



Government  
of Canada

Gouvernement  
du Canada



# **PEOPLE-CENTRED JUST TRANSITION: DISCUSSION PAPER**

Canada 

# People-Centred Just Transition: Discussion Paper

## Purpose

Climate change is the challenge of our generation. And the transition to a low-carbon economy is also one of our greatest opportunities.

Bold and ambitious action is needed to address the scale of climate change. Countries around the world are making strong commitments to reduce greenhouse gas (GHG) emissions in the coming decades, with many, including Canada, committing to net-zero emissions by 2050.

Taking climate change action now will not only put us on a path to meeting the temperature goals of the Paris agreement by achieving net-zero emissions by 2050 but will also make our economy stronger and more competitive. This is the chance to transform our economy to take advantage of new markets, new supply chains and new opportunities for economic growth and job creation.

To seize these opportunities, we need to build on the agility and resilience of Canada's workforce so that it is equipped with the range of skills required to deliver on this ambition. Canadians want secure, well-paid jobs and careers that will carry them through from tomorrow to 2030, 2040 and beyond. The transition to a cleaner future will bring new, dynamic opportunities across our labour force but also some challenges for those that will need to pivot to new jobs.

The Government of Canada also recognizes that the transition will have varying impacts across the country, between regions, sectors and demographics. Consequently, the government is taking action to consult early on, and often, with Canadians to ensure that workers and communities can succeed and thrive in the low-carbon economy.

Canada can meet this challenge — Canadian workers and businesses have the expertise, determination and ingenuity needed to be world leaders in the global clean economy. The Government of Canada will partner with workers, communities, provinces and territories, Indigenous Peoples, businesses and stakeholders to create conditions for success.

Canadians expect the government to take steps to make the low-carbon transition just and equitable and to ensure that *people* are the focus of these efforts. The Government of Canada is committed to supporting the future and livelihood of workers and their communities as the world moves toward a low-carbon future. This is why we are committed to developing legislation that could:

- Include people-centred just transition principles that put workers and communities at the centre of the government's policy and decision-making processes on climate change action.
- Establish an external Just Transition Advisory Body to provide the government with advice on regional and sectoral just transition strategies that support workers and communities.

The purpose of this discussion paper is to seek feedback on the proposed just transition legislation.

## Commitment to Climate Action

In November 2020, the government introduced in Parliament the groundbreaking *Canadian Net-Zero Emissions Accountability Act*, formally committing Canada to achieving net-zero emissions by 2050. This was followed a month later with Canada's strengthened climate plan, [\*A Healthy Environment and a Healthy Economy\*](#), and additional investments in Budget 2021. Then, on April 22, 2021, at the Leaders' Summit on Climate, Canada announced its enhanced target to reduce domestic greenhouse gas emissions by 40 to 45 percent below 2005 levels by 2030. On June 29, 2021, the *Canadian Net-Zero Emissions Accountability Act* received Royal Assent. These commitments build on the 2016 Pan-Canadian Framework on Clean Growth and Climate Change — Canada's first-ever national climate plan that is doing more to cut carbon pollution than any other plan in Canadian history.

Canada's actions to address climate change at home and abroad are guided by the Paris Agreement goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C. The Paris Agreement includes a commitment to take "into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities."

## Progress to Date

The Government of Canada is already taking significant action to support Canadians and businesses facing hardship as a result of the COVID-19 pandemic and is taking steps to promote a robust economic recovery, including historic investments in climate action, skills and training.

### Reducing Emissions, Strengthening the Economy and Creating Jobs Through Climate Action

On December 11, 2020, Canada released *A Healthy Environment and a Healthy Economy: Canada's Strengthened Climate Plan* to create jobs and support people, communities and the planet. Our plan is a key pillar of the government's commitment to create over one million jobs, restoring employment to pre-pandemic levels. We continue to build on the \$15 billion in investments announced in the plan, with \$15 billion for public transit and active transportation projects and \$17.6 billion for green recovery in Budget 2021.

Canada's Strengthened Climate Plan will reduce emissions, promote innovation and competitiveness, and create jobs across the country.

- In the industrial sector, the Government of Canada has launched the \$8-billion Strategic Innovation Fund Net-Zero Accelerator to expedite decarbonization projects in partnership with large emitters, scale up clean technology and accelerate Canada's industrial transformation. The Net-Zero Accelerator is expected to help drive investment in large, emissions-reducing and job-creating projects across every region of Canada. In addition, the government is investing \$1 billion in new support to help draw in private sector investments in transformative clean technology projects and \$1.5 billion over five years to establish a Clean Fuels Fund. These

investments will support the production and distribution of low-carbon and zero emission fuels, including hydrogen and biomass, across Canada and around the world.

