



2026

REPORT OF THE COMMISSIONER OF THE ENVIRONMENT AND
SUSTAINABLE DEVELOPMENT TO THE PARLIAMENT OF CANADA
ON BEHALF OF THE AUDITOR GENERAL OF CANADA

Canada's Thermal Coal Commitments



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

**INDEPENDENT
AUDITOR'S REPORT**

Performance audit reports

This report presents the results of a performance audit conducted by the Office of the Auditor General of Canada (OAG) under the authority of the Auditor General Act.

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- establish audit objectives and criteria for the assessment of performance
- gather the evidence necessary to assess performance against the criteria
- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

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Cat. No. FA1-26/2026-1-5E-PDF

ISBN 978-1-100-00708-3

ISSN 2561-1801

Cover photos: dan_prat/Gettyimages.ca
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At a Glance



Overall message

Overall, Environment and Climate Change Canada, in collaboration with Global Affairs Canada, did not take effective actions toward Canada's commitment to ban thermal coal exports from and through Canada by 2030. The departments also did not take effective actions toward Canada's commitment to support a global phase-out of unabated coal-fired electricity generation. These commitments were of particular importance given Canada's leadership role in the global transition away from thermal coal as a co-chair of the international Powering Past Coal Alliance initiative with the United Kingdom.

Environment and Climate Change Canada spent approximately 3 years exploring options to implement a thermal coal export ban but did not complete planned assessments of the potential impacts of a ban and did not engage with affected and interested parties during the audit period. The department discontinued its work on the ban in 2024 without documented official direction and did not publicly communicate that work on the export ban had stopped, while Canada's commitment to implement the ban by 2030 remained.

To support its commitment to the global phase-out of unabated coal-fired electricity, Canada committed international climate financing to developing countries transitioning away from coal, including \$1 billion for the Climate Investment Funds' Accelerating Coal Transition investment program and \$15 million for the Women-Led Coal Transition Mechanism. With most projects still at an early stage, only about 1% of program funding had been made available to coal-to-clean-energy transition projects by the end of the audit period.

Global Affairs Canada had not provided public information on key implementation challenges for the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative. The department also lacked a structured approach for analyzing the eligibility of proposed projects that are seeking funding under the program and initiative.

In both cases, Canada's commitments to implement a ban on thermal coal exports and to support a global phase-out of unabated coal-fired electricity generation were not matched by sufficient analysis, transparent decision making, and reporting.

Key facts and findings



- In 2025, Environment and Climate Change Canada formally stopped its work on the thermal coal export ban.
- As of 2025, exports of thermal coal shipped from Canada have remained above 2021 levels, which is the year Canada made its commitment to ban thermal coal exports.
- In 2025, about 61% of the thermal coal exports shipped from Canada originated from the United States.
- Progress on the implementation of the Climate Investment Funds—Accelerating Coal Transition investment program was still at an early stage.

See [**Recommendations and Responses**](#) at the end of this report.

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Introduction

Background

Ban on thermal coal exports and global phase-out of unabated thermal coal

1. Thermal coal is the type of coal that is used for generating electricity. It is a high-emitting fossil fuel. According to the International Energy Agency, in 2024 coal-fired power generation accounted for about 30% of global energy-related carbon dioxide emissions. It is the single largest source of energy-related greenhouse gas emissions and a major contributor to climate change.
2. The combustion of **unabated thermal coal**¹ also produces other air pollutants, including particulate matter, sulphur dioxide, and mercury, which negatively affect the environment, air quality, and human health. Breathing these types of pollutants can lead to cardiovascular health issues, respiratory illnesses, and premature death. According to the Lancet Countdown, coal combustion contributed to an estimated 561,000 premature deaths worldwide in 2020 through exposure to particulate matter air pollution.
3. The Intergovernmental Panel on Climate Change has stated that a near elimination of unabated coal use is needed to not exceed the 1.5 °C global warming limit of the Paris Agreement. The Paris Agreement aims to reach global peaking of greenhouse gas emissions as soon as possible to achieve its goal of limiting global warming. Climate Analytics, a global climate science and policy institute, conducted a study that found that global coal use in electricity generation would need to fall by 80% below 2010 levels by 2030 to achieve the goals of the Paris Agreement. Furthermore, to achieve these goals, the institute recommended that Organisation for Economic Co-operation and Development nations should end coal use entirely by 2031 and that all coal-fired electricity stations should be shut by 2040 at the latest.

