you to everybody for making the time to be with us here today.

I might avail myself of the assistance of the chair to give equal time to each set of witnesses to weigh in.

One of the questions I'm interested in is the examples of policies that promote the use of public investment under a greening of government strategy to leverage opportunities to reduce the carbon footprint of our communities at large.

Say there were a defence post of some kind or a campus of government buildings, and say they were looking to have an alternative energy source, whether that be wind or solar. They could do that on their own and have that be just for their buildings, or they could do it in a way that partners with a local community to try to reduce the carbon footprint of their energy, for example.

In your own jurisdictions, are there examples where you have been able to use your greening government strategy to leverage positive effects and reduce carbon emissions over the economy as a whole?

The Chair: Respondents, if you could keep your answers to about a minute and a half, that should allow all respondents to give their opinions.

Mr. Blaikie, who would you like to start with?

Mr. Daniel Blaikie: Why don't we start with our counterpart from the United States?

Ms. Nancy Sutley: There are a few things that I would give as examples. One thing that we did in about 2010—and it continues—is to issue a better buildings challenge at the community level to encourage people who have commercial buildings to reduce their energy use by 20% in 10 years. They are able to leverage the

expertise of the U.S. Department of Energy to assist these communities, so it would be not just private buildings but also public sector buildings—so any U.S. government buildings and those owned by state and local governments.

The other thing that was incorporated into some of these executive orders was to work at the regional level. In some cities.... For example, in San Francisco, a number of federal agencies have regional offices, so they were encouraged to not only work together with the other federal agencies that have large presences in San Francisco, but also work with the community on greening programs and to participate in these regional greening programs.

● (0940)

Mr. Daniel Blaikie: We could go next to
[Translation]

our friends in France.

Ms. Elise Calais: Thank you, Mr. Blaikie.

With respect to greenhouse gas emissions, for instance, the European Union has committed to making reductions. They are broken down by country. In France's case, they take the form of a national carbon strategy. Some sectors are required to reduce their emissions, while others are not. What's more, France has set an expected price trajectory for carbon, which allows stakeholders, including those not bound by the obligation, to anticipate changing carbon prices. That also affects public contracting given that both businesses and government service organizations are required to report on their greenhouse gas emissions every four years and every three years, respectively.

[English]

Mr. Daniel Blaikie: Thank you.

The Chair: Yes, from Madam Pokka, from Finland.

Ms. Hannele Pokka: I have only one example from Finland. The EU Commission and member states all adopted this 2020 target of how much we would cut CO₂ emissions. At that time, a few years ago, we got a group of local municipalities and cities together and stated that we would take more ambitious targets. This group began to get more and more local municipalities involved in this job. Nowadays we have 300 local municipalities, 40 of which are carbon neutral. One of them reports they cut their CO₂ emissions by 60%.

How did they do it? They took energy efficiency projects both in public and private buildings. They changed their heating to renewables. They built more windmills. Solar panels were also adopted. Energy efficiency was one key element. It was not based on regulations. I always say that Finland is a country where we obey regulations when we need new laws. They made one. They are continuing this work. I am very proud.

The Chair: Thank you very much.

[Translation]

Mr. Drouin, you may go ahead for seven minutes.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

I'll ask my question, and then each of the witnesses can comment.

I'm wondering about the procurement policies each of your governments adopted in relation to the businesses and third parties they deal with. How do you make sure businesses have adequate green policies? When they seek to do business with the government, does the contract include a clause requiring them, for instance, to meet reduction targets for greenhouse gas emissions?

Our colleagues in France can go first.

● (0945)

Ms. Elise Calais: Thank you, Mr. Drouin.

I touched on the subject earlier. When it comes to public procurement, we sometimes include certain clauses. Keep in mind that we have total control over government contracts, but that many hospitals and universities enter into their own contracts. In some cases, the contracts set out obligations, and in others, they include incentive measures. We encourage every public buyer to include a legal clause indicating, for instance, that if the buyer purchases wooden tables, they will ensure the tables are supplied by a carpentry company that can demonstrate the use of sustainable practices. That will count for 30% in the tendering process. That's really what we try to do. The environmental aspect can be given more weight than price or another factor.

