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Archived - Finance Canada's 2021-22 Departmental Sustainable Development Strategy Report

This report on progress supports the commitment in the *Federal Sustainable Development Act* (FSDA) to make environmental decision-making more transparent and accountable to Parliament. It also contributes to an integrated, whole-of-government view of activities supporting environmental sustainability.

The departmental information reported accounts for information previously prepared in accordance with Finance Canada's 2020 to 2023 Departmental Sustainable Development Strategy.

This report details Finance Canada's individual departmental actions that support the targets and/or goals of the 2019 to 2022 Federal Sustainable Development Strategy (FSDS). For information on the Government of Canada's overall progress on the targets of the FSDS, please see the FSDS Progress Report, which, per the requirements of the strengthened *Federal Sustainable Development Act*, is released at least once in each three year period.

1. Introduction to the Departmental Sustainable Development Strategy

The [2019 to 2022 Federal Sustainable Development Strategy \(FSDS\)](#) presents the Government of Canada's sustainable development goals and targets, as required by the *Federal Sustainable Development Act*. In keeping with the purpose of the Act, to provide the legal framework for developing and implementing a Federal Sustainable Development Strategy that will make sustainable development decision-making more transparent and accountable to Parliament, the Department of Finance Canada has developed this report to demonstrate progress in implementing its Departmental Sustainable Development Strategy.

2. Sustainable development in the Department of Finance Canada

The Department of Finance Canada's [2020 to 2023 Departmental Sustainable Development Strategy](#) describes the department's actions in support of achieving:

- Greening Government
- Effective Action on Climate Change
- Clean Energy

This report presents available results for the departmental actions pertinent to these goals. Previous years' reports are posted on the [Department of Finance Canada's](#) website.

This report details the Department of Finance Canada's individual departmental actions that support the targets and/or goals of the 2019 to 2022 FSDS. For information on the Government of Canada's overall progress on the targets of the FSDS, please see the [FSDS Progress Report](#), which, per the requirements of the strengthened *Federal Sustainable Development Act*, is released at least once in each three year period.

3. Departmental performance by FSDS goal

The following tables provide performance information on departmental actions in support of the FSDS goals listed in section 2.

Context: Greening Government

All departments and agencies contribute to this goal. The Department of Finance will continue its efforts to transition to low-carbon, climate resilient, and green operations in support of the goals and targets identified within the Federal Sustainable Development Strategy. The Department is committed to implementing green principles and practices in its operations in accordance with the Greening Government Strategy led by the Centre of Greening Government at the Treasury Board Secretariat. The Department's actions promote innovation and sustainable practices through both the education and mobilization of its workforce, encouraging environmentally sustainable choices that reduce waste and energy consumption. The Department is committed to the ongoing modernization of its internal practices by leveraging technology to further reduce the Department's reliance on travel and paper-based processes, which have been accelerated by the COVID-19 context. As per the Policy on Green Procurement, environmental considerations will continue to be integrated in procurement management processes and controls. To reduce the Department's GHG emissions, executive vehicles will be replaced at the end of their life-cycle with zero-emissions vehicles or hybrids.

Greening Government: The Government of Canada will transition to low-carbon, climate-resilient and green operations

Table 1

Greening Government: The Government of Canada will transition to low-carbon, climate-resilient and green operations

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental action to the FSDS goal and target
Reduce GHG emissions from federal government facilities and fleets by 40% below 2005 levels by 2030 (with an aspiration to achieve this target by 2025) and 80% below 2005 levels by 2050 (with an aspiration to be carbon neutral)	Fleet management will be optimized including by applying telematics to collect and analyze vehicle usage data on vehicles scheduled to be replaced	Ensure that all new executive vehicle purchases will be ZEVs (zero emission vehicles) or hybrids Driver training such as anti-idling will be provided	Starting Point: The executive fleet currently consists of 3 vehicles, 2 of which are ZEVs or hybrids. Performance Indicator: All new executive vehicle purchases will be ZEV's or hybrids. Target: 100% of executive fleet comprised of ZEV's or hybrids.	The Department completed the life cycle replacement of one executive fleet vehicle last fiscal year with a new hybrid. As a result, the Department's in-service executive fleet now consists entirely of hybrid vehicles. Results: 100%	FSDS: Reducing GHG emissions from federal fleets SDG: Target 13.2

