



**REPORT ON THE
SUPPLEMENTARY ESTIMATES (C), 2021–22**

Standing Senate Committee on National Finance

THIRD REPORT

**The Honourable Percy Mockler, Chair
The Honourable Éric Forest, Deputy Chair
The Honourable Clément Gignac
The Honourable David Richards**

March 2022

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MEMBERS OF THE COMMITTEE

The Honourable Percy Mockler, Chair
The Honourable Éric Forest, Deputy Chair
The Honourable Clément Gignac
The Honourable David Richards
The Honourable Peter M. Boehm
The Honourable Jean-Guy Dagenais
The Honourable Pat Duncan
The Honourable Rosa Galvez
The Honourable Amina Gerba
The Honourable Tony Loffreda
The Honourable Elizabeth Marshall
The Honourable Kim Pate

EX-OFFICIO MEMBERS:

The Honourable Marc Gold, P.C. (or Raymonde Gagné)
The Honourable Donald Neil Plett (or Yonah Martin)

OTHER SENATORS WHO PARTICIPATED IN THE STUDY:

The Honourables Senators Lucie Moncion and Howard Wetston.

PARLIAMENTARY INFORMATION, EDUCATION AND RESEARCH SERVICES:

Shaowei Pu, Analyst
Michaël Lambert-Racine, Analyst

COMMITTEES DIRECTORATE:

Mireille K. Aubé, Clerk of the Committee
Annie Trudel, Administrative Assistant of the Committee

ORDER OF REFERENCE

Extract from the *Journals of the Senate* of Tuesday, March 1, 2022:

The Honourable Senator Gagné moved, seconded by the Honourable Senator Gold, P.C.:

That the Standing Senate Committee on National Finance be authorized to examine and report upon the expenditures set out in the Supplementary Estimates (C) for the fiscal year ending March 31, 2022; and

That, for the purpose of this study, the committee have the power to meet, even though the Senate may then be sitting or adjourned, and that rules 12-18(1) and 12-18(2) be suspended in relation thereto.

The question being put on the motion, it was adopted.

Clerk of the Senate

Gérald Lafrenière

EXECUTIVE SUMMARY

As part of its oversight role, the Standing Senate Committee on National Finance considered the Supplementary Estimates (C) for the year ending March 31, 2022, which were referred to the committee on March 1, 2022.

The *Supplementary Estimates (C), 2021–22* present a total of \$17.1 billion in incremental budgetary spending, which reflects \$13.2 billion to be voted and a \$3.9 billion increase in forecast statutory expenditures. Roughly \$6.9 billion (53%) of the voted requirements are for the Government's response to the COVID-19 global pandemic.

In order to examine the Supplementary Estimates (C), the committee held two meetings and questioned 26 officials of five organizations that are requesting total voted appropriations of approximately \$8.9 billion in the supplementary estimates, which represents 67% of the total voted amount requested. The committee also heard from the Parliamentary Budget Officer.

Due to the limited timeframe given to our committee, we were unable to receive complete responses to some of our questions during the study. Departments agreed to provide follow-up responses in writing by March 9, 2022. However, at the time of writing this report, we have not yet received complete written responses from the following departments:

- Health Canada
- Infrastructure Canada

Overall, on several occasions, the committee did not receive the information requested in a timely manner. While the committee recognizes the difficult circumstances under which officials are working during these unprecedented times, we have seen this pattern persisting and showing little improvement throughout our last several examinations of estimates documents. The committee found this unacceptable as these repeatedly unprovided and delayed answers continue to impede our ability to perform our role of scrutinizing government spending on behalf of all Canadians.

In addition, the committee also made the following observations:

1. As the economy gradually reopens, we recognize the government's continued investments in mental health support services for Canadians most affected by the pandemic and urge the government to explore policy approaches that acknowledge and redress underlying economic and social inequities that too often negatively impact mental health. While the committee welcomes the government's continued efforts to procure COVID-19 therapeutics and medical supplies, we also urge the government to be forthright and transparent with its procurement strategy to ensure the adequacy of our supply inventory and the accountability of public funds.
 2. The committee recognizes Health Canada's efforts in securing rapid test kits; however, funding for these efforts is duplicated in two other proposed bills. While Health Canada provided an explanation for this approach during their appearance, we found the lack of upfront and clear explanation on the funding mechanism in these estimates regrettable as it impedes on our ability to fulfil our mandate as parliamentarians. Therefore, we urge the government to end this type of funding practice and to avoid similar opacity in the future. Additionally, we intend to demand explanations from the Treasury Board Secretariat and; and we expect that it will continue monitoring this situation.
 3. More than four years after its creation, Indigenous Services Canada (ISC) has yet to establish targets for a number of its performance indicators. ISC also failed to report on most of the results for the
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2020-2021 fiscal year. We found this unacceptable and urge ISC to work promptly with its Indigenous partners to establish targets for its performance indicators, and to provide results in a timely fashion. Additionally, funding to address anti-Indigenous racism in health care is requested by both Health Canada and ISC. Officials have provided information that discussions are underway with all partners and that more work is needed to address the lack of data to track anti-indigenous racism. The committee will continue monitoring the performance indicators and result reporting for this funding.