1 **Unabated thermal coal**—The combustion of thermal coal to produce electricity without the use of technology to capture and reduce the carbon dioxide emissions.

4. The Accelerating Coal Transition investment program was established in 2021 by Climate Investment Funds to support developing countries. Climate Investment Funds partners with 6 multilateral development banks to implement its programs. In June 2021, the federal government announced \$5.3 billion over 5 years for Canada's International Climate Finance program to fund initiatives and projects to support developing countries in reducing emissions and adapting to climate change, including strengthening their ability to transition to low-carbon dioxide economies. Of this funding, \$1 billion was dedicated to the Climate Investment Funds—Accelerating Coal Transition investment program as a low interest loan to be repaid in instalments between 2032 and 2051.

5. In November 2021, the federal government announced its commitment to ban thermal coal exports by 2030. This was complementary to a broad set of commitments and actions by the federal government to continue Canada's leadership on the global effort to phase out unabated thermal coal domestically and internationally ([Exhibit 1](#)).

6. Canada has aimed to position itself as a leader in global efforts to phase out thermal coal through its commitments on thermal coal and other related contributions and programs on the transition to clean energy. For example, Environment and Climate Change Canada represents Canada as a co-chair of the Powering Past Coal Alliance, whose mission is to accelerate the global transition away from unabated coal power generation. At the end of the audit period, the alliance had over 180 members, including business, financial institutions, organizations, utilities, subnational governments, and national governments.

7. Canada's international commitment to ban thermal coal exports by 2030 and its commitment to support the phase-out of unabated thermal coal in developing countries through the International Climate Finance program are distinct but related commitments. According to Environment and Climate Change Canada, the 2 commitments, along with the others listed in [Exhibit 1](#), are expected to help reduce greenhouse gas emissions beyond Canada's border and improve overall public health. Both Global Affairs Canada and Environment and Climate Change Canada have roles and responsibilities related to the implementation of the 2 commitments.

Exhibit 1—From 2017 to 2022, the federal government made various commitments toward a global thermal coal phase-out

Year	Commitments and actions
2017	<ul style="list-style-type: none"> • At the 23rd Conference of the Parties to the United Nations Framework Convention on Climate Change, Canada and the United Kingdom co-founded and launched the Powering Past Coal Alliance to accelerate the global transition away from unabated coal power generation and committed to: <ul style="list-style-type: none"> • phasing out existing unabated coal-power generation and to a moratorium on any new coal power stations without operational carbon capture and storage • supporting clean power generation through policies and investments and restricting financing for unabated coal power generation
2018	<ul style="list-style-type: none"> • Amended the Reduction of Carbon Dioxide Emissions From Coal-Fired Generation of Electricity Regulations under the Canadian Environmental Protection Act, 1999, to: <ul style="list-style-type: none"> • accelerate the domestic phase-out of traditional coal-fired electricity generation by 2030
2021	<ul style="list-style-type: none"> • Issued a policy statement confirming that new and expanded thermal coal mine projects undergoing a review under the Impact Assessment Act will be considered as likely to cause unacceptable environmental effects, providing regulatory certainty for industry, investors, and Canadians. • At the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change, the federal government announced its commitment to: <ul style="list-style-type: none"> • ban thermal coal exports from and through Canada by 2030 • end new public financing for international unabated fossil fuels by 2022
2022	<ul style="list-style-type: none"> • Published the 2030 Emissions Reduction Plan that committed to continued leadership to phase out coal-powered electricity and the mining of thermal coal and reaffirmed the commitment to ban thermal coal exports from Canada by 2030. • Published the Federal Sustainable Development Strategy 2022–2026 that included the commitment to domestically phasing out traditional coal-fired electricity generation by 2030 and, with new regulations in place, to end exports of thermal coal by 2030. • Published Canada's Methane Strategy, which stated that Canada is working to address emissions in the coal mining sector and reiterated commitments to domestic phase-out of coal-fired electricity generation and to ban thermal coal exports by 2030.

Source: Based on information from Environment and Climate Change Canada

Roles and responsibilities

8. **Environment and Climate Change Canada.** The department is the federal lead on climate policy, coordinating domestic efforts to phase out unabated coal-fired electricity generation. In 2021, the department was designated as the federal lead to phase out thermal coal mining and to implement the ban on thermal coal exports. Environment and Climate Change Canada has a leadership role for integrating climate considerations into federal decision making, ensuring that new regulations, investments, and policies align with greenhouse gas reduction targets under the Canadian Net-Zero Emissions Accountability Act and Canada's broader international obligations.

