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GREENING GOVERNMENT STRATEGY

Report of the Standing Committee on Public Accounts

John Williamson, Chair

FEBRUARY 2023
44th PARLIAMENT, 1st SESSION

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

has the honour to present its

TWENTY-SIXTH REPORT

Pursuant to its mandate under Standing Order 108(3)(g), the committee has studied Report 2, Greening Government Strategy, of the 2022 Reports 1 to 5 of the Commissioner of the Environment and Sustainable Development and has agreed to report the following:



GREENING GOVERNMENT STRATEGY

KEY FINDINGS OF THE COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

- The Treasury Board of Canada Secretariat [TBS or the Secretariat] developed the Greening Government Strategy and included valuable elements in it—such as a long-term vision and targets for emission reductions—but it lacked some details about the government’s plans.
- National Defence and Transport Canada reduced and reported on their emissions, but may have challenges in meeting the 2050 net-zero target.
- National Defence and Transport Canada aligned their greenhouse gas (GHG) emission reduction plans with the 2017 Greening Government Strategy, reduced their emissions and reported their results annually.
- National Defence and Transport Canada did not have an approach to manage their emission reduction risks.¹

SUMMARY OF COMMITTEE RECOMMENDATIONS AND TIMELINES

Table 1—Summary of Committee recommendations and timelines

Recommendation	Recommended Action	Timeline
Recommendation 1	The Treasury Board of Canada Secretariat (TBS) should provide the House of Commons Standing Committee on Public Accounts with a report detailing measures taken to collect data on all Government of Canada sources of greenhouse gas emissions, including those from Crown corporations, and to publish them clearly and comprehensively.	31 January 2024

1 Office of the Auditor General of Canada (OAG), Greening Government Strategy, Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, [At a Glance](#), Our findings.



Recommendation	Recommended Action	Timeline
Recommendation 2	TBS should provide the Committee with a report describing the additional details that will be provided in the next revision of the Strategy, particularly on green procurement, clean technology, partnerships, policies and performance measurement.	31 March 2024
Recommendation 3	TBS should provide the Committee with a report detailing its comprehensive approach to managing risks that could affect the government's ability to achieve the 2050 net-zero target, including a description of how it will regularly identify, monitor and mitigate significant risks.	30 June 2023
Recommendation 4	TBS should provide the Committee with a report outlining whether (1) the national safety and security fleet decarbonization plans have been completed; (2) time frames for departments and agencies to develop their greenhouse gas emission reduction and net-zero plans have been established; and (3) an independent review process for departmental real property greenhouse gas emission plans has been implemented.	31 March 2024
Recommendation 5	TBS should provide the Committee with a report explaining its approach to establish and publish projections, and outlining the Greening Government Strategy's estimated costs and savings, as well as its actions to monitor these costs and savings.	15 June 2023
Recommendation 6	National Defence should provide the Committee with a progress report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach. A final report should also be provided.	15 June 2023 and 31 March 2024
Recommendation 7	Transport Canada should provide the Committee with a report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach.	15 June 2023

INTRODUCTION

A. Background

On 26 April 2022, the reports of the Commissioner of the Environment and Sustainable Development (CESD or Commissioner) were tabled in the House of Commons and referred to the Standing Committee on Environment and Sustainable Development for study.² On 28 April 2022, the House of Commons Standing Committee on Public Accounts (the Committee) agreed to study one of these reports, entitled “Greening Government Strategy” (the Strategy).³

According to the Commissioner’s report:

- TBS launched the Greening Government Strategy in 2017 and is responsible for leading the Strategy to help the federal government reduce its environmental impact and transition to low-carbon, climate-resilient operations.
- A key commitment in the 2017 Strategy was to reduce the GHG emitted by government operations to 80% below the fiscal year 2005–2006 baseline by 2050. In 2020, TBS revised the Strategy to increase the target to 90% without the use of carbon removals. The ultimate goal is to achieve net-zero emissions by 2050, which means reducing emissions to as close to zero as possible and balancing out any remaining emissions with an equivalent amount of carbon removal.⁴

B. Audit Parameters

The main parameters of the Commissioner’s audit are summarized in Table 2.