As far as sound policies go, within the government, we don't currently have any of the systematic practices that can apply to contracts, such as the environmental, social and governance, or ESG, factors, or the second opinion. We don't specifically examine controversial situations involving businesses, if that's what you were wondering. It is something, though, that would be possible.

Thank you.

[English]

Mr. Francis Drouin: I can start, perhaps, with my colleague from Finland.

Ms. Hannele Pokka: I can continue that we have quite new legislation related to public procurement. In Finland, public procurement is a question about what the government and state authorities are doing, but also what local municipalities are doing. As to what my French colleagues told you about social security and health care systems, in Finland those are taken care of by local municipalities. The same legislation is for all public authorities. There are quite strict criteria on what to do. In Finland, we are not talking about creating policy with regard to public procurement. Mainly, ordinary Finnish people are talking about how sustainable the mining business is in the private sector. This is much more our topic at the moment.

Mr. Francis Drouin: Thanks.

Now I'll go to my colleagues from the United States.

Ms. Nancy Sutley: The U.S. federal government has had a number of efforts around sustainable procurement, and it's a feature of all the directives to federal agencies around sustainability. There's sort of a general code, the federal acquisition regulation out of the General Services Administration, in which things like bio-based preferential products, recycled content and a number of other things are reflected.

The second is around electronics stewardship. The federal government, as you can imagine, buys many computers and other things, so it works with the electronics suppliers to ensure that there's take-back and other things.

Finally, a more recent requirement is around disclosure in the supply chain of carbon emissions. For example, the General Services Administration requires a number of its large suppliers to report their greenhouse gas emissions through the Carbon Disclosure Project supply chain initiative, so there are some opportunities there to report and reduce greenhouse gas emissions in the supply chain.

● (0950)

Mr. Francis Drouin: In terms of that particular disclosure, are you aware of whether or not the major suppliers were in favour of this, or was there a bit of push-back? Do you know how the United States did that to work with the companies?

Ms. Nancy Sutley: It did a lot of outreach with its large suppliers. It did a number of workshops and other things, and I think many large companies are now starting to get these requests, not just from the U.S. federal government, but from other large entities that they do business with.

The other thing I'd note is that for many companies that do business with the U.S. government, the U.S. government is their largest buyer, their largest customer, so when the U.S. government asks them to do something, they'll generally try to do it. However, it was a process to work with many of the suppliers to get them to understand what the requirements were, but also why. We went through that process of working with companies, selected companies, to try to encourage them to participate in this.

Mr. Francis Drouin: That's great. Thank you.

I think I'm just about out of time.

The Chair: You are out of time. Thank you very much for noticing.

We'll now go to a five-minute round of questions, and we'll start with our colleague, Mr. McCauley, please.

Mr. Kelly McCauley: Thank you, everyone, for your time.

Ms. Sutley, I just want to concentrate on you for the five minutes that I have. In your experience, what have been the most effective programs that you've seen, both in your time in the federal government and now in state government, in government practices? When we talk about our study here as greening government, we look a lot at energy efficiency and other practices. What have been pragmatically the most effective programs that you've seen?

Ms. Nancy Sutley: I think the most effective programs have really been, as I said in my opening statement, where there is a business case to undertake them. For many agencies, energy use is a big budget component. For example, the Department of Defense spends literally billions of dollars every year on energy—

Mr. Kelly McCauley: Do you mind if I interrupt for one second?

When you talk about the Department of Defense and the billions spent, are you talking about at bases or are you including fuel on board ships, etc? We have the same issue here. Our DND is the largest emitter, purely on a base and building-wise. Is it the same with you, and are you breaking it out that way?