4. Funding to address homelessness in Canada is required as it is a major concern. However, we urge the government to strengthen its collaborations with provincial, territorial, Indigenous and municipal partners to ensure equitable distribution of the funds based on unique local needs and to provide relevant documentations, particularly regarding allocations to vulnerable communities.
 5. Threats to cyber security are complex, rapidly evolving and growing. It is essential for departments to maintain and improve their ability to defend against and respond to cyber threats. The committee encourages Global Affairs Canada to allocate sufficient resources to ensure the security of its infrastructure and information at its missions.
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INTRODUCTION

The Standing Senate Committee on National Finance has an important role to play on behalf of Parliament and Canadians in examining the federal government's spending plans, as outlined in the main and supplementary estimates. The committee reviews and presents reports on the government's proposed spending in order to examine whether it is reasonable, takes into account value-for-money, will be effective in achieving the government's objectives and allows parliamentarians to follow the money.

As the main estimates do not contain all the government's spending needs for the year, the government also presents supplementary estimates to Parliament for approval, usually in the fall and winter.

The *Supplementary Estimates (C), 2021–22* were tabled in the Senate on February 21, 2022 and referred to the Standing Senate Committee on National Finance on March 1, 2022. They are the third and final supplementary estimates planned for this fiscal year.

Of the 126 organizations represented in the *Main Estimates 2021–22*, 75 organizations are included in the *Supplementary Estimates (C), 2021–22*: five for information only and 70 for consideration by Parliament. As shown in Table 1, these supplementary estimates request \$13.2 billion in voted budgetary appropriations, and forecast an increase of \$3.9 billion in statutory expenditures. This represents an increase of 4.3% of voted budgetary authorities to date.

Table 1 – Authorities to Date and Supplementary Estimates, 2021–2022 (\$)

	Authorities to Date	Supplementary Estimates (C)	Change (%)
Budgetary			
Voted	174,576,216,519	13,209,519,773	7.6%
Statutory	222,203,858,323	3,856,630,442	1.7%
<i>Total Budgetary</i>	396,780,074,842	17,066,150,215	4.3%
Non-budgetary			
Voted	180,703,004	0	-
Statutory	7,299,369,815	-399,757,571	-5.5%
<i>Total Non-budgetary</i>	7,480,072,819	-399,757,571	-5.3%

Source: Table prepared by the authors using data obtained from Treasury Board of Canada Secretariat, [Supplementary Estimates \(C\), 2021–22](#).

The decrease of \$399.8 million in non-budgetary statutory expenditures is due to:

- an increase related to the Large Employer Emergency Financing Facility (\$320.0 million) which provides short-term liquidity assistance to large employers affected by the pandemic; and
- an updated forecast for student and apprenticeship loans (\$719.8 million decrease).

In order to examine the Supplementary Estimates (C), the committee held two meetings and questioned 26 officials from five organizations that are requesting total voted appropriations of approximately \$8.9 billion in the supplementary estimates, which represents 67% of the total voted amount requested. The committee also heard from the Parliamentary Budget Officer.

This report highlights issues discussed during the examination of the *Supplementary Estimates (C), 2021–22*.

Further information about the committee's hearings can be found in the meeting transcripts, which are available on the committee's website: <https://sencanada.ca/en/committees/nffn/studiesandbills/43-2>.

1 PUBLIC HEALTH AGENCY OF CANADA

The Public Health Agency of Canada (PHAC) seeks to promote health; prevent and control chronic diseases, infectious diseases and injuries; prepare for and respond to public health emergencies; strengthen intergovernmental collaboration on public health; and facilitate national approaches to public health policy and planning.

Committee Observations

As the economy gradually reopens, we recognize the government's continued investments in mental health support services for Canadians most affected by the pandemic and urge the government to explore policy approaches that acknowledge and redress underlying economic and social inequities that too often negatively impact mental health. While the committee welcomes the government's continued efforts to procure COVID-19 therapeutics and medical supplies, we also urge the government to be forthright and transparent with its procurement strategy to ensure the adequacy of our supply inventory and the accountability of public funds.