2 House of Commons, *Journals*, 26 April 2022.

3 House of Commons, Standing Committee on Public Accounts, *Minutes*, 1st Session, 44th Parliament, 10 May 2022, [Meeting No. 19](#).

4 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, paras. 2.1 to 2.3.



Table 2—Audit Parameters

Audited Organizations	<ul style="list-style-type: none"> • TBS; • National Defence; and • Transport Canada.
Audit Objective	<p>To determine whether:</p> <ul style="list-style-type: none"> • TBS led the Greening Government Strategy in a manner that supported the federal government’s progress toward reducing its GHG emissions; and • National Defence and Transport Canada reported results that were supported by the implementation of internal controls and took appropriate measures to reduce their GHG emissions.
Definitions	<p>Carbon removal: Human activities that remove carbon dioxide (CO₂) from the atmosphere and durably store it in geological, terrestrial or ocean reservoirs, or in products. This includes enhancement of biological or geochemical sinks and direct air capture and storage, but excludes natural CO₂ uptake not directly caused by human activities.</p> <p>Scope 1: Direct emissions from assets owned or controlled by the government, such as buildings and vehicles.</p> <p>Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating, and cooling required by government operations.</p> <p>Scope 3: All other indirect emissions that result from government operations, such as flights taken by employees for work, waste generated in operations and construction of new buildings.</p>
Audit Period	<p>The period to which the audit conclusion applies is from 1 January 2017 to 31 December 2021.</p>

Source: Office of the Auditor General of Canada, Greening Government Strategy, Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, [About the Audit](#).

C. Roles and Responsibilities

The roles and responsibilities of the various organizations audited are explained in Table 3.

Table 3—Roles and Responsibilities of Audited Organizations

TBS	The Secretariat is responsible for leading and reporting on the Government of Canada’s efforts toward low-carbon, green, and climate-resilient government operations. It is mandated to lead and coordinate, integrate knowledge, and track and disclose performance information.
National Defence and Transport Canada	These two departments, like all departments, must develop plans to reach net-zero emissions by 2050 and implement commitments for their real property, vehicle fleets, procurement and overall operations. They must also report annually on their results.

Source: Office of the Auditor General of Canada, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, paras. 2.9 and 2.10.

D. Meetings of the House of Commons Standing Committee on Public Accounts

On 18 and 28 October 2022, the Committee held two meetings on the Commissioner’s report with the following people in attendance:

CESD—Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development, and Milan Duvnak, Principal

TBS—Graham Flack, Secretary of the Treasury Board of Canada; Jane Keenan, Acting Executive Director, Centre for Greening Government; and Malcolm Edwards, Senior Engineer, Centre for Greening Government

National Defence—Bill Matthews, Deputy Minister; Nancy Tremblay, Associate Assistant Deputy Minister, Material; and Saleem Sattar, Director General, Environment and Sustainable Management



Transport Canada—Michael Keenan, Deputy Minister, and Ross Ezzeddin, Director General, Air, Marine and Environmental Programs⁵

FINDINGS AND RECOMMENDATIONS

A. Leading Canada’s Green Government Strategy

1. Incomplete Reports on Sources of Emissions

The Commissioner found that TBS did not report some sources of federal GHG emissions, and that “it did not include context that would help government decision makers, parliamentarians, and Canadians understand the progress that has been made to date and the challenges that lie ahead.”⁶