9. Environment and Climate Change Canada is also the lead department for negotiations under the United Nations Framework Convention on Climate Change, for implementing processes under the Paris Agreement, and for tracking and reporting on Canada's International Climate Finance program. The department represents Canada as a co-chair of the Powering Past Coal Alliance initiative with the United Kingdom. Environment and Climate Change Canada is also responsible for coordinating the development and reporting of the federal sustainable development strategies.

10. **Global Affairs Canada.** The department is the federal lead on Canada's international relations and global engagement. Global Affairs Canada supports thermal coal phase-out and clean energy projects abroad, most notably through Canada's contribution of \$1 billion as a low interest loan to the Climate Investment Funds—Accelerating Coal Transition investment program and through a separate \$15 million contribution to the Women-Led Coal Transition Mechanism. Both the program and initiative are administered by the Climate Investment Funds with the World Bank serving as trustee of the trust funds. Global Affairs Canada also leads Canada's Feminist International Assistance Policy.

11. Global Affairs Canada is responsible for ensuring coherence among Canada's international efforts and between international and domestic efforts to support the advancement of the Sustainable Development Goals. The department's specific role in advancing the commitment to ban the export of thermal coal is tied to its responsibilities in foreign policy and trade policy, most notably to provide analysis and advice on the trade implications of an export ban and diplomatic engagement with international partners.

United Nations' Sustainable Development Goals



Ensure access to affordable, reliable, sustainable and modern energy for all

Source: United Nations



Take urgent action to combat climate change and its impacts

Source: United Nations



Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: United Nations

12. In September 2015, Canada adopted the United Nations' 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals. Over the past decade, Canada's commitment to phase out thermal coal has links to these goals, including:

Goal 7—Affordable and Clean Energy. Transitioning energy systems away from unabated thermal coal is essential to achieving long-term sustainability targets.

Goal 13—Climate Action. Achieving the global phase-out of unabated coal-fired electricity generation is an important step to meet this goal.

Goal 17—Partnerships for the Goals. International partnerships and low-cost financing are essential for supporting equitable and timely transitions away from unabated thermal coal.

Sustainable development principles in Canada

13. The Federal Sustainable Development Act and the Auditor General Act set out several principles to guide sustainable development decision making in Canada. Our office has grouped them into 14 principles and created icons to symbolize them that we consider in our environment and sustainable development audits. More information about these principles is available on the Sustainable Development pages of our website. The subject matter of this audit relates to:

- Principle 4—Meeting international and domestic obligations
- Principle 7—Respecting intergenerational equity and the needs of future generations
- Principle 11—Promoting openness and transparency

Focus of the audit

14. This audit focused on whether:

- Environment and Climate Change Canada, in collaboration with Global Affairs Canada, took effective actions toward Canada's commitment to ban the export of thermal coal from and through Canada by 2030
- Environment and Climate Change Canada and Global Affairs Canada took effective actions toward Canada's commitment to support a global phase-out of unabated coal-fired electricity

15. More details about the audit objective, scope, approach, and criteria are in the [**About the Audit**](#) section at the end of this report.

Findings and Recommendations

Environment and Climate Change Canada stopped work on a thermal coal export ban, but the commitment remained

Why this finding matters

16. This finding matters because the federal government presented the commitment to ban thermal coal exports as part of its efforts to phase out unabated coal-fired electricity generation and to demonstrate Canada's climate leadership.

