

REPORT ON RECOMMENDATION 6

RESPONSE TO THE REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS (PACP) ON A JUST TRANSITION TO A LOW-CARBON ECONOMY

BACKGROUND

The [government response to the twenty first report by the Standing Committee on Public Accounts](#)¹ (the Committee) entitled [Just Transition to a Low-Carbon Economy \(the Report\)](#)² was tabled on March 6th, 2023. Within this response, ACOA and PrairiesCan, in collaboration with NRCan and ESDC, committed to provide a report to the Committee by April 30, 2023, outlining the approach for monitoring the impacts of initiatives delivered in support of the coal phase-out, within the parameters outlined in the 5-year Canada Coal Transition Initiative.

The government response to this report stated that:

ACOA and PrairiesCan, in collaboration with NRCan, will provide a report to the Committee by April 30, 2023 outlining the approach for monitoring the impacts of initiatives delivered in support of the coal phase-out, within the parameters outlined in the 5-year Canada Coal Transition Initiative. The response will include indicators and associated targets outlined within the program design including estimated jobs created, maintained, and communities engaged. An evaluation of the Canada Coal Transition Initiative and the Canada Coal Transition Initiative-Infrastructure Fund is also expected to be completed in 2023-24.

In line with this commitment, this report includes those indicators and associated targets outlined above.

REPORT

1. The Government of Canada – along with the over 45 other countries within the Powering Past Coal Alliance – is committed to phasing-out unabated coal-fired electricity. The full impacts of the accelerated phase-out of coal-fired electrical generation varies in extent and timing across the country. For example, whereas Alberta faced immediate impacts from the phase-out, full phase-out in Saskatchewan is expected to take place closer to 2030 with impacts expected at that time. Changes in Nova Scotia and New Brunswick are expected to be gradual and coal industry job impacts may be mitigated through regular workforce adjustment and attrition.
2. The phase-out of coal is a unique approach to a fuel that was relatively higher in emissions compared to other available alternative sources of electricity. This necessitated an approach not taken with other sources of energy. The Government's approach to a low-carbon economy more broadly is focused on supporting job creation, workforce development, and economic growth, including through sectoral transformation of the conventional energy sector.
3. The Government of Canada created the Canadian Coal Transition Initiative (CCTI) to support skills development and economic diversification activities to help workers and communities adapt to Canada's transition to a low-carbon economy. The Infrastructure Fund (CCTI-IF) supports impacted communities by providing investments in local infrastructure projects that encourage economic diversification. This also builds capacity to reduce the vulnerability of these communities to future economic shocks.

¹ [Government Response - 8512-441-140 - House of Commons of Canada \(ourcommons.ca\)](#)

² [Committee Report No. 21 - PACP \(44-1\) - House of Commons of Canada \(ourcommons.ca\)](#)

4. ACOA and PrairiesCan's continued commitment is to use funds to work closely with affected communities and stakeholders to identify economic development opportunities and projects to minimize the negative effects of the phase out of coal and assist with economic diversification activities. Determination of affected communities is dependent on a variety of factors: geographic proximity to mines and/or generating stations, community self-identification, and consideration of impacted economic catchment areas. Flexibility to assist communities within a wide geographic footprint was considered in the design of the program.
5. ACOA and PrairiesCan commit to monitoring the effects of the coal phase-out on affected communities and workers across the entire timeframe of intervention set to complete by March 31, 2025. The organizations will monitor the performance of CCTI and CCTI-IF programming using the following indicators and associated targets:

Department	Initiative	Performance Indicator	Target	Date to achieve	Reporting Frequency and Source	
Atlantic Canada Opportunities Agency (ACOA)	Canada Coal Transition Initiative (CCTI)	Percentage of CCTI-eligible communities and surrounding areas that have projects by 2021.	Five out of five eligible communities with projects by 2021.	March 31, 2021	Frequency: Annually Source: Departmental Sustainable Development Strategy	
		Number of projects approved supported by the CCTI by 2021	At least 12 projects in 2020 to 2021	March 31, 2021		
		Value of projects approved supported by the CCTI by 2021	\$10 million in 2020 to 2021.	March 31, 2021		
	Canada Coal Transition Initiative Infrastructure Fund (CCTI-IF)		Number of projects supported by the CCTI-IF	12	March 31, 2025 ³	Frequency: Annually Source: Investing in Canada Infrastructure Plan horizontal reporting in Departmental Results Report
			Value of projects supported by the CCTI-IF	\$42.75 M	March 31, 2025 ³	
			Number of communities and surrounding areas benefitting from CCTI-IF investments	5	March 31, 2025 ³	
			Amount leveraged per dollar invested by ACOA for diversified community projects, i.e., how much is invested by other partners for every dollar spent by ACOA.	\$1.50	March 31, 2025 ³	
			The number of partnership/collaborations concluded in CCTI-IF projects	30	March 31, 2025 ³	
			Number of jobs created or maintained by CCTI-IF projects	100	March 31, 2025 ³	

³ Monitoring may continue past March 31, 2025, as required.

Department	Initiative	Performance Indicator	Target	Date to achieve	Reporting Frequency and Source
Prairies Economic Development Canada	Canada Coal Transition Initiative (CCTI)	Number of community-based projects supported	50 to 65 projects	March 31, 2023 ⁴	Frequency: Annually Source: Departmental Sustainable Development Strategy
		Value of community-based projects supported	\$25 million	March 31, 2023 ⁴	
		Number of businesses created, maintained or expanded	15 to 20 businesses	March 31, 2023 ⁴	
		Number of partners engaged in community-based projects	100 to 130 partners	March 31, 2023 ⁴	
		Number of communities benefitting from CCTI investments	20 to 25 communities	March 31, 2023 ⁴	
		Number of jobs created	200 to 250 jobs	March 31, 2023 ⁴	
	Canada Coal Transition Initiative Infrastructure Fund (CCTI-IF)	Number of community-based projects supported by the CCTI-IF	6-12 community-based projects supported	March 31, 2025 ⁵	Frequency: Annually Source: Investing in Canada Infrastructure Plan horizontal reporting in Departmental Results Report
		Value of community-based infrastructure projects supported by the CCTI-IF	Investment of \$98.7 million in community-based infrastructure projects in western Canada	March 31, 2025 ⁵	
		Number of communities benefitting from CCTI-IF investments	20-25 communities benefitting from CCTI-IF investments	March 31, 2025 ⁵	
		Number of businesses created, maintained, or expanded with support of the CCTI-IF	50-75 businesses created, maintained or expanded	March 31, 2025 ⁵	
		Number of partners engaged in community-based projects supported by the CCTI-IF	24 partners engaged in community-based projects	March 31, 2025 ⁵	
		Number of jobs created or maintained by CCTI-IF project	300 jobs created or maintained	March 31, 2025 ⁵	

An impact evaluation of the Canada Coal Transition Initiative and the Canada Coal Transition Initiative-Infrastructure Fund is also expected to be completed in 2023-24.

ONGOING WORK UNDER THE SUSTAINABLE JOBS PLAN

With respect to the approach to monitoring the long-term effects of the coal phase-out on affected communities and workers, as noted in the government response tabled in March, the Government of Canada is undertaking work to examine the effects of a low-carbon economy on Canadian sectors and workers.

On February 17th, 2023, the Government released its interim Sustainable Jobs Plan for 2023-2025, which lays out 10 key actions – including a high-level summary of the approach to legislation – to provide a framework to track the government’s activities in support of towards building a low-carbon economy.

⁴ Monitoring may continue past March 31, 2023, as required.

⁵ Monitoring may continue past March 31, 2025, as required.

As detailed within this interim Plan, the Government of Canada is undertaking work to examine the effects of a net-zero emissions economy on Canadian workers and communities across all relevant sectors and is establishing a governance and accountability framework in legislation to ensure progress on this work over time. This will include proposed measures to define sustainable jobs and labour market trends of the shift to a net-zero economy, which will support the development of appropriate and measurable indicators and associated data collection strategies. Progress will be communicated through the Sustainable Jobs Action Plans released every 5 years beginning in 2025.