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental action to the FSDS goal and target
Divert at least 75% (by weight) of non-hazardous operational waste from landfills by 2030	Other	<ul style="list-style-type: none"> • Promoting the use of recycling and composting programs currently in place at 90 Elgin • Promote awareness on proper use of recycling systems emphasizing minimizing contamination <p>The department will work with Public Services and Procurement Canada (PSPC) and Treasury Board Secretariat at 90 Elgin to promote waste reduction by: Continue to explore and implement additional departmental recycling to expand on the existing programs such as coffee pod and office supply recycling</p>	<p>Starting Point: The waste diversion rate for Department of Finance floors is 66.3%.</p> <p>Performance Indicator: The Department will use the results of annual 90 Elgin waste audits to assess progress on waste reduction.</p> <p>Target: Ongoing improvement in annual diversion rate.</p>	<p>A waste audit was not conducted in 2021-22 as a result of the state of emergency related to COVID-19 and related low building occupancy. Progress will be assessed once onsite operations resume. Waste diversion was promoted through participation in the annual interdepartmental Green Challenge, which dedicated a full day to waste reduction awareness.</p> <p>Results: N/A</p>	<p>FSDS: Diverting waste from landfill reduces landfill gas and transport hauling emissions. Material recovery via recycling reduces emissions for the extraction and production of virgin materials.</p> <p>SDG: Target 13.2</p>

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental action to the FSDS goal and target
Divert at least 75% (by weight) of plastic waste from landfills by 2030	Other	The department will promote reduction of single-use plastics in operations, events and meetings by: Holding information sessions and ongoing promotion to inform employees on the importance of reducing the use of single-use plastics	<p>Starting Point: Plastic waste represents approximately 5.7% of waste generated annually on floors occupied by the department.</p> <p>Performance Indicator: The department will use the results of annual 90 Elgin waste audits to assess further progress on the reduction of plastic waste.</p> <p>Target: Ongoing reduction in volume of single use plastic waste generated annually.</p>	<p>A waste audit was not conducted in 2021-22 as a result of the state of emergency related to COVID-19 and related low building occupancy. Progress will be assessed once onsite operations resume. Waste diversion was promoted through participation in the annual interdepartmental Green Challenge, which dedicated a full day to waste reduction awareness.</p> <p>Results: N/A</p>	<p>FSDS: Diverting waste from landfill reduces landfill gas and transport waste hauling emissions. Material recovery via recycling reduces emissions for the extraction and production of virgin materials.</p> <p>SDG: Target 13.2</p>

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental action to the FSDS goal and target
<p>Actions supporting the Goal: Greening Government</p>	<p>Departments will use environmental criteria to reduce the environmental impact and ensure best value in government procurement decisions</p>	<ul style="list-style-type: none"> • Integrate environmental considerations into procurement management processes and controls • Use Supply Arrangements and Standing Offers that include environmental criteria whenever possible: • Ensure key officials include contribution to and support for the Policy on Green Procurement objectives in their performance evaluations. 	<ul style="list-style-type: none"> • When contracting, all procurement processes incorporate electronic bid solicitation, used scanning technology to issue contracts, promoted electronic invoicing. • The Department uses common-use procurement instruments that include environmental criteria whenever possible to procure IT hardware (i.e., desktops, computers, laptops and tablets). • The Department will purchase copy paper, commercial printing and/or envelopes containing a minimum 30% recycled content and certified to a recognized environmental standard to reduce the environmental impact of its production. The Director of Corporate Administrative Services, the 	<p>All procurement processes are now administered electronically. Results: 100% All IT hardware procurements were through common-use procurement instruments that include environmental criteria. Results: 100% All commercial printing met established environmental criteria. All copy paper purchased contained 30% recycled content. Results: 100% All key officials who comprise the former Corporate Administrative Services Division have performance commitments that support green procurement or sustainable operations. Results: 100%</p>	<p>FSDS: Incorporating environmental considerations into purchasing decisions motivates suppliers to reduce the environmental impact of the goods and services they deliver, and their supply chains. SDG: Target 12.7</p>

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			<p>Team Leader of Procurement and Material Management, and the Manager of Facilities all have individual performance objectives supporting green procurement and sustainable operations activities.</p> <ul style="list-style-type: none"> • Annual review of contracting records will provide the necessary detail to support progress on environmental contracting commitments. • Performance commitments of key officials. • Maintain paperless processes for all contracting activities. • Target is 90% of IT hardware procurements (i.e. laptops, tablets, desktops, and towers) to use common-use procurement instruments. • Target is that 90% of copy paper, commercial printing and/or envelopes meet established environmental criteria. 		