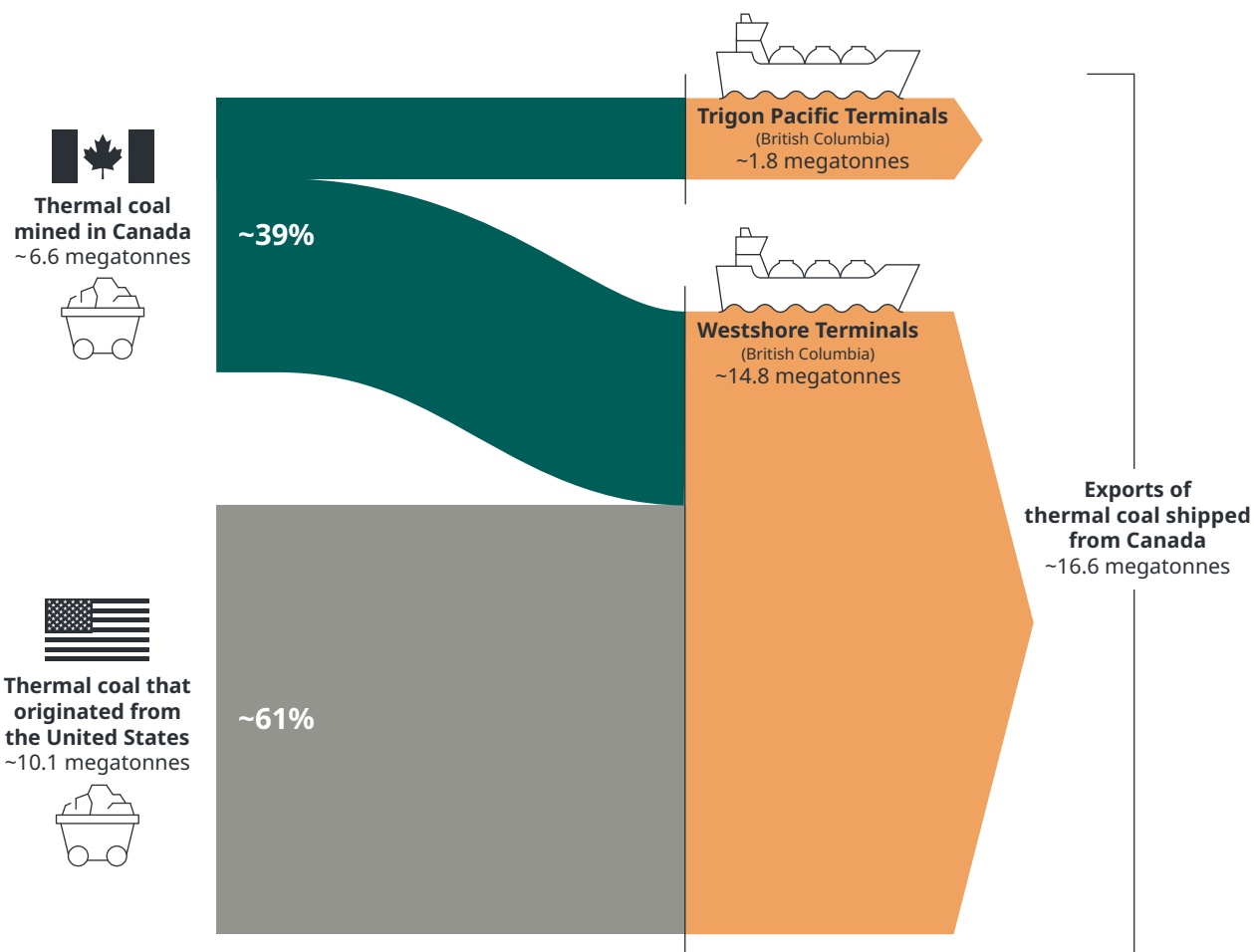
17. Consultation and analysis of the socio-economic and environmental considerations are important to support a just transition to clean energy by improving the understanding of the potential impacts on workers and communities whose livelihoods and local economies depend on thermal coal export-related industries. Integrating environmental, economic, and social considerations in planning and decision making, while promoting openness and transparency (principle 11), are fundamental sustainable development principles. Transparency is important to foster trust in government decision making, particularly when priorities change in response to evolving economic and geopolitical circumstances.

Context

18. In Canada, 2 mines, both in Alberta, are actively mining thermal coal for export. Exports of thermal coal mined in Canada as well as exports of thermal coal originating from the United States and transported by rail to Canada are primarily handled by shipping terminals in British Columbia. These exports are mainly to Asian markets. Proposed thermal coal mine expansion projects to prolong the life of the mines in Canada and the United States, if approved and implemented, could sustain thermal coal exports well beyond 2030.

19. About 61% of the thermal coal shipped from Canadian ports in 2025 originated from the United States ([Exhibit 2](#)). This is largely because of a combination of regulatory and permit challenges on the development of coal export infrastructure on the United States Pacific coast, particularly in Washington, Oregon, and California. These restrictions on the export of thermal coal were driven by environmental and safety concerns including coal dust from rail transport and water quality.