Accordingly, TBS “reported a total reduction of 731 kilotonnes (40.6%) in scope 1 and 2 emissions across all 27 departments compared to the fiscal year 2005–06 baseline. It also reported the results of emissions related to national safety and security activities for 3 departments. However, it did not report the majority of scope 3 (indirect) emissions for any departments or any emission results for Crown corporations.”⁷ Graham Flack, Secretary of the Treasury Board of Canada Secretariat, gave the following explanation for why TBS did not report some sources of federal GHG emissions:

Because of the complexity in reporting. In the original plans, the first and second plans, the aim was to capture the scope 1 and scope 2 emissions, which are relatively direct and easier to report. Scope 3 emissions are much more complicated to develop.⁸

Consequently, CESD made the following recommendation:

5 House of Commons, Standing Committee on Public Accounts, *Minutes*, 1st Session, 44th Parliament, 18 October 2022, [Meeting No. 32](#) and 28 October 2022, [Meeting No. 35](#).

6 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.19.

7 *Ibid.*, para. 2.20.

8 House of Commons, Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 28 October 2022, [Meeting No. 35](#), 1310.

The Treasury Board of Canada Secretariat should collect and report on all Government of Canada sources of [GHG] emissions clearly and comprehensively in an annual summary report.⁹

In response to a question on the necessity for the next edition of the Strategy to apply to departments and Crown corporations alike, Jerry DeMarco, Commissioner of the environment and sustainable development, answered the following:

Yes, of course. As I said, that's how the government chose to organize things, but it's a whole-of-government approach. In order for the greening government strategy to work, the system has to be consistent across all facets of the federal government.¹⁰

On that topic, Graham Flack provided the following:

Mr. Edwards [of TBS] created a community of interest with Crown corporations to help them take advantage of our tools. As we indicated to the commissioner, we will be consulting Crown corporations. Given their independence, we have to go about it the right way.¹¹

In its action plan, TBS outlined the following three measures to respond to this recommendation:

- Increased scope of reporting to include scope 3 emissions on the Centre's website (expected completion by February 2023);
- Annual GHG emissions reporting update on the Centre's website (expected completion by January 2023 for fiscal year 2021–2022 and January 2024 for fiscal year 2022–2023); and
- Consultations on reporting emissions from Crown corporations and development of an approach for the planned next update to the Greening Government Strategy in fiscal year 2023–2024 (expected completion by December 2023).¹²

9 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.35.

10 House of Commons, Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 28 October 2022, [Meeting No. 35](#), 1410.

11 *Ibid.*, 1340.

12 Treasury Board of Canada Secretariat (TBS), [Detailed Action Plan](#), p. 1.



Therefore, the Committee recommends:

Recommendation 1—On the publication and collection of data

That, by 31 January 2024, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report detailing measures taken to collect data on all Government of Canada sources of greenhouse gas emissions, including those from Crown corporations, and to publish them clearly and comprehensively.

2. Developing the Strategy and Providing Guidance to Departments

According to the Commissioner, the TBS approach to reducing GHG emissions through the Greening Government Strategy “included

- a long term vision
- sustainable development and adaptation considerations
- long term targets for emission reductions
- milestones to achieve over time
- implementation and monitoring considerations.”¹³

The Commissioner also noted that TBS “provided guidance and tools to the departments on how to meet their targets.”¹⁴ However, the Strategy “did not contain sufficient detail about some important commitments. Additional information would give parliamentarians and Canadians a clearer picture of what is to be accomplished, including the government’s plans to

- transition to a low carbon economy through green procurement
- adopt clean technologies and green products and services
- create and leverage partnerships with internal and external stakeholders

13 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.40.

14 *Ibid.*, para. 2.44.

- ensure that current government policies align with the strategy’s objectives and that senior management is accountable for the agreed priorities
- oversee and measure performance to ensure accountability for the government’s environmental performance.”¹⁵

The CESD therefore made the following recommendation:

The Treasury Board of Canada Secretariat should include additional details about strategic commitments in its next revision of the Greening Government Strategy.¹⁶

In response to this recommendation, TBS reported that it would include additional details related to strategic commitments on the website and in the next revision of the Strategy, including on green procurement, clean technology, partnerships, policies and performance measurement, by March 2024.¹⁷

Therefore, the Committee recommends:

Recommendation 2—On including more details on strategic commitments

That, by 31 March 2024, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report describing the additional details that will be provided in the next revision of the Strategy, particularly on green procurement, clean technology, partnerships, policies and performance measurement.

