



# At a Glance

## Joint Audit and Evaluation of the Management of the Pan-Canadian Framework, Environment and Climate Change Canada

Environment and Climate Change Canada (ECCC) is the lead federal department for strategic action on a wide range of environmental matters, including action on clean growth and climate change, preventing and managing pollution, conserving nature, and predicting weather and environmental conditions.

In December 2015, Canada and 194 other countries reached the Paris Agreement. As a result, Canada committed to lowering its greenhouse gas (GHG) emissions to 30% below 2005 levels by 2030. Canada also committed to working with provinces, territories, Indigenous peoples, domestic stakeholders and international partners to reach this goal. Every year, Canada reports on progress in meeting its commitment.

In December 2016, Canada's First Ministers adopted the Pan-Canadian Framework on Clean Growth and Climate Change (PCF). The PCF represents a joint commitment by the federal, provincial and territorial governments to work together to address climate change on four pillars:

- carbon pollution pricing
- mitigation (complementary actions to reduce emissions)
- adaptation and resilience
- clean technology, innovation and jobs

### What the joint audit and evaluation examined

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The objective of the joint audit and evaluation was to assess the effectiveness of the governance, risk management and performance measurement processes and practices in place to oversee the implementation of the Pan-Canadian Framework on Clean Growth and Climate Change (PCF).



The joint audit and evaluation covered the activities carried out by the Pan-Canadian Framework Implementation Branch's (PCFIB) Horizontal Policy, Engagement and Coordination Directorate from the inception of PCFIB as a distinct branch in 2017, to the end of the examination phase (October 2019).

## **What the joint audit and evaluation found**

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### **Governance – Pan-Canadian Framework oversight committees**

- Governance structures are in place to oversee the implementation of federal aspects of the PCF in a coordinated and integrated way, including the PCF Interdepartmental DM Oversight Committee and the Interdepartmental Assistant Deputy Minister (ADM) Oversight Committee.
- PCFIB ensured that monthly meetings of this committee were held as planned, attended by core committee members and relevant partners, and organized around common themes and initiatives to promote cooperation and synergies among committee members.
- Areas for improvement were identified with respect to the operations of these committees, including enhanced monitoring and reporting of implementation activities and risks to support effective oversight and direct efforts on higher risk and priority areas.

### **Governance – Pan-Canadian Framework Implementation Branch engagement and coordination**

- PCFIB plays a challenging role in engaging and coordinating with partners at the departmental, interdepartmental and federal-provincial-territorial levels to ensure a whole-of-Government approach to the implementation of the PCF.
- Despite these challenges, PCFIB has been engaging and coordinating with its partners by co-chairing or supporting various governance structures.

### **Risk Management – Pan-Canadian Framework Implementation Branch monitoring of progress and risks**

- There are processes and tools in place to monitor the implementation PCF activities.
- The DM Task Force, ADM Oversight Committee, DM Oversight Committee, and CCME Climate Change Committee provide for active and ongoing monitoring of the implementation of the PCF.
- There are tracking tools in place to monitor the implementation of federal PCF activities.

- PCFIB does not have a formal and systematic risk management process or mechanisms such as a risk register in place to collect, monitor and report on risks related to PCF implementation.
- The tracking documents used to monitor federal PCF actions do not capture risk information to support effective oversight of the implementation of the PCF.
- Executive progress reports on federal activities, which could be used to communicate implementation progress and key risks for the whole of the PCF or key PCF themes, are not presented to the ADM and DM Oversight committees on a regular basis.

### **Performance measurement and reporting**

- Overall, PCFIB fulfills its role with respect to supporting implementation reporting of FPT actions through the Annual Progress Report to Canadian Council of Ministers of Environment, and the Annual Synthesis Report to First Ministers and Canadians.
- PCFIB collects and provides adequate high-level information on progress against implementation of each of the FPT PCF pillars and their related policy actions.
- There is demonstrated progress towards performance measurement for the Mitigation pillar.
- At the federal level, PCFIB effectively leads the reporting on initiatives for which ECCC is the policy lead under the Horizontal Management Framework for Clean Growth and Climate Change. Progress on these initiatives, including both financial and result information, are reported appropriately via Horizontal Initiatives Tables included in Departmental Plans and Departmental Reports on Results.
- There is no overarching performance measurement framework for the PCF at the FPT and federal levels.
- PCFIB plays an effective role in coordinating data integration and reporting on the PCF implementation progress.

### **Recommendations and management response**

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In response to these findings, the audit team has put forward three recommendations. The Pan-Canadian Framework Implementation Branch has accepted the recommendations and has developed a management action plans in response.

## Recommendation 1 – Oversight committees

**The Assistant Deputy Minister, Pan-Canadian Framework Implementation Branch, should:**

- **review current planning and prioritization processes in light of the evolution of the activities of the Pan-Canadian Framework Oversight Committees**
- **formalize the terms of reference accordingly**

**Management response:** PCFIB initiated a review and update of the DM and ADM oversight committee terms of reference in Fall 2019. However, Deputy Minister oversight of implementation of the PCF has evolved, following publication of revised DM committee structures by the Privy Council Office in February 2020.

The new Deputy Minister Committee on Climate Change and Energy will be co-chaired by Infrastructure Canada and Agriculture and Agri-food Canada. Although no longer in a position to update and formalize the terms of reference for this DM committee, PCFIB will continue to participate in a number of intra- and inter-departmental committees, and will continue to advocate for effective planning and prioritization processes, and the formalization of terms of reference, consistent with the audit findings.

## Recommendation 2 – Engagement and coordination

**The Assistant Deputy Minister, Pan-Canadian Framework Implementation Branch, should develop engagement and coordination plans around main deliverables and key themes of the Pan-Canadian Framework, to guide engagement activities and clearly set out operational roles, responsibilities and expectations for all partners.**

**Management response:** Beginning in Fall 2019, key themes under the Pan-Canadian Framework were identified for prioritization. Formal engagement and coordination bodies (that is, sectoral strategy tables) are being established for each of these themes, to ensure that implicated stakeholders, from across the Government of Canada, are engaged in a timely and meaningful way, and that coordinated advice can inform decision-making as implementation of the Pan-Canadian Framework continues.

PCFIB will advocate for terms of references outlining clear roles, responsibilities and expectations for each body. In addition, PCFIB will identify roles and responsibilities associated with key implementation tracking exercises (for example, horizontal initiative tables).

### **Recommendation 3 – Risk management**

**The Assistant Deputy Minister, Pan-Canadian Framework Implementation Branch, should formalize processes to ensure effective monitoring and communication of implementation risks around key themes of the Pan-Canadian Framework.**

**Management response:** Beginning in Fall 2019, key themes under the Pan-Canadian Framework were identified for prioritization (that is, via sectoral strategy tables). These thematic, sectoral strategy tables would undertake research and analysis of potential emission-reduction measures in support of Canada's Paris Agreement commitments, and in keeping with the objectives of the Pan-Canadian Framework.

PCFIB will work with implicated departments and agencies to ensure that implementation risks are identified, assessed, prioritized and disseminated to decision makers. In addition, PCFIB will advocate for the inclusion of risk identification in various governance mechanisms (for example, new Deputy Minister Committee on Climate Change and Energy), and in the tracking of Pan-Canadian Framework implementation.