Exhibit 2—Canada's transportation system facilitates the export of both thermal coal mined in Canada and thermal coal that originated from the United States (2025)



Note: The Office of the Auditor General of Canada did not audit the source data. The sum of the production of the thermal coal mined is not equivalent to the total exported thermal coal, since not all thermal coal exported in 2025 was mined that same year.

Source: Based on 2025 information from Environment and Climate Change Canada, the Vancouver Fraser Port Authority, and the Prince Rupert Port Authority



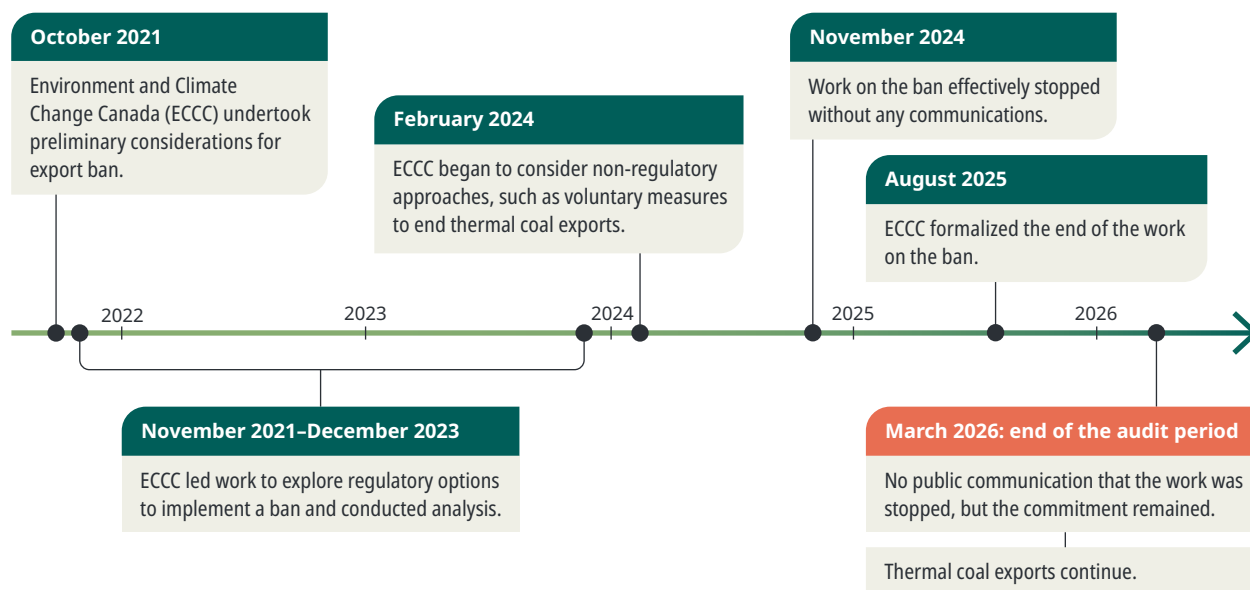
[Read the Exhibit 2 text description](#)

The work on a thermal coal export ban was stopped in 2024, and key decisions were not documented or communicated

Findings

20. We found that between October 2021 and November 2024, Environment and Climate Change Canada, as the lead on the commitment to ban thermal coal exports, reprioritized existing resources to explore options on how to implement a ban. ([Exhibit 3](#)).

Exhibit 3—Environment and Climate Change Canada began to explore options to implement a ban on thermal coal exports in 2021 and stopped its work in 2024



Source: Based on information from Environment and Climate Change Canada and Global Affairs Canada



Read the Exhibit 3 text description

21. From October 2021 until February 2024, Environment and Climate Change Canada's work focused on exploring options under existing legislation such as the Canadian Environmental Protection Act, 1999. This involved considerations by Environment and Climate Change Canada officials on whether thermal coal could be distinguishable from other types of coal for the purpose of regulating it as a toxic substance.
22. In February 2024, Environment and Climate Change Canada began to consider non-regulatory approaches, such as voluntary measures to reach its objective to end thermal coal exports.
23. There was some ongoing registered lobbying engagement from the Westshore Terminals and the Trigon Pacific Terminals. These included direct discussions with the Environment and Climate Change Canada officials responsible for the work on the thermal coal export ban and communication with senior government officials on broader issues related to export diversification and trade infrastructure. While registered lobbying and engagement with interested parties are a legitimate part of the federal policy development process, the absence of transparent and well-documented decision-making processes surrounding this shift toward a non-regulatory approach may undermine public confidence in the integrity of the process.

