

Reports of the Commissioner of the Environment and Sustainable Development

5 Reports on programs that relate to the federal government's efforts to address the climate crisis



"Because climate change is an intergenerational crisis with a rapidly closing window for action, it is essential for Canada to translate its commitments and plans into real action and results. Our future depends on it." - Jerry DeMarco, Canada's Commissioner of the Environment and Sustainable Development

On April 26th 2022, Canada's Commissioner of the Environment and Sustainable Development provided the parliament with 5 reports on programs that relate to the federal government's efforts to address the climate crisis. The summaries and full reports can be viewed here . The Statement from the Commissioner Jerry DeMarco can be found here.

Below are the key findings from each report:

Report 1: Just Transition to a Low-Carbon Economy

- The federal government was found not prepared to support a just transition to a lowcarbon economy.
 - In the case of the coal phase-out, federal programs and benefits fell short of a just transition for workers.
 - 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.
- Recommendations (see full list here):
 - Formalize a government structure to ensure all departments and agencies have clear roles, responsibilities and accountabilities for advancing and supporting a just transition.
 - Relevant departments and agencies should work together to measure, monitor and report on just-transition outcomes.

Report 2: Greening Government Strategy

 Based on a Treasury Board of Canada Secretariat study, reaching the 91% reduction by 2050 for facilities will cost approximately \$9.0 billion and save \$6.2 billion, for a net cost of \$2.8 billion.



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- We found that the Treasury Board of Canada Secretariat developed the Greening
 Government Strategy and included valuable elements in it, but that the strategy lacked
 some details about the government's plans.
- Recommendations (see full list here):
 - The Treasury Board of Canada Secretariat should report on all sources of emissions clearly and comprehensively in an annual summary report.

Report 3: Hydrogen's Potential to Reduce Greenhouse Gas Emissions

- We found the Environment and Climate Change Canada and Natural Resources Canada used unrealistic assumptions for modelling the potential of hydrogen to reduce greenhouse gas emissions.
- Natural Resources Canada overestimated hydrogen's potential to reduce greenhouse gas emissions.
- Environment and Climate Change Canada relied on policies not yet announced to justify that its plan was sufficient to meet the original 2030 target.
- We found that Natural Resources Canada's modelling did not factor in how the supply of hydrogen and associated costs would be deployed to meet the projected demand.
- Recommendations (see full list here):
 - Natural Resources Canada should perform a comprehensive bottom-up modelling for the use of hydrogen

Report 4: Funding Climate-Ready Infrastructure—Infrastructure Canada

- Infrastructure Canada weakened the requirements of the Climate Lens tool (a tool used to estimate emissions reductions and assess climate risks and resilience of proposed projects) in 2021.
- Infrastructure Canada **poorly managed climate-related information** submitted by project proponents.
- The weakened requirements under the second version of the tool hindered Infrastructure
 Canada's ability to assess and combine at the program level the expected climate change
 mitigation and resilience outcomes of funded projects.
- Recommendations (see full list here):
 - Infrastructure Canada should require that information be prepared on the basis of clear, specific, and internationally recognized quality criteria when preparing information for proposed projects



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Report 5: Carbon Pricing—Environment and Climate Change Canada

- Weak requirements for large-emitter programs reduced the effectiveness of the carbon price.
- Environment and Climate Change Canada did not establish criteria in the federal benchmark that would require jurisdictions to assess and identify measures to mitigate the disproportionate burden of carbon pricing on vulnerable groups.
 - Some groups, including Indigenous people, remained disproportionately burdened by carbon pricing.
- Public information needed to compare provincial or territorial systems against the benchmark criteria was limited.
- Recommendations (see full list here):
 - Environment and Climate Change Canada should work with provinces and territories to determine an approach to minimizing domestic competitiveness risks while improving effectiveness.
 - Environment and Climate Change Canada should assess (and report on) the burden of the carbon pricing systems on certain groups, including Indigenous people.