1.1 Estimates Overview

In the *Supplementary Estimates (C), 2021–22*, the Public Health Agency of Canada is requesting additional voted appropriations of \$3,020,401,379 for 15 items:

- \$1,000,000,000 for the procurement of additional therapeutics (COVID-19);
- \$750,000,000 for the procurement of additional rapid test kits (COVID-19);
- \$687,230,056 for the procurement of vaccine and personal protective equipment (COVID-19);
- \$500,000,000 to support emergency measures related to the pandemic (COVID-19);
- \$56,199,716 to improve mental health supports and services (COVID-19) (Budget 2021);
- \$9,600,000 for medical countermeasures for chemical, biological, radiological and nuclear threats, including pandemic influenza;
- \$8,451,115 for proof of vaccination credentials (COVID-19);
- \$2,968,129 to create a national autism strategy (Budget 2021);
- \$1,975,845 for the Safe Restart Agreement for federal investments in testing, contact tracing and data management (COVID-19);
- \$1,916,198 for the Indigenous Early Learning and Child Care Framework;
- \$842,793 for the resettlement commitment for the evacuation and immigration of Afghan nationals to Canada;
- \$570,661 to prevent diabetes and improve treatments (Budget 2021);
- \$443,149 for the Infectious Disease and Climate Change Fund;
- \$146,434 to advance the National Action Plan to End Gender-Based Violence (Budget 2021); and
- \$57,283 as reinvestment of royalties from intellectual property.

This is an increase of 25% compared to PHAC's total voted authorities to date of \$13,070,283,844.

Forecasted statutory expenditures for PHAC are increasing by \$300,835,958 due to payments for proof of vaccination pursuant to the *Economic and Fiscal Update Implementation Act, 2021* and contributions to employee benefit plans. PHAC's total proposed budgetary authorities to date, including voted and statutory expenditures and transfers, are \$16,760,431,770.

1.2 Procurement and Distribution of COVID-19 Countermeasures

In the *Supplementary Estimates (C), 2021–22*, PHAC is requesting several items on COVID-19 countermeasures. This includes \$1 billion for the procurement of additional therapeutics, \$750 million for the procurement of additional rapid test kits, \$687 million for the procurement of vaccines and personal protective equipment, and \$500 million to support emergency measures related to the pandemic.

Officials explained that their acquisition strategy of vaccines has evolved over time based on demand and scientific guidance. Their arrangements regarding mRNA vaccines and non-mRNA vaccines have allowed them to provide Canadians with access to vaccines for primary series, boosters and for pediatrics. Their arrangement would also permit them to give access to the most recent vaccines if they are brought forward to regulatory approval.

In terms of Canada's global vaccination efforts, officials confirmed that Canada is committed to donate the equivalent of 200 million vaccine doses to the COVAX facility. They added that to date, Canada has donated the equivalent of approximately 100 million doses through COVAX. This includes over 13.9 million doses that were delivered through COVAX from Canada's 50 million surplus vaccine inventory, and an additional equivalent of 87 million doses that was provided through financial support. Additionally, officials said they are in the process of implementing the Prime Minister's commitment last fall that would donate 10 million Moderna doses to COVAX. In PHAC's follow-up written response to the committee, they stated that as of March 4, 2022, Canada ranks 8th globally for total doses formally offered through COVAX and 9th in total doses delivered through COVAX. The response noted that this ranking does not take into account donations outside of COVAX or financial contributions to COVAX to purchase doses for donation since countries do not report them centrally.

1.3 Mental Health Support Measures

In the *Supplementary Estimates (C), 2021–22*, PHAC is requesting \$56 million to improve mental health supports and services.

Officials told us that PHAC is investing \$150 million to combat the mental health impact of COVID-19. This includes \$100 million for mental health promotion and prevention for populations most affected by the pandemic, and \$50 million for delivery and evaluation of post-traumatic stress disorder (PTSD) and trauma services for front-line workers and service providers. Officials said that the \$100 million investment has been used for the creation of the Mental Health of Black Canadians Fund, which is led, influenced and driven by Black leadership in the communities. Officials added this investment also funds knowledge development hubs, which support research and mental health literacy awareness campaigns. Additionally, officials from PHAC listed other mental health support services it is funding, including the virtual, stepped-care Wellness Together Canada portal, the Indigenous-specific Hope for Wellness Help Line that is available in Ojibway, Cree and Inuktitut, Distress Centre call lines as well as the Canada Suicide Prevention Service hotline.

2 HEALTH CANADA

Health Canada enforces laws and regulations related to consumer products, tobacco, pest control products, drugs, biologics, medical devices and natural health products. It also supports innovation in the health care system, works to uphold the *Canada Health Act*, and provides information to help Canadians maintain and improve their health.

Committee Observations

The committee recognizes Health Canada's efforts in securing rapid test kits; however, funding for these efforts is duplicated in two other proposed bills. While Health Canada provided an explanation for this approach during their appearance, we found the lack of upfront and clear explanation on the funding mechanism in these estimates regrettable as it impedes on our ability to fulfil our mandate as parliamentarians. Therefore, we urge the government to end this type of funding practice and to avoid similar opacity in the future. Additionally, we intend to demand explanations from the Treasury Board Secretariat; and we expect that it will continue monitoring this situation.