3. Managing the Implementation of the Strategy

(a) Limited Risk Management Approach

The CESD found that TBS “had a limited approach to identifying, monitoring, and mitigating potential threats to the government’s ability to achieve its 2050 net-zero

15 Ibid., para. 2.41.

16 Ibid., para. 2.43.

17 TBS, [Detailed Action Plan](#), p. 1.



target” and did not find “evidence that its decisions were supported by risk analyses.”¹⁸ It, therefore, made the following recommendation:

The Treasury Board of Canada Secretariat should develop a comprehensive risk-management approach that outlines how it will regularly identify, monitor, and mitigate significant risks.¹⁹

In response to this recommendation, TBS plans to:

- collect interdepartmental input on the risk management approach by March 2023; and
- finalize the risk management approach by June 2023; it will subsequently be updated regularly.²⁰

Therefore, the Committee recommends:

Recommendation 3—On the risk management approach

That, by 30 June 2023, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report detailing its comprehensive approach to managing risks that could affect the government’s ability to achieve the 2050 net-zero target, including a description of how it will regularly identify, monitor and mitigate significant risks.

(b) Emission Reduction Plans for Real Property Incomplete

CESD found that “only 8 of 27 departments had created emission reduction plans for government-owned real property. However, these plans accounted for 81% of total emissions from departments. The 2020 Greening Government Strategy did not specify a date by which all departments had to complete such plans.”²¹ Furthermore, TBS “recommended that [GHG] emission reduction plans be independently reviewed.” However, “[a]mong the 8 developed plans, [only] 2 had been independently reviewed: 1

18 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.51.

19 Ibid., para. 2.53.

20 TBS, [Detailed Action Plan](#), pp. 1–2.

21 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.54.

by the secretariat and 1 by a government department with expertise in managing real property.”²²

Therefore, the Commissioner made the following recommendation:

The Treasury Board of Canada Secretariat should

- set a date by which all departments must complete their GHG emission reduction and net-zero plans
- require departments to include the milestones identified in the Greening Government Strategy in their plans
- facilitate independent reviews of departments’ plans to determine whether they are sufficient to meet the 2050 net-zero target.²³

To respond to this recommendation, TBS plans to:

- complete national safety and security fleet decarbonization plans by December 2023;
- establish a timeline for real property GHG emissions reduction plans by March 2024; and
- establish a review process for real property GHG emissions reduction plans by March 2024.²⁴

Therefore, the Committee recommends:

Recommendation 4—On departmental greenhouse gas emission reduction and net-zero plans

That, by 31 March 2024, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report outlining whether (1) the national safety and security fleet decarbonization plans have been completed; (2) time frames for departments and agencies to develop their greenhouse gas emission reduction and net-zero plans have been established; and (3) an independent review

22 Ibid., para. 2.55.

23 Ibid., para. 2.56.

24 TBS, [Detailed Action Plan](#), p. 2.



process for departmental real property greenhouse gas emission plans has been implemented.