- In the manufacturing sector, efforts are underway to grow strategic supply chains, including for next-generation batteries. Through a mines-to-mobility approach, the government will leverage Canada's competitive advantage in mining to build the Canadian battery and critical mineral supply chains needed to supply the electric vehicle market and support the wider clean energy transition. This will help ensure Canadian workers can build the batteries that will power the vehicles and the electricity grids of the future. The government will also work with automotive and aerospace manufacturing partners to attract investment and create jobs in manufacturing zero-emissions vehicles. This will enable Canada to become a leading destination for the design, development and manufacturing of these sustainable technologies.
- The Government of Canada is making significant investments in home and building retrofits, which will spark a wave of new jobs and careers. Canada is investing \$4.4 billion to help more than 200,000 Canadians make their homes greener and more affordable by lowering energy bills. This means more local jobs in small and medium-sized businesses installing more energy-efficient heating and cooling equipment and insulation and increased demand for energy auditors in communities across Canada. These investments will create thousands of jobs in construction, manufacturing, sales, clean technology and financial services. Every community — no matter the size or location — will benefit from these jobs and economic stimulus.

These and other investments will create well-paying job opportunities for Canadian workers while supporting activities aimed at reducing emissions. Thousands of jobs will be created in retrofitting homes and buildings; implementing clean technology solutions to reduce emissions; growing the production and use of clean fuels; advancing renewable energy projects; expanding the uptake of zero-emission vehicles; and more.

### **Equipping Canada's Workforce Through Skills Development and Training**

Successfully transitioning to a clean growth economy will not only create new opportunities for Canadian workers but will itself depend on a skilled and agile workforce. The Government of Canada is therefore making significant investments in training, including supporting Canadians as they build new skills in growing sectors, receive the education and accreditation they need to succeed, and strengthen their futures by connecting them to employers and good jobs. The measures announced in Budget 2021 will deliver almost 500,000 new training and work opportunities for Canadians, enabling them to take advantage of new opportunities in clean energy sectors.

This includes the \$960-million Sectoral Workforce Solutions Program that will help both workers and employers by supporting solutions to address current and emerging workforce needs. The program will connect Canadians with the training they need to access good jobs in key sectors, such as clean energy, where there is high demand for skilled workers.

Budget 2021 announced \$55 million for the new Community Workforce Development Program. This program will support communities to develop local plans that identify high-growth areas and connect employers with training providers to upskill and reskill jobseekers to fill current and emerging jobs in demand. The program will address national and regional priorities like decarbonization and support a just transition for workers in sectors of the economy undergoing transformation.

The government has also launched the \$298-million Skills for Success Program that will help create 90,000 job-training opportunities for foundational and transferable skills training. The training will support all Canadians at all skills levels, which will better prepare them to meet demands for job skills in the current and future labour market.

We also need a good understanding of what jobs are going to be required in the future. That is why the government is investing \$225 million in the Future Skills initiative over four years and \$75 million per year ongoing to ensure that Canada's skills development policies and programs are responsive to the evolving needs of jobseekers, workers and employers. This includes priority areas of action, such as the transition to a low-carbon emission economy, as identified by the Future Skills Council.

Furthermore, for the 2020 and later tax years, individuals can take advantage of the Canada Training Credit, a refundable tax credit that will cover up to half the cost of eligible training fees.

### **Creating and Maintaining Jobs in the Energy Sector Through Economic Diversification, Sustainability Measures and Emissions Reductions**

Recognizing the costs of coal-fired electricity to human health and its impact on climate change, the government has committed to phasing out unabated domestic coal-fired electricity by 2030. Building on this commitment, the government released a public policy statement on June 11, 2021, designed to deter future thermal coal mining projects and expansions and reinforce Canada's international leadership in the advancement of global decarbonization. While phasing out coal is an important part of achieving our climate goals, we must not forget what that means for families and communities in New Brunswick, Nova Scotia, Saskatchewan and Alberta, where coal is still an important part of their energy systems.

That is why, in 2018, the government established the *Task Force on Just Transition for Canadian Coal Power Workers and Communities*. Its mandate was to engage relevant stakeholder groups, provinces and municipal governments, report what was heard and provide recommendations on how the government can support coal power workers and communities. It delivered its final report in March 2019.

In response, the government committed \$185 million to support affected communities, including \$35 million for the *Canada Coal Transition Initiative* focused on skills development and economic diversification, as well as \$150 million for a dedicated infrastructure fund. As of May 2021, about \$29 million had been invested in 46 projects across New Brunswick, Nova Scotia, Saskatchewan and Alberta.

Internationally, Canada is also working to promote the principles of just transition, including through our co-leadership with the United Kingdom of the Powering Past Coal Alliance — the driving force behind global efforts to accelerate the phase-out of coal power. The Alliance brings together over 125 members and hosts a Just Transition Taskforce, where members and expert stakeholders work together to advocate for a sustainable and inclusive transition away from coal power for workers and communities.

### **Supporting Canadians Through Our Income Support System**

Canada has a strong income support system, including Employment Insurance, which will continue to be there to support all Canadian workers who may be impacted by the transition to a low-carbon economy.

Time-limited measures announced in Budget 2021 temporarily increased access to Employment Insurance through reduced entrance requirements and simplification rules. Budget 2021 also announced consultations that will help inform future longer-term reforms to Employment Insurance and ensure it meets the evolving needs of the labour market.