2.1 Estimates Overview

In the *Supplementary Estimates (C), 2021–22*, Health Canada is requesting additional voted appropriations of \$3,734,310,565 for 11 items:

- \$3,200,000,000 for the procurement of additional rapid test kits (COVID-19);
- \$500,000,000 to support emergency measures related to the pandemic (COVID-19);
- \$9,118,727 for the Canadian Drug Agency Transition Office (Budget 2019);
- \$8,105,411 to strengthen the capacity and transparency of the pesticide review process;
- \$3,548,940 to address anti-Indigenous racism in health care (Budget 2021);
- \$3,500,000 for the Canadian Thalidomide Survivors Support Program;
- \$3,222,004 to support long-term care, improved access to palliative care, and safe access to medical assistance in dying (Budget 2021);
- \$2,982,706 to ensure the ongoing integrity of the Public Service Occupational Health Program (Budget 2021);
- \$2,900,000 to advance pharmacare in Prince Edward Island;
- \$514,194 for investments in cannabis public education, awareness, research, and mental health; and
- \$418,583 to address antimicrobial resistance (Budget 2021).

This is an increase of 6.7% compared to Health Canada's total voted authorities to date of \$5,583,737,897.

Forecasted statutory expenditures for Health Canada are increasing by \$2,018,820 due to contributions to employee benefit plans. Health Canada's total proposed budgetary authorities to date, including voted and statutory expenditures and transfers, are \$9,233,689,474.

2.2 Rapid Test Procurement and Distribution

In the *Supplementary Estimates (C), 2021–2022*, Health Canada is requesting \$3.2 billion for the procurement of additional rapid test kits. This funding will be used to procure and distribute COVID-19

rapid tests to meet increased demand from provinces and territories, from federally-administered programs, as well as for workers providing essential Government of Canada services. The tests will support outbreak management, reduce risk in vulnerable populations, and help sustain economic and social reopening in workplaces and schools. The Public Health Agency of Canada is also requesting \$750 million for the same item.

Officials from Health Canada told us that with \$2.5 billion of the requested appropriation, they could purchase 400 million rapid tests. They estimated these tests should last about three to four months, depending on the needs of the provinces and territories. Officials added that while some provinces might purchase rapid tests for their own priority use cases, most provinces and territories do not have as many rapid tests as they anticipated since there are not enough of them coming into Canada. Officials stated that provinces and territories have expressed to them their intent to keep testing as part of their programming while they reopen and remove the existing public health measures.

Regarding the effectiveness of the rapid tests, officials explained that all manufactures need to go through a rigorous regulatory process to have their tests approved in Canada. Currently there are 24 approved tests. Once approved, they can apply to be on the standing offer. The rapid tests then are purchased from them. There are four or five manufacturers that meet Canada's volume demand, including a few Canadian manufacturers. Officials also clarified that the tests have so far worked for the Omicron variant. However, their efficacy against future new variants is still to be determine.

In terms of distribution equity, officials from Health Canada stated that they have federal programs that work with entities like Correctional Service Canada to ensure that federally sentenced persons have adequate testing facilities. Additionally, they work with the Canadian Red Cross to provide tests to its members and to its patrons, including Boys' and Girls' Clubs, YMCAs, Canadian food banks and others. These efforts are also made in discussion with provinces and territories.

In his report on the *Supplementary Estimates (C) 2021-22*¹, the Parliamentary Budget Officer (PBO) highlighted that the \$4.0 billion sought by Health Canada and PHAC for rapid tests is a duplication of spending being sought through Bill C-10, *An Act respecting certain measures related to COVID-19* (\$2.5 billion) and Bill C-8, *Economic and Fiscal Update Implementation Act, 2021* (approximately \$1.7 billion). The report therefore urged parliamentarians to continue to monitor spending on rapid tests to avoid duplication of payments.

During his appearance before the committee, the PBO told us that the government's response on this matter is to use the first approved authorities to ensure speedy procurement of the rapid tests. The PBO added that once approved, this funding in these estimates could be reallocated for other purposes, although there would not be much time in the fiscal year to implement the reallocation and if left unused, the authority would lapse at the end of the fiscal year.

On this matter, officials from Health Canada claimed that the Treasury Board Secretariat (TBS) will ensure that every dollar that is spent in the statutory authority will be frozen in the appropriation so that it cannot be spent twice. It will also be reported in the public accounts accordingly. Officials further explained that the reason that the funding was sought twice is to allow the maximum flexibility in the timing to procure these rapid tests. They need the authority from the Supplementary Estimates (C) to make commitments and sign the contracts. But since the authority from these estimates only lasts till the end of the fiscal year which is March 31, the authorities from Bill C-8 and Bill C-10 will allow them to make payments outside the

¹ Office of the Parliamentary Budget Officer, [Supplementary Estimates \(C\) 2021-22](#), February 28, 2022

constraint of fiscal year supply periods, in order to stay competitive in securing the sought-after rapid test kits.

Finally, officials reiterated that the TBS would freeze the extra \$4 billion on Health Canada's behalf and neither the TBS nor Health Canada would use these funds for other purposes.