Ms. Nancy Sutley: Yes, it's both. The bases are like little cities, and in some cases big cities, depending on where you are. In the operations of those bases, energy use is a big cost component and potentially a vulnerability, so those bases have been very focused on energy management both for the cost savings and for protecting critical infrastructure. The same is true for operations. Certainly in overseas operations, fuel costs are extremely high, but they also are and have been a vulnerability as U.S. military forces are operating in dangerous places.

Mr. Kelly McCauley: You don't have much choice about fuel. Are they retrofitting bases? Can you give me some examples of what they're doing on their bases for improvement?

Ms. Nancy Sutley: A number of bases have entered into third party contracts to do renewable energy projects. For example, in California, there's a large marine base called Fort Irwin that has done a number of solar projects and has worked with third party developers to do a solar project. We visited a navy facility near Seattle that was doing micro-grid on the base itself, a big energy management system and a micro-grid both for cost savings but also for resiliency and protection of critical infrastructure in the case of an interruption in the power supply.

One thing that Congress did in the early 2000s was to create, through statute at the Department of Defense level, an assistant secretary for operational energy to oversee the energy used by the Department of Defense.

• (0955)

Mr. Kelly McCauley: Thanks.

I'm going to interrupt because I just have one minute.

With regard to sustainable procurement, you talked about large suppliers having to provide GHG information to you. What is the cut-off? What do you term large suppliers? Is it by volume or is it by the number of FTEs? How do you decide who has to report, or what's the cut-off line?

Ms. Nancy Sutley: The General Services Administration, which is kind of the buyer—

Mr. Kelly McCauley: Yes, I've met with them.

Ms. Nancy Sutley:—for most federal agencies has worked with these large suppliers. I don't know offhand. I could probably get you that information.

Mr. Kelly McCauley: If you are able to, that would be wonderful.

The Chair: We'll now go for five minutes to Mr. Peterson.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you to all the witnesses for being with us this morning, this afternoon and this evening, whatever the case may be where you are.

It's great to have this discussion. This greening of government has a relatively new initiative from our part, and we're sort of just getting into the meat of it now, but it's clear from the initiative and its goals

that real property is something that we need to attack, as well as emissions from our vehicle fleet. I think 89% of our total GHGs come from real property, either real estate owned by the government or leased by the government.

I just want to ask everybody a question first. Maybe we'll start with California, then to France and Finland, working from west to east. Is that ratio the same there, with most of the GHGs coming from real property?

Ms. Nancy Sutley: At least in the United States, it sort of depends on where you are. In California, most of the greenhouse gas emissions right now come from the transportation sector, and certainly most of the air pollution comes from the transportation sector. However, in other parts of the country, where heating loads are higher or air conditioning use is higher, the buildings tend to account for more of the energy used. Given the large number of buildings the U.S. government owns or leases, reducing building energy use has certainly been a big emphasis in its greening efforts.

Mr. Kyle Peterson: Okay. Thank you.

[*Translation*]

I will now turn the floor over to our friends from the French Republic.

Ms. Elise Calais: Thank you, Mr. Peterson.

I'll give you some approximate figures off the top of my head for France. Roughly 40% of our greenhouse gases are attributable to habitat, 30% to transportation and 30% to agriculture. Please keep in mind that I'm not totally certain of those figures.

As far as habitat goes, France has a range of measures to improve the energy efficiency of public and private buildings. Public buildings can qualify for investment and grant programs, as per the 2018-22 major investment plan released at the end of 2017. If memory serves me correctly, the plan allocates €3 billion to improving the energy efficiency of public buildings.

Private buildings are broken down into those owned by individuals and those belonging to the service sector. Currently, few incentives are available for business-owned buildings. Conversely, individuals have access to tax credits for door, window, heating, insulation and other such upgrades. Those tax credits totalled a maximum of €2 billion in tax breaks in 2018. The number will drop, however, in 2019 because the program was too expensive and Parliament revised some of the criteria. The amount will likely be closer to €1 billion.

Mr. Kyle Peterson: Thank you.

[*English*]

Madam Pokka.

