



Fall 2017

Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada

The Commissioner's Perspective



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada



Fall 2017

Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada

The Commissioner's Perspective



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

The Report is available on our website at www.oag-bvg.gc.ca.

Ce document est également publié en français.

© Her Majesty the Queen in Right of Canada, as represented
by the Auditor General of Canada, 2017.

Cat. No. FA1-26/2017-1-0E-PDF

ISBN 978-0-660-09453-3

ISSN 2561-1798 (Print)

ISSN 2561-1801 (Online)



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

To the Honourable Speakers of the House of Commons and the Senate:

On behalf of the Auditor General of Canada, I have the honour to transmit herewith these fall 2017 reports, which are to be laid before the House and the Senate, in accordance with subsection 23(5) of the *Auditor General Act*.

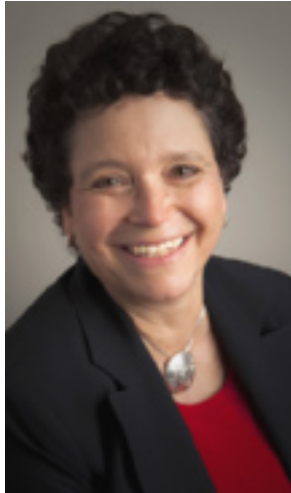
Yours sincerely,

A handwritten signature in black ink that reads 'Julie Gelfand'.

Julie Gelfand
Commissioner of the Environment
and Sustainable Development

OTTAWA, 3 October 2017

The Commissioner's Perspective



Julie Gelfand
Commissioner of the Environment
and Sustainable Development

The federal government has been clear in its desire for action on climate change. Since 1992, the government has repeatedly promised to reduce greenhouse gas emissions, adapt to the impacts of climate change, and support clean energy technology. However, since then, Canada has missed two separate emission reduction targets and is likely to miss the 2020 target as well; in fact, emissions have increased by over 15 percent. The government does not have a solid strategy for eliminating inefficient fossil fuel subsidies, and it is nowhere near being ready to adapt to the impacts of climate change.

Canada's latest climate change strategy, the Pan-Canadian Framework on Clean Growth and Climate Change, was released in December 2016 and was endorsed by the federal government and most provinces and territories. This national framework includes

- a commitment to put a price on carbon,
- measures for reducing emissions in a number of sectors,
- planned actions for adapting to the impacts of climate change, and
- an emphasis on the transparent monitoring and reporting of results.

Previous plans have failed to produce concrete results. It's time for change. The federal government needs to start doing the hard work to turn this latest broad framework into tangible and measurable actions.

The findings presented in our fall 2017 reports show that in two important areas—reducing greenhouse gases and adapting to the impacts of climate change—the federal government has yet to do much of the hard work that is required to bring about this fundamental shift. For example, instead of developing a detailed action plan to reach the 2020 target for reducing emissions, the government changed its focus to the 2030 target. In addition, the government did not pursue a number of greenhouse gas regulations, thereby losing opportunities to achieve real reductions in emissions. The recent Pan-Canadian Framework on Clean Growth and Climate Change calls for policies aimed at reducing emissions in a number of sectors. It is crucial that the government turn its plan into actions.

The government is also not ready to adapt to the impacts of climate change. Environment and Climate Change Canada developed a Federal Adaptation Policy Framework in 2011, but it did not follow up with an action plan to implement it. It also failed to provide departments and other government organizations with adequate guidance and tools to identify their climate change risks. As a result, only 5 of 19 departments

and agencies we looked at had fully assessed their climate change risks and taken action to address them. The others had taken little or no action to address risks that could hinder their ability to deliver programs and services to Canadians. This means that the government does not have a complete picture of the risks it faces from climate change. If Canada is to adapt to a changing climate, much stronger leadership is needed.

In one of the 2017 Spring Reports of the Auditor General of Canada to the Parliament of Canada, we again noted a disconcerting lack of real results when we looked at what the government had been doing to meet Canada's 2009 international commitment to phase out inefficient fossil fuel subsidies. We found that the Department of Finance Canada and Environment and Climate Change Canada—the two departments tasked with delivering on this commitment—had yet to determine which subsidies would require phasing out, according to the commitment. It is unclear how Canada will meet this international commitment by 2025 without a clear roadmap to get there.

We found that Environment and Climate Change Canada actively collaborated with provinces, territories, and other federal departments to develop the Pan-Canadian Framework on Clean Growth and Climate Change. This collaboration is important because effective action on climate change in Canada will require a concerted effort across all levels of government.

The federal government has also recognized its role in promoting clean energy technologies and developed mechanisms to support clean energy demonstration projects. In our audit of clean energy funds, we found that they were working well overall. In my view, the government's announcement in Budget 2016 of an increased investment in clean technologies is a positive step.

Recognizing the unique role they play in promoting accountability in almost all areas of government activity, most of Canada's provincial auditors general partnered together and with the Office of the Auditor General of Canada in a nationwide climate change audit initiative. Each participating audit office agreed to contribute audit work that assessed its government's efforts to reduce greenhouse gases and adapt to the impacts of climate change. Audit work for the territories was carried out by the Office of the Auditor General of Canada in its role as independent auditor to Canada's northern legislatures. This collaborative work will be used to produce a summary report. By working together, participating auditors general across Canadian jurisdictions intend to deliver an assessment of climate action in Canada, identifying common issues and opportunities to improve collaboration.

Parliamentarians are in a position to help the government take that critical next step that will move it from a seemingly endless planning mode into an action mode. That shift needs to happen, and it needs to happen now, because Canada is already experiencing the impacts of a changing climate.

I urge parliamentarians to use the work delivered in these fall 2017 reports to hold the government to account on its climate change commitments and ensure that the Pan-Canadian Framework on Clean Growth and Climate Change bears concrete results for Canadians.

Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada—Fall 2017

Main Table of Contents

The Commissioner's Perspective

- Report 1** Progress on Reducing Greenhouse Gases—Environment and Climate Change Canada
- Report 2** Adapting to the Impacts of Climate Change
- Report 3** Funding Clean Energy Technologies
- Report 4** Departmental Progress in Implementing Sustainable Development Strategies
- Report 5** Environmental Petitions Annual Report and Retrospective