Despite Health Canada's assurance, we remained unconvinced due to the unconventional nature of the funding practice, the lack of direct explanations from the TBS, and the government's poor track record of responding to our past requests. The committee intends to invite TBS at the first opportunity to provide proper explanations on this practice and we will continue monitoring future financial documents to ensure accountability of this funding.

3 INDIGENOUS SERVICES CANADA

Indigenous Services Canada (ISC) works with First Nations, Inuit and Métis to provide them access to various services, including primary health care, education, water and wastewater systems, housing, community infrastructure, social programs, and emergency management.

Committee Observations

More than four years after its creation, Indigenous Services Canada (ISC) has yet to establish targets for a number of its performance indicators. ISC also failed to report on most of the results for the 2020-2021 fiscal year. We found this unacceptable and urge ISC to work promptly with its Indigenous partners to establish targets for its performance indicators, and to provide results in a timely fashion. Additionally, funding to address anti-Indigenous racism in health care is requested by both Health Canada and ISC. Officials have provided information that discussions are underway with all partners and that more work is needed to address the lack of data to track anti-indigenous racism. The committee will continue monitoring the performance indicators and result reporting for this funding.

3.1 Estimates Overview

In the *Supplementary Estimates (C), 2021–22*, ISC is requesting additional voted appropriations of \$766,429,191 for 29 items:

- \$193,873,413 for emergency response and recovery activities;
 - \$150,418,200 for the continued implementation of Jordan's Principle;
 - \$106,253,115 for Indigenous trauma-informed health and cultural supports;
 - \$62,000,000 to support medical transportation in Nunavut;
 - \$54,513,301 to support the First Nations Enhanced Education Infrastructure Fund;
 - \$28,210,664 for a mercury care home and a water treatment facility for Asubpeeschoseewagong Netum Anishinabek and a mercury wellness centre for Wabaseemoong Independent Nations;
 - \$18,800,000 for First Nations health facilities;
 - \$18,683,979 for the construction and operation of shelters and transition houses for Indigenous women, children and 2SLGBTQIA+ people;
 - \$18,439,683 to address anti-Indigenous racism in health care (Budget 2021);
 - \$17,054,279 to improve access to safe, clean drinking water in First Nation communities;
 - \$16,017,041 for the Income Assistance Program;
 - \$13,581,637 to adjust the new fiscal relationship grant for inflation and population growth (Budget 2021);
 - \$11,800,912 for clean energy projects in First Nations, Inuit, and Métis communities (Budget 2021);
 - \$11,743,331 to establish a Canada-wide early learning and child care system;
 - \$10,613,443 for the Pathways to Safe Indigenous Communities Initiative (Budget 2021);
 - \$10,348,375 to implement an Act respecting First Nations, Inuit and Métis children, youth and families (Budget 2021);
 - \$5,855,558 to co-develop a new and more holistic long-term care strategy with First Nations and Inuit partners while supporting existing long-term care services;
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- \$3,395,423 for emergency management on reserve;
- \$2,900,000 for out-of-court settlements;
- \$2,231,691 to accelerate the process for additions to reserve land (Budget 2021);
- \$2,013,618 to increase federal procurement from Indigenous-led businesses;
- \$1,778,627 for Urban Programming for Indigenous Peoples service providers;
- \$1,760,299 for the removal of the 1951 cut-off which will eliminate sex-based inequities in Indian status registration;
- \$1,448,536 to support the Inuit Child First Initiative;
- \$795,582 to end violence against Indigenous women and girls;
- \$763,552 for disaster management preparation and response related to the FireSmart Program;
- \$724,416 for the co-development of First Nations policing legislation and engagement to support Indigenous policing (Budget 2021);
- \$260,046 to transition diesel-reliant Indigenous communities to clean energy; and
- \$150,470 to support the Innovative Solutions Canada Fund.

When transfers are included, ISC is requesting an increase of 3.5% compared to its total voted authorities to date of \$20,892,423,610.

Forecasted statutory expenditures for ISC are increasing by \$4,543,667 primarily due to contributions to employee benefit plans. ISC's total proposed budgetary authorities to date, including voted and statutory expenditures and transfers, are \$21,808,430,745.

3.2 Departmental Results Report

Departmental Results Reports (DRRs) are traditionally tabled in Parliament each fall and are part of the estimates documents. DRRs play an important role in how government departments report to Parliament and Canadians by providing a snapshot of the performance and achievements of a department over the past fiscal year. Unfortunately, the 2020-21 Departmental Results Reports were not received until February 1, 2022, 10 months after the close of the fiscal year. As indicated by the Parliamentary Budget Officer in his Report on Supplementary Estimates C 2021-2022², this meant that we were required to consider virtually all new Government spending without the benefit of knowing what had previously been achieved.