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental action to the FSDS goal and target
			All key officials in Corporate Administrative Services include performance commitments that support green procurement or sustainable operations.		
	Support for green procurement will be strengthened, including guidance, tools and training for public service employees	Continue to ensure that decisions-makers, material management and specialists in procurement have the necessary training and awareness to support green procurement.	<p>Starting Point: 100% of current specialists in procurement and material management have completed training on green procurement.</p> <p>Performance Indicator: Certificate of completion from CSPS.</p> <p>Target: Maintain 100% completion rate.</p>	All procurement and material management specialists have completed training in green procurement. Results: 100%	<p>FSDS: Incorporating environmental considerations into purchasing decisions motivates suppliers to reduce the environmental impact of the goods and services they deliver, and their supply chains.</p> <p>SDG: Target 12.7</p>

Context: Effective Action on Climate Change

The Ministers of Environment and Climate Change and Transport lead on this goal. Pricing carbon pollution across the country is a central component of the Pan-Canadian Framework on Clean Growth and Climate Change. The Department of Finance Canada is responsible for the policy underpinning the federal fuel charge and for calculating the Climate Action Incentive payment amounts that, once specified by the Minister of Finance, enable the Canada Revenue Agency to return the bulk of the direct proceeds from the fuel charge to individuals and families in affected provinces through these payments.

In addition to pricing carbon pollution, the Department of Finance Canada contributes to a low-carbon economy by providing tax incentives to adopt lower-emitting vehicles. Budget 2019 introduced immediate expensing for eligible new on-road zero-emission vehicles and on March 2, 2020, the Government announced its intention to extend this incentive to used on-road zero-emission vehicles and to include new and used off-road zero-emission vehicles and automotive equipment. These measures complement carbon pricing and zero emission vehicle sales targets, which can lead to additional reductions in greenhouse gases and air pollutants.

Effective Action on Climate Change: A low-carbon economy contributes to limiting global average temperature rise to well below two degrees Celsius and supports efforts to limit the increase to 1.5 degrees Celsius

Table 2

Effective Action on Climate Change

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental result to the FSDS goal and target
By 2030, reduce Canada's total GHG emissions by 30%, relative to 2005 emission levels	Support businesses and Canadians in taking action to reduce greenhouse gas emissions	Oversee the fuel charge component of the federal carbon pollution pricing system that applies in provinces and territories upon request, and in provinces and territories that do not have in place a carbon pricing system that meets the federal stringency requirements.	<p>Starting point: The Government released for consultation draft legislative proposals related to the federal carbon pricing system in January 2018.</p> <p>Performance indicator: Carbon pricing applies broadly across Canada, in accordance with the federal stringency requirements, as assessed by Environment and Climate Change Canada.</p> <p>Target: The <i>Greenhouse Gas Pollution Pricing Act</i> is maintained and Fuel Charge Regulations are implemented.</p>	During 2021-22, the fuel charge applied in Ontario, Manitoba, Saskatchewan, Alberta, Yukon and Nunavut. In December 2021, fuel charge rates for the period 2023 to 2030 were announced, reflecting a carbon pollution price of \$65 per tonne of carbon dioxide equivalent in 2023, and rising by \$15 per tonne annually to reach \$170 per tonne in 2030.	<p>FSDS: The federal carbon pollution pricing system ensures that carbon pricing is implemented in all provinces and territories that do not have in place a carbon pricing system that meets the minimum national stringency standards and thus encourages the use of clean technologies, which can reduce the amount of GHG emissions emitted.</p> <p>SDG: Target 7.2, 12.2 and 13.2</p>