(c) Costs and Savings Not Monitored or Reported

The CESD found that the Strategy did not contain a requirement for TBS “to monitor and report on costs and savings,” and that there was no “monitoring and reporting system for expenditures, savings, and cost effectiveness.”²⁵

According to the Commissioner, “long-term strategies—especially those that are highly valued by the government and may involve significant costs—warrant financial projections. [The CESD acknowledges that] preparing accurate projections may be challenging, given the strategies’ complexity and duration and the significant factor of delayed savings. However, without a compilation of expenditures and savings, the secretariat and departments cannot correct course (if required) or track progress or cost variances over the strategy’s long time frame. Without this information, it is difficult for decision makers, parliamentarians and Canadians to understand the strategy’s costs and savings.”²⁶

The Commissioner therefore made the following recommendation:

The Treasury Board of Canada Secretariat should develop an approach to track costs and savings to provide decision makers, parliamentarians, and Canadians with sufficient information about the estimated costs and savings involved in achieving the 2050 net-zero target.²⁷

TBS only partially agreed with this recommendation by stating that it “disagrees that it does not have an approach to tracking costs and savings. The Centre for Greening Government has developed an approach that focuses on ensuring the lowest life-cycle implementation costs (including costs and savings over the life of assets) and has developed controls to achieve this objective. The approach includes the actions outlined in paragraph 2.61”²⁸ of the report. Graham Flack described TBS’s approach as follows:

We have an approach. It’s an approach used by our colleagues, the General Services Administration in the U.S., NASA and Harvard. It’s an approach that looks, for example,

25 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.57.

26 Ibid., para. 2.62.

27 Ibid., para. 2.63.

28 TBS, [Detailed Action Plan](#), pp. 2–3.

at the energy retrofit area where you take a building at the front end, you cost in a detailed way the upgrades, and the savings that are going to emerge from those upgrades through a life-cycle cost analysis. That gives you up front when you are taking those decisions the costing that you need to be able to do that and calculate the [GHG].²⁹

However, TBS still commits to:

- Publishing a description of TBS' approach to track greening costs and savings on the Centre's website by March 2023;
- Reporting on the two programs it delivers—the Greening Government Fund and the Low Carbon Fuels Procurement Program—including program budget information and costing, by March 2023.³⁰

Therefore, the Committee recommends:

Recommendation 5—On the approach to track the Strategy's costs and savings

That, by 15 June 2023, the Treasury Board of Canada Secretariat provide the House of Commons Standing Committee on Public Accounts with a report explaining its approach to establish and publish projections, and outlining the Greening Government Strategy's estimated costs and savings, as well as its actions to monitor these costs and savings.

(d) Gender-Based Analysis Plus

The Commissioner found that TBS “conducted a gender-based analysis plus of the Greening Government Strategy,” and that “efforts to reduce [GHG] emissions benefit women and vulnerable populations—groups that, worldwide, are disproportionately affected by climate change.”³¹

29 House of Commons, Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 28 October 2022, [Meeting No. 35](#), 1315.

30 TBS, [Detailed Action Plan](#), pp. 2–3.

31 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.64.



B. Implementing Canada’s Greening Government Strategy at National Defence and Transport Canada

1. Possible Challenges in Meeting the 2050 Net-Zero Target

The Commissioner selected these two departments for the audit “because National Defence represents almost half of all federal government departmental scope 1 and 2 emissions and Transport Canada provides an example of a department with significant fleet emissions.”³²

a) Emissions Reductions Reported

The CESD found that “National Defence and Transport Canada aligned their [GHG] emission reduction plans with the 2017 Greening Government Strategy, reduced their emissions, and reported their results annually.”³³ Specifically, “National Defence reduced its scope 1 and 2 emissions (excluding those related to national safety and security activities) by 38% between fiscal years 2005–06 and 2020–21.”³⁴ Meanwhile, “Transport Canada reduced its scope 1 and 2 emissions by 23% between fiscal years 2005–06 and 2020–21.”³⁵ According to Bill Matthews, Deputy Minister, National Defence, the COVID-19 pandemic could have partially contributed to this decrease:

There’s no doubt that our operational activity was reduced during the pandemic. Of course, that had an impact. We believe it led to a 7% reduction in emissions.