In ISC's *Departmental Results Report 2020-2021*³, a number of performance indicators have no established target including those under departmental results on education, social services, Indigenous self-determined services while many provided no actual results for the 2020-21 fiscal year, particularly those regarding social services. Officials from ISC explained that after the department was established in 2017, the department had to create a new departmental results framework with its Indigenous partners. However, the pandemic has slowed this progress and forced them to adjust their timeline to identify the right measures. They are reporting on some measures that they have consensus with their Indigenous partners while other performance indicators are still in development. They are resuming activities as the pandemic abates.

² Office of the Parliamentary Budget Officer, [Supplementary Estimates \(C\) 2021-22](#), February 28, 2022

³ Indigenous Services Canada, [Departmental Result Report 2020-2021](#).

3.3 Addressing Anti-Indigenous Racism in Health Care

In the *Supplementary Estimates (C), 2021–22*, ISC is requesting \$18 million to address anti-Indigenous racism in health care which was announced in Budget 2021. This funding will support short-term initiatives to address anti-Indigenous racism in Canada's health systems and to enhance access to culturally safe services for Indigenous people.

Officials from ISC stated that this funding will provide supports for Indigenous health patient advocates and health system navigators as well as a cultural safety partnership fund. They gave an example of their partnership with Alberta Health Services on racism. Officials added that they intend to develop a longer-term approach to institutionalize successes such as the approaches taken by Whitehorse General Hospital to better serve the Indigenous populations.

In their follow-up written response, ISC further elaborated that the \$18 million is the funding for year one of this initiative, with a focus on engagement with Indigenous partners to plan for years two and three. This funding will also support Indigenous-led proposals that were ready to be implemented, including one that was recently announced from the Federation of Sovereign Indigenous Nations for a First Nation Health Ombudsperson. Funding for year one has also been provided to support existing midwifery and doula projects as well as work to increase the Indigenous representation in health human resources. Additionally, provinces and territories were all participants at the National Dialogues to address anti-Indigenous racism in Canada's health systems that were convened in October 2020, January 2021, and June 2021. In 2022-23 and 2023-24, provinces and territories and non-Indigenous organizations will be eligible to apply for funding from Health Canada to advance projects to address anti-Indigenous racism.

3.4 Indigenous Business Support Measures

In the *Supplementary Estimates (C), 2021–22*, ISC is requesting \$2,013,618 to increase federal procurement from Indigenous-led businesses.

Officials from ISC explained that ISC itself does not issue loans; instead, it works in partnership with the National Aboriginal Capital Corporations Association who then works with 54 small Indigenous banks, the Aboriginal financial institutions, as well as working with the Métis capital corporations. They lend their loan capital to entrepreneurs. ISC provides equity or a small grant so that entrepreneurs can leverage the loans directly from the Métis capital corporations and the Aboriginal financial institutions. Officials added that historically the rate of default on loans issued by the Aboriginal financial institutions and the Métis capital corporations is significantly lower than the rate of default of loans through conventional banks. Currently, a registry of Indigenous businesses is being developed and continuously improved. This is related to the federal government's commitment to have 5% of federal procurement go to Indigenous businesses.

3.5 Education Funding in Indigenous Communities

In the *Supplementary Estimates (C), 2021–22*, ISC is requesting \$54,513,301 to support the First Nations Enhanced Education Infrastructure Fund.

Officials explained that while provinces and territories have jurisdictions over elementary and secondary education, ISC is in discussion with Inuit partners to address the needs of children and youth in kindergarten to Grade 12. Meanwhile, ISC has direct programming for post-secondary education. Additionally, officials said they are also working with departments like Heritage Canada to support language retention and language training.

3.6 Income Assistance Program

In the *Supplementary Estimates (C), 2021–22*, ISC is requesting \$16,017,041 for the Income Assistance Program. The Income Assistance program provides funds to individuals and families who are ordinarily residents on reserve or Status First Nations living in the Yukon Territory, as a last resort where all other means of generating income to cover basic needs have been exhausted.

Officials from ISC told us that they are in the early stage of working with the Assembly of First Nations and other First Nation partners in co-developing a set of options for program reform with the aim of establishing a needs-based program by 2023-2024.

4 INFRASTRUCTURE CANADA

Infrastructure Canada (IC) works with provinces, territories, municipalities, and other partners to invest in core public infrastructure.

Committee Observations

Funding to address homelessness in Canada is required as it is a major concern. However, we urge the government to strengthen its collaborations with provincial, territorial, Indigenous and municipal partners to ensure equitable distribution of the funds based on unique local needs and to provide relevant documentations, particularly regarding allocations to vulnerable communities.

4.1 Estimates Overview

In the *Supplementary Estimates (C), 2021–22*, Infrastructure Canada is requesting additional voted appropriations of \$521,757,188 for five items:

- \$349,309,850 for the P3 Canada Fund;
- \$120,000,000 to support British Columbia to house people experiencing homelessness;
- \$46,292,004 to conserve Canada's land and freshwater, protect species, advance Indigenous reconciliation and increase access to nature (Budget 2021);
- \$4,629,184 for the Capacity Building for Climate Change Challenges Fund – Municipalities for Climate Innovation Program; and
- \$1,526,150 for the development of standards and related guidance to safeguard infrastructure and communities (Budget 2021).