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental result to the FSDS goal and target
Zero-emission vehicles will represent 10% of new light-duty vehicle sales by 2025, 30% by 2030 and 100% by 2040	Support businesses and Canadians in taking action to reduce greenhouse gas emissions	Allow businesses to immediately expense investments in eligible zero-emission vehicles.	<p>Starting point: Budget 2019 introduced immediate expensing for new on-road zero-emission vehicles. Effective March 2, 2020, the Government has proposed to extend this incentive to include used on-road zero-emission vehicles as well as a variety of other new and used zero-emission automotive equipment and vehicles.</p> <p>Performance indicator: Performance will be evaluated on the basis of the year-over-year change in new business investment in zero-emission vehicles and automotive equipment (Classes 54, 55 and 56) relative to the previous year. The first base year of data will be for 2019.</p>	Based on the latest data available, from 2019 to 2020, the amount of investment in Class 54/55 assets by corporations and partnerships decreased from \$1475 million to \$188 million. Two factors contributed to this decline: a decrease in sales of zero-emission passenger vehicles in Canada due to the COVID-19 pandemic, and an increase in use of the federal Incentives for Zero-Emission Vehicles (iZEV) rebate. Vehicles that benefit from the iZEV rebate are not eligible for Classes 54 or 55. For Class 56, the first base year of data will be for 2020. Data for 2021, which will be needed for this comparison, will not be available until 2023.	<p>FSDS: Immediate expensing makes business investments in zero-emission vehicles less expensive by providing a tax incentive.</p> <p>SDG: Target 13.2</p>

Context: Clean Energy

Table 3

Clean Energy: All Canadians have access to affordable, reliable and sustainable energy

FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental result to the FSDS goal and target
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FSDS target(s)	FSDS contributing action(s)	Corresponding departmental action(s)	Starting point(s) Performance indicator(s) Target(s)	Results achieved	Contribution by each departmental result to the FSDS goal and target
By 2030, 90% and in the long term, 100% of Canada's electricity is generated from renewable and non-emitting sources	Support voluntary action to reduce greenhouse gas and air pollutant emissions through clean energy generation and consumption	Provide an incentive for investment in clean energy equipment available through the accelerated capital cost allowance for clean energy and energy conservation equipment (Class 43.1/43.2). Equipment that qualifies for Class 43.1 or 43.2 currently receives immediate expensing treatment.	FSDS: The accelerated capital cost allowance and immediate expensing for clean energy equipment makes investments in clean energy generation equipment less expensive by providing a tax incentive. SDG: Targets 7.2 and 7.3	Based on the latest data available, from 2019 to 2020, the amount of investment in Class 43.1/43.2 assets by corporations and partnerships decreased from \$2.7 billion to \$1.3 billion. This decline may be, in part, a result of decreased investment due to the COVID-19 pandemic.	FSDS: The accelerated capital cost allowance and immediate expensing for clean energy equipment makes investments in clean energy generation equipment less expensive by providing a tax incentive. SDG: Targets 7.2 and 7.3

4. Report on integrating sustainable development

Economic analysis and considerations are the foundation of the Department's work. The Department uses Gender-Based Analysis Plus (GBA+) and Strategic Environmental Assessment (SEA) to analyze and develop policy and fiscal advice that takes into consideration social and environmental impacts. A GBA+ and a SEA are conducted for policies, plans and program proposals submitted by the Department to Cabinet or the Minister of Finance for decision.

In addition, the Budget 2022 process asked departments to identify the impacts of their proposals on the quality of life of Canadians, including on the environment, for each of their proposals. Budget 2022 also piloted an Integrated Climate Lens (ICL) for some departments. These departments followed a standardized approach to conduct a qualitative and quantitative assessment of expected impacts from their proposals on specific outcome areas: Greenhouse gas emissions, Climate change adaptation and Household income/Employment.

As per the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals, a SEA for a policy, plan or program proposal includes an analysis of the impacts of the given proposal on the environment, including on relevant FSDS goals and targets. For policy, plan or program proposals developed by the Department, and submitted to Cabinet or the Minister of Finance, a preliminary scan is conducted to determine whether the proposal is likely to cause important environmental effects, including impacts on FSDS goals and targets. If the scan concludes that such effects are likely, then a full SEA is conducted to analyze the scope and nature of the proposal's environmental effects and determine possible measures to reduce negative environmental effects and increase positive environmental effects. During the 2021-22 reporting cycle, the Department considered the environmental effects of 103 proposals, including 8 that were subject to a full SEA. The Department of Finance Canada will continue to ensure that its decision-making process includes consideration of FSDS goals and targets through its strategic environmental assessment (SEA) process.

Public statements on the results of Department of Finance Canada's assessments are made public when an initiative has undergone a detailed SEA (see [here](#)). The purpose of the public statement is to demonstrate that the environmental effects, including the impacts on achieving the FSDS goals and targets, of the approved policy, plan or program have been considered during proposal development and decision-making.

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