We have factored that into our calculations, and we know that our operational tempo will go back up, so we can’t take too much credit for the 7% reduction, because of COVID activities.³⁶

Saleem Sattar, National Defence, explained his department’s efforts as follows:

When we established that target with Treasury Board on national safety and security emissions, we realized that it would be harder to get to net zero by 2050 on the military side. They gave us some flexibility by allowing us to use carbon credits, carbon removal

32 Ibid., para. 2.12.

33 Ibid., para. 2.66.

34 Ibid., para. 2.71.

35 Ibid., para. 2.75.

36 House of Commons, Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 28 October 2022, [Meeting No. 35](#), 1320.

and carbon capture technology. In 2050, if we're still flying with fossil fuels, we're going to need to find a way to offset or capture those emissions.

Let's be clear. That doesn't mean we don't do anything. We're going to look at cleaner fuels, cleaner platforms and cleaner operations, but if we're still burning fuel, we want to be able to offset that gap to net zero.³⁷

b) Mixed Progress on Plans to Reduce Emissions

According to the Commissioner, "National Defence's analyses did not show how the department's short-term actions were contributing to the 2050 net-zero target. Transport Canada did not provide sufficient context on its reported emissions or results when it reported this information in formats other than reports intended for the secretariat."³⁸

2. No Approach to Managing Emission Reduction Risks

The CESD found that "National Defence and Transport Canada did not develop an approach to identify, monitor, or mitigate potential threats to their abilities to implement the Greening Government Strategy. However, both departments did conduct gender-based analyses plus of their responses to the strategy.³⁹" According to the Commissioner, "[t]his finding matters because a risk management approach would help the departments to identify and address any significant risks that could affect their ability to achieve the 2050 net-zero target."⁴⁰

The Commissioner therefore made the following recommendation:

National Defence and Transport Canada should

- continually identify new activities that will contribute significantly to emission reductions and prioritize them based on risk;

37 Ibid., 1335.

38 OAG, [Greening Government Strategy](#), Report 2 of the 2022 Reports of the Commissioner of the Environment and Sustainable Development, para. 2.66.

39 Ibid., para. 2.81.

40 Ibid., para. 2.83.



- develop a risk management approach that defines significant risks and corresponding mitigation measures.⁴¹

During the hearing, Saleem Sattar provided an overview of the department's response:

In the next year or so we'll have decarbonization plans for both the real property portfolio and the national safety security fleet. That will give us what we call a road map to 2050.⁴²

National Defence gave additional details in its action plan:

- Developing GHG emissions reduction risk assessment methodology and tools (completed);
- Completing an analysis and documenting risks and mitigations to attaining 90% GHG emissions reduction and net-zero real property portfolio (31 March 2023);
- Documenting contextual factors impacting the real property portfolio and integrating these considerations into the draft real property GHG emissions reduction roadmap (31 December 2023); and
- Presenting the real property GHG emissions reduction and net-zero roadmap to senior leadership (31 March 2024).⁴³

Michael Keenan, Deputy Minister, Transport Canada, described his department's plan to reduce emissions and the associated risks as follows:

We're unique in government in the sense that for most departments, the carbon footprint comes from buildings. In Transport the vast majority actually comes from the transportation fleet. In fact, the majority is from ferries.

One of the key strategies to achieve the targets is actually switching to lower-carbon fuels. There are some very promising developments in broader industry with respect to the development of low-carbon fuels but that also represents a risk. That would be one of the key risks.

41 Ibid., para. 2.88.

42 House of Commons, Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 28 October 2022, [Meeting No. 35](#), 1335.

43 National Defence, [Detailed Action Plan](#), p. 1.

A second issue in terms of dealing with our largest source of emissions is that the current procurement of new ferries through Davie shipyard is going to create a step-wise improvement in fuel efficiency and create opportunities. They are designing diesel hybrids, so there will be some electric propulsion involved. The inevitable construction issues and ensuring that the construction of the new ferries stays on schedule will be key issues and key risks that we're managing in terms of improving how we stay on the carbon road map.⁴⁴

In its action plan, Transport Canada commits to updating, by 31 March 2023, its carbon-neutral roadmap after internal meetings and with feedback from Natural Resources Canada, and to creating a greening government risk management framework after identifying and ranking risks (completed in November 2022).⁴⁵

Therefore, the Committee recommends:

Recommendation 6—On identifying risks and mitigation measures (National Defence)

That, by 15 June 2023, National Defence provide the House of Commons Standing Committee on Public Accounts with a progress report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach. A final report should also be provided by 31 March 2024.