When transfers are included, Infrastructure Canada is requesting an increase of 10% compared to its total voted authorities to date of \$5,068,176,045.

No forecasted statutory expenditures for Infrastructure Canada are included in these estimates. Infrastructure Canada's total proposed budgetary authorities to date, including voted and statutory expenditures and transfers, are \$10,478,133,001.

4.2 The Transfer of the P3 Canada Program

In the *Supplementary Estimates (C), 2021–22*, Infrastructure Canada is requesting \$349,309,850 for the P3 Canada Fund.

Officials from Infrastructure Canada said that PPP Canada Inc was created in 2008 to allow for the partnership between private sectors with the Government of Canada and other governments on infrastructure projects. In 2018, PPP Canada was dissolved, and its responsibilities were transferred to Infrastructure Canada who is currently fulfilling the government's obligations. In total, the program has funded 25 projects with three projects remaining to be completed over the next ten years. The federal government is still obligated to fund approximately 25% for each project. Officials reiterated that they are no longer launching new public-private partnership projects; instead they are simply advancing funds to fulfil its obligations for the three remaining projects.

4.3 Funding for Homelessness Housing Units

In the *Supplementary Estimates (C)*, 2021–22, Infrastructure Canada is requesting \$120,000,000 to support British Columbia to house people experiencing homelessness. Since the publishing of the *Supplementary Estimates (B)*, 2021–22, the Homelessness Policy Directorate was transferred from the Department of Employment and Social Development to the Office of Infrastructure of Canada (P.C. 2021-0951).

Officials from Infrastructure Canada stated that the Homelessness Policy Directorate was moved from Employment and Social Development Canada to Infrastructure Canada to bring a horizontal focus to the links between homelessness, housing and infrastructure. Officials explained that the request of \$120 million is for a one-time payment to reimburse some of the costs incurred to keep people safe in the pandemic, including additional spaces, overflow shelters.

Officials told us that the Reaching Home program was originally a \$2.2 billion program. Due to the unique risks the pandemic has posed to those experiencing homelessness, over the past two years, they have spent additional \$700 million across the country. Officials added that the government announced additional \$567 million for this program in last year's budget.

5 GLOBAL AFFAIRS CANADA

Global Affairs Canada (GAC) manages diplomatic and consular relations, encourages international trade and leads international development and humanitarian assistance.⁴ It also maintains Canadian offices abroad with diplomatic and consular status on behalf of all federal government departments.

Committee Observations

Threats to cyber security are complex, rapidly evolving and growing. It is essential for departments to maintain and improve their ability to defend against and respond to cyber threats. The committee encourages Global Affairs Canada to allocate sufficient resources to ensure the security of its infrastructure and information at its missions.

5.1 Estimates Overview

In the *Supplementary Estimates (C), 2021–22*, GAC is requesting additional voted appropriations of \$828,181,712 for 12 items, including:

- \$647,188,523 to help developing countries address the impact of climate change;
- \$88,155,209 for Canada's Middle East Strategy, as announced in Budget 2021;
- \$27,434,859 to respond to the Venezuelan migrant and refugee crisis, as announced in Budget 2021;
- \$25,000,000 for the Global Partnership for Education;
- \$14,628,338 to support mission security abroad to mitigate risks to physical infrastructure, mission readiness, and security of information;
- \$13,253,193 for Canada's participation at the World Expo in Dubai;
- \$6,072,466 for renovations at 125 Sussex Drive, Ottawa;
- \$3,670,264 to renew and advance clean technology-enabling measures, as announced in Budget 2021;
- \$1,000,000 for government advertising programs;
- \$742,819 for the Marine Litter Mitigation Fund;
- \$600,000 for projects and activities in support of the Organisation internationale de la Francophonie; and
- \$436,041 for the International Assistance Envelope Crisis Pool Quick Release Mechanism.

When transfers are included, these requested voted appropriations represent an increase of 11.3% compared to GAC's total voted authorities to date of \$7,250,719,089.

Forecasted statutory expenditures for GAC are increasing by \$4,529,252 due to contributions to employee benefit plans. GAC's total proposed budgetary authorities to date, including voted and statutory expenditures and transfers, are \$8,455,678,479.

⁴ The legal name of the department, and the name used in the estimates, is the Department of Foreign Affairs, Trade and Development.

5.2 Support Developing Countries' Ability to Address the Impacts of Climate Change

In the *Supplementary Estimates (C), 2021–22*, GAC is requesting additional voted appropriations of \$647 million to help developing countries address the impacts of climate change.