•(1000)

Ms. Hannele Pokka: If I continue from Finland's perspective, and if I consider this in terms of the "effort sharing sector," as we say in the EU, in Finland 40% of CO2 emissions in this sector come from housing. We are a northern country and must warm our houses. That's the reason the percentage is so high. Another 40% comes from traffic. We are a very sparsely populated country, and we have long distances. Twenty percent comes from agriculture.

To your question about the impact of real estate, it's actually a very current topic in Finland because we are partly talking about how much our forests are places of cold storage, but we are also doing quite a lot of jobs in the institutes and universities and with real, ordinary farmers on how real estate that's used for agriculture can also be used for cold storage. We see enormous possibilities for reforestation in the world.

The Chair: Thank you very much.

Mr. McCauley, you have the floor for five minutes, please.

Mr. Kelly McCauley: This time,

I want to go back to you, please.

I understand that the U.S. has been lowering its GHG emissions over the last several years. Besides moving away from coal, what do you think has been the most effective or productive way it has gotten to these reductions?

Ms. Nancy Sutley: Certainly the electricity sector in the U.S. at large is getting cleaner, so we see not just the retirement of coal plants and their replacement with natural gas plants all over the U.S. and in very coal-dependent areas—

Mr. Kelly McCauley: When you're moving away from coal, is it mostly moving over to natural gas?

Ms. Nancy Sutley: It's both to natural gas and renewable energy projects. Solar and wind projects in the U.S. have been growing very quickly. For example, in California we get between probably 30% and 35% of our energy from renewables, such as solar, wind, geothermal and some other things like biomass and others, and, of course, in some parts of the U.S., large hydro projects are very common. We're also seeing, with regard to transportation-related emissions that cars are getting more efficient, although a lot depends on the price of gasoline. We're seeing more and more electric and diesel hybrid vehicles on the road.

I think those are the primary reasons.

Mr. Kelly McCauley: Okay. I just want to go back to something. Given your experience in California, where do you think we should be going? We're talking about greening the government—so I mean things that the government can physically control. You mentioned the military. Unfortunately, our government has decided not to study that portion of greening in government even though it's our largest emitter.

Outside, say, of the military, what are the best things you're doing in California or that you are seeing across the States to reduce

greenhouse gases? Is it retrofits of buildings? Is it focusing on other things?

Could you give us your ideas, please, or your thoughts?

Ms. Nancy Sutley: Certainly I think there's a lot of opportunity for both retrofitting of buildings and having standards for new construction. The federal government is always building new buildings, so there's an opportunity there as well. I also think energy savings are good for the agency budgets, so it is relatively easy to convince agencies to take those on.

Mr. Kelly McCauley: Have there been many changes to building codes? Again, this might be out of your area of expertise, but do you see that building codes have been changed for residential and commercial buildings as well over the last couple of years thereby producing a strong return not only on the finances but also on lower emissions?

Ms. Nancy Sutley: Building codes in the U.S. tend to be at the local level, although California has a statewide energy building code that's been very effective in reducing energy use in buildings in California. I think for the federal government it has really been around both standards for new construction and opportunities to use programs that save energy.

•(1005)

Mr. Kelly McCauley: Thank you very much for your time. I appreciate it.

I think I am done here.

The Chair: Colleagues, I notice that the bells have just started ringing. It's a 30-minute bell for votes, so we'll have to terminate our conversation now.

I want to say to all of the witnesses, thank you very much for your participation. I wish we had more time, but should any of you have any additional information you think would be of benefit to our committee as we continue our study, I would encourage you to submit those comments in writing to the clerk of our committee and we can include those in our continuing study of the greening of government.

Thank you once again.

Ms. Yasmin Ratansi: Could you ask the Paris guys to give us something about the waste-management strategy they have? She talked about biodiversity—

The Chair: One of our colleagues, Madam Ratansi, would like to ask our colleagues from France to please submit, if they can, notes on their waste-management strategy. Those would be extremely helpful to us as we continue our deliberations.

With that then, thank you all for your appearance here.

We will suspend this portion of the meeting and dismiss our witnesses. Thank you very much.

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