Recommendation 7—On identifying risks and mitigation measures (Transport Canada)

That, by 15 June 2023, Transport Canada provide the House of Commons Standing Committee on Public Accounts with a report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach.

CONCLUSION

The Committee notes that the Commissioner found that TBS led the Greening Government Strategy in a manner that supported some of the federal government's progress toward reducing its GHG emissions. However, it did not report some sources of federal emissions, and it did not have an approach to manage key risks that could prevent it from meeting the Strategy's 2050 net-zero target.

The results on emission reductions reported by National Defence and Transport Canada were supported by the departments' implementation of internal controls, and they took

44 House of Commons, Standing Committee on Public Accounts, *Evidence*, 1st Session, 44th Parliament, 28 October 2022, [Meeting No. 35](#), 1335.

45 Transport Canada, [Detailed Action Plan](#), p. 1.



appropriate measures to reduce GHG emissions in their areas of responsibility. However, they did not have a risk management approach that defined significant risks and corresponding mitigation measures. Specifically, National Defence's emission reduction plan needs further information about the activities required to meet the 2050 net-zero target.

As a result, the Committee is making seven recommendations to ensure that the Commissioner's recommendations are adequately addressed and that the departments provide evidence of this to the Committee through progress reports.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<p>Department of National Defence</p> <p>Bill Matthews, Deputy Minister</p> <p>Saleem Sattar, Director General, Environment and Sustainable Management</p> <p>Nancy Tremblay, Associate Assistant Deputy Minister, Material</p>	2022/10/18	32
<p>Department of Transport</p> <p>Ross Ezzeddin, Director General, Air, Marine and Environmental Programs</p> <p>Michael Keenan, Deputy Minister</p>	2022/10/18	32
<p>Office of the Auditor General</p> <p>Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development</p> <p>Milan Duvnjak, Principal</p>	2022/10/18	32
<p>Treasury Board Secretariat</p> <p>Malcolm Edwards, Senior Engineer, Centre for Greening Government</p> <p>Graham Flack, Secretary of the Treasury Board of Canada</p> <p>Jane Keenan, Acting Executive Director, Centre for Greening Government</p>	2022/10/18	32
<p>Department of National Defence</p> <p>Bill Matthews, Deputy Minister</p> <p>Saleem Sattar, Director General, Environment and Sustainable Management</p> <p>Nancy Tremblay, Associate Assistant Deputy Minister, Material</p>	2022/10/28	35

Organizations and Individuals	Date	Meeting
Department of Transport	2022/10/28	35
Ross Ezzeddin, Director General, Air, Marine and Environmental Programs		
Michael Keenan, Deputy Minister		
Office of the Auditor General	2022/10/28	35
Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development		
Milan Duvnjak, Principal		
Treasury Board Secretariat	2022/10/28	35
Malcolm Edwards, Senior Engineer, Centre for Greening Government		
Graham Flack, Secretary of the Treasury Board of Canada		

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 32, 35 and 46](#)) is tabled.

Respectfully submitted,

John Williamson, M.P.
Chair

Conservatives call for end to smoke and mirrors in the federal government Greening Government Strategy

Conservative members of the Standing Committee on Public Accounts (PACP) demand accountability by government for government.