Officials from GAC told the committee the funds requested to help developing countries to address the impacts of climate change are part of the \$5.3 billion the Prime Minister promised to invest to that end at the 2021 G7 Summit in Cornwall, England. Under GAC's [approach to climate finance for developing countries](#), at least 80% of supported projects must integrate gender equality considerations, in line with Canada's Feminist International Assistance Policy (FIAP).

Regarding the manner in which GAC determines whether a proposed project integrates gender equality considerations, the Department indicated in a written response that project proposals must be informed by and designed in accordance with an analysis of inequalities and their root causes, include explicit and meaningful gender equality results and indicators to measure performance, plan for appropriate resources to support the achievement of these results, and be carried out in collaboration with a partner that has demonstrated capacity to achieve gender equality results. These requirements are assessed and recorded by a project officer and reviewed by a Gender Equality Specialist who determines to what extent the FIAP's gender equality targets are met. Projects that do not meet these requirements must provide a justification and are recommended for approval only on an exceptional basis.

When asked about examples of projects funded under this initiative that include gender equality considerations, officials provided the example of a project to support the market for energy-efficient clean cookstoves in Haiti, which aims not only to reduce indoor and outdoor air pollution, but also to support women's entrepreneurship in that market. As well, officials explained that GAC may also provide businesses with loans that integrate incentives to promote gender equality, such as a rebate on interest rates when a business starts to include women in non-traditional sectors.

5.3 Support for Mission Security, Mission Readiness and Security of Information, and for Ukraine

In the *Supplementary Estimates (C), 2021–22*, GAC is requesting additional voted appropriations of \$14.6 million to support mission security abroad to mitigate risks to physical infrastructure, mission readiness, and security of information.

Officials told the committee that GAC is often the target of cyber attacks and that their department regularly makes investments in cybersecurity to ensure the protection of its information and infrastructure. They also stated that GAC collaborates with other agencies, such as the Canadian Centre for Cyber Security, the Communications Security Establishment, Shared Services Canada and the Treasury Board Secretariat to respond to cyber threats.

With respect to the crisis in Ukraine, officials identified several measures that GAC has taken or will take in support of that country, such as a \$120 million sovereign loan and humanitarian assistance initiatives. They said that funding for some of these measures is within GAC's existing budgets and that for other measures, GAC is in the process of accessing funding. In addition, they indicated that they are working with the Department of National Defence to implement a \$25 million program to provide defence equipment to Ukraine.

WITNESSES

March 2, 2022

Health Canada

- Manon Bombardier, Assistant Deputy Minister, Pest Management Regulatory Agency, Transformation;
- Serena Francis, Assistant Deputy Minister and Chief Financial Officer;
- Cameron MacDonald, Assistant Deputy Minister, Strategy, Integration and Data, COVID-19 Testing Secretariat; and
- Lynne Tomson, Associate Assistant Deputy Minister, Strategic Policy Branch Health Canada.

Office of the Parliamentary Budget Officer

- Yves Giroux, Parliamentary Budget Officer;
- Jill Giswold, Analyst; and
- Kaitlyn Vanderwees, Analyst.

Public Health Agency of Canada

- Stephen Bent, Acting Vice President, COVID-19 Vaccine Rollout;
- Brigitte Diogo, Vice-President, Health Sciences and Regional Operations Branch;
- Cindy Evans, Vice-President, Emergency Management Branch;
- Martin Krumins, Vice-President and Chief Financial Officer, Corporate Management Branch;
- Dr. Guillaume Poliquin, Vice-President, National Microbiology Laboratory; and
- Candice St-Aubin, Vice-President, Health Promotion and Chronic Disease Prevention Branch.

March 3, 2022

Global Affairs Canada

- Sean Boyd, Director, Middle East Development Division;
- Annie Boyer, Director General, Financial Planning and Management, and Deputy Chief Financial Officer;
- Anick Ouellette, Assistant Deputy Minister and Chief Financial Officer, Corporate Planning, Finance and Information Technology Branch;
- Sue Szabo, Director General, Innovative and Climate Finance Bureau; and
- Joshua Tabah, Director General, Health and Nutrition.

Indigenous Services Canada

- Keith Conn, Assistant Deputy Minister, First Nations and Inuit Health Branch;
- Christopher Duschene, Director General, Economic Policy Development Branch, Lands and Economic Development;
- Christine Harmston, Acting Director General, Education Branch;
- Catherine Lappe, Assistant Deputy Minister, Child and Family Services Reform Sector;
- Philippe Thompson, Chief Finances, Results and Delivery Officer; and
- Joanne Wilkinson, Senior Assistant Deputy Minister, Regional Operations.

Infrastructure Canada

- Nathalie Bertrand, Assistant Deputy Minister and Chief Financial Officer, Corporate Services;
 - Kris Johnson, Director General, Homelessness Policy Directorate;
 - Paul Loo, Director General, Resilient and Innovative Communities; and
 - Mary McKay, Director General, Alternative Finance Infrastructure Canada.
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