### **Path Forward**

The building blocks for a people-centred just transition are in place, but there is more to do. Just transition legislation presents an opportunity to build on the government's existing efforts so that Canada's transition to a low-carbon future protects and improves the well-being of workers and communities across the country.

Just transition legislation could include:

#### ***1. People-Centred Just Transition Principles***

The following principles could guide the Government of Canada's decision-making when taking climate change action:

1. Adequate, informed and ongoing dialogue on a people-centred, just transition should engage all relevant stakeholders to build strong social consensus on the goal and pathways to net zero.
2. Policies and programs in support of a people-centred, just transition must create decent, fair and high-value work designed in line with regional circumstances and recognizing the differing needs, strengths and potential of communities and workers.
3. The just transition must be inclusive by design, addressing barriers and creating opportunities for groups including gender, persons with disabilities, Indigenous Peoples, Black and other racialized individuals, LGBTQ2S+ and other marginalized people.
4. International cooperation should be fostered to ensure people-centred approaches to the net-zero future are advancing for all people.

**Our Current System Can Be Improved:**

- The Government of Canada has an opportunity to better explain how workers and communities will be considered in the transition to a low-carbon economy.
- Canadians have an opportunity to learn more about how workers and communities are considered and accounted for in climate change action decision-making.
- More is required to deliver coherent guidance to policy and decision-makers so that programs and policies systematically assess potential impacts of climate change action on workers and communities.
- More can be done to coordinate our efforts with investments and initiatives led by provinces and territories, given our shared responsibilities for employment and training supports.

**We Are Considering:**

- Establishing just transition principles in line with international best practices.
- Developing mechanism(s) to apply these principles in federal policy and decision-making processes.
- Explaining how new climate change action proposals and policies are expected to affect different sectors of the Canadian economy and different regions of the country.

**Seeking Your Views:**

- How important is it for the federal government to assess potential impacts on workers and communities when considering climate change action?
- Are the draft just transition principles meaningful to you?
- Are the draft just transition principles broad enough to be flexible to unique and differing needs but specific enough to be effective?
- Are there other actors who need to commit to such principles?

**2. Just Transition Advisory Body**

The legislation could establish a permanent advisory body to provide independent advice to the government on regional and sectoral just transition strategies.

**Our Current System Can Be Improved:**

- Measures to support workers and communities have been delivered by multiple departments, without a single-access window, for Canadians to find out about all available supports and programs.

**We Are Considering:**

- Establishing a Just Transition Advisory Body, which would be mandated to:
  - engage in ongoing consultations with Canadians and stakeholders; and

- There is no permanent, independent body charged with focusing exclusively on employment opportunities and the impacts of climate change action on workers and communities.
- provide independent advice to the government, with practical, realistic and affordable recommendations.

#### **Seeking Your Views:**

- Who should be on the advisory body?
- What should be mandate of the advisory body?
- Whom should the advisory body's recommendations be aimed at?
- What is the best way to ensure that regional and local views are heard?
- How should the advisory body engage Canadians?
- What role should the federal government play in supporting the work of the advisory body?

#### **Next Steps**

The Government of Canada recognizes that for the low-carbon transition to be successful it cannot act alone. Partnerships will be important to ensure a just transition for all Canadians. This Discussion Paper seeks input from Canadians to inform the development of just transition legislation.

Following the publication of this Discussion Paper, the federal government will engage with provinces and territories; Indigenous Peoples; key stakeholders, including labour organizations, industry and non-governmental organizations; and Canadians on just transition legislation.

Parties wishing to comment on any aspect of this paper, including responding to the questions posed, are invited to share their views by email to [nrcan.justtransition-transitionequitable.nrcan@canada.ca](mailto:nrcan.justtransition-transitionequitable.nrcan@canada.ca) and at [www.just-transition.ca](http://www.just-transition.ca).

Feedback will then be consolidated into a *what we heard* report, which will be publicly available.

#### **Other Questions for Consideration (e.g., to guide online or virtual engagement)**

- What do you see as the main economic opportunities and challenges associated with the transition to a low-carbon economy?
- What would a successful transition to net-zero emissions look like for your sector or community?
- Which government policies or programs have been successful in supporting workers and/or businesses in your community/sector?

- What gaps in government policies and programming exist to adequately prepare workers for future “green” employment opportunities? Which, if any, anticipate and react to potential employment disruptions?
- Are there specific groups or communities that may be at greatest risk of being adversely affected on the path to net zero? What steps can be taken to ensure they are in a position to benefit from this transformation?
- How do we go about ensuring that just transition policies are nationally cohesive, regionally driven, and locally delivered?
- Please provide any other information, evidence or research you consider relevant to this work.

*Aussi disponible en français sous le titre : Transition équitable axée sur l’humain : document de travail*

Cat. No. M4-210/2021E-PDF (Online) / ISBN 978-0-660-39664-4

© Her Majesty the Queen in Right of Canada, as represented by the Minister of Natural Resources, 2021

For information regarding reproduction rights, contact Natural Resources Canada at [nrcan.copyright-droitdauteur.rncan@canada.ca](mailto:nrcan.copyright-droitdauteur.rncan@canada.ca).