Conservative members of the Committee recommend:

- **Recommendation #1: That the Treasury Board Secretariat (TBS) must ensure all departments follow the rule that Assistant Deputy Ministers (ADMs) must sign off on the integrity of GHG emissions data.**
- **Recommendation #2: That the TBS provide clear, transparent projection cost to Canadian taxpayers to achieve net zero by 2050.**
- **Recommendation #3: That all federal department plans to reach net-zero emissions by 2050 must be based on existing technology and policies to accurately monitor, evaluate, and communicate the performance of each department in reducing GHG emissions.**

Background:

The Office of the Auditor General of Canada released their findings on the state of Canada's greenhouse gas emissions policy. The report is titled, "Report 2 - Greening Government Strategy." Within the report, especially section 2.31, The Auditor General concluded that, despite a requirement from the Treasury Board Secretariat (TBS), only 7 out of the 27 reporting departments had their assistant deputy minister (ADM) signing-off on reports pertaining to the department's greenhouse gas emission data.¹ The TBS introduced the sign-off requirement in 2019.² Thus, over 75% of reporting departments did not adhere to the requirements of TBS by having an ADM sign off on the integrity of their reports. This brings into question the integrity and validity of government emission reduction claims.

Departments have had roughly four years to begin the process of having all department-heads sign-off on data documents. This is long-standing policy that is widely known within the department. We recommend that all greenhouse gas emission data reports coming out of all departments be reviewed and signed off by the respective department head of ADM rank or higher to ensure the integrity of the department's reporting.

In this audit, specifically under section 2.18, the Office of the Auditor General of Canada concluded;" the secretariat needs to develop a better approach to identify and mitigate risks in its plans, report more clearly on all sources of greenhouse gas emissions, and track and report on the estimated costs and saving involved in achieving net-zero 2050 target.³ This means TBS and appropriate departments must provide a transparent cost to Canadian taxpayers that will

¹ Reports of the Commissioner of the Environment and Sustainable Development, Report 2 – Greening Government Strategy, *Office of the Auditor General*, 2022, p. 10

² Ibid

³ Ibid, p. 5

show conclusive evidence of their money being used appropriately and the government is reaching their net-zero by 2050.

The audit states, “National Defence and Transport Canada did not have an approach to manage their emission reduction risks”.⁴ This is considered an ever-growing pattern of departments not having the approach and technology to reach their GHG emission targets. For example, the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, Report 3: Hydrogen’s Potential to Reduce Greenhouse Gas Emissions, states Natural Resources Canada “chose to use more aspirational numbers in the Hydrogen Strategy for Canada modelling.”⁵ As the Auditor noted, Natural Resources Canada used aspirational numbers because “the department did not find” its own “estimation compelling” when it came to the GHG reductions that could be provided by hydrogen “needed to meet the 2030 target.” Consequently, the auditor recommended at paragraph 3.64, page 23, that “In order to increase transparency of its emission projections, Environment and Climate Change Canada should develop and publish results for scenario.” In addition, the section suggests, “to show a clear distinction between (1) scenarios based on existing policies and measures and (2) exploratory scenarios that include proposed or aspirational policies and measures.”

Parliamentarians and, more importantly, taxpayers must have complete confidence in and oversight over the federal governments long-term strategy to achieve Net-Zero or the current plan should be scrapped in its entirety. Through their own admission, neither department studied in this report could accurately state Net-Zero was possible, relied heavily on technology that does not exist to reach it, and are advancing a desire to purchase carbon removal offsets with a blank cheque courtesy of taxpayers. This would handcuff taxpayers into agreements that could not be further evaluated based on value for money.

⁴ Reports of the Commissioner of the Environment and Sustainable Development, Report 2 – Greening Government Strategy, *Office of the Auditor General*, 2022 , p. 19

⁵ Reports of the Commissioner of the Environment and Sustainable Development, Report 3 – Hydrogen’s Potential to Reduce Greenhouse Gas Emissions, *Office of the Auditor General*, 2022 , p. 11