24. We found that Environment and Climate Change Canada did not consistently document senior management approvals to demonstrate the basis for decisions. Between 2021 and 2024, the department prepared briefings for senior management, including for the minister, for information purposes.

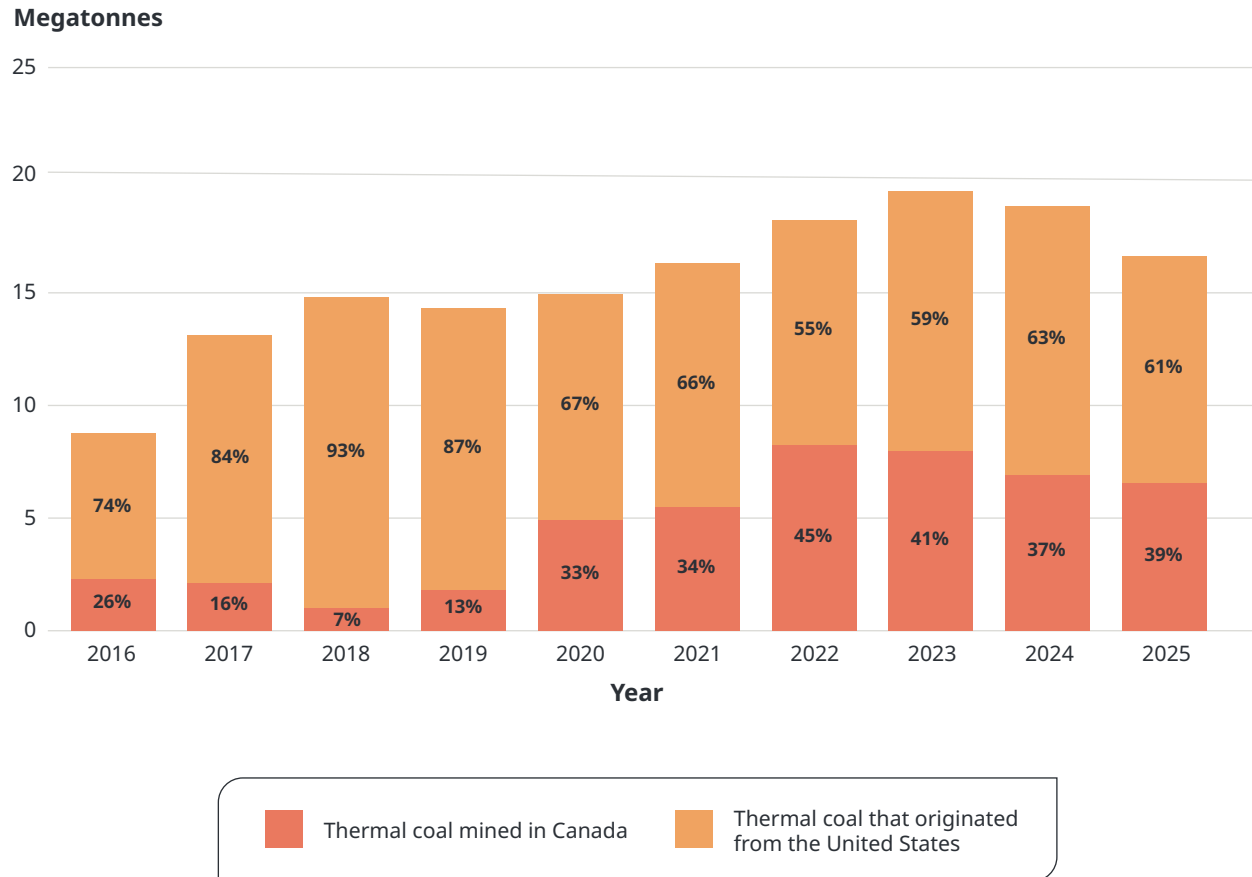
25. We found that in November 2024, Environment and Climate Change Canada discontinued its work on the thermal coal export ban. The department did not produce evidence of an official direction to discontinue work on the ban in 2024.

26. Environment and Climate Change Canada informed us that, in August 2025, as part of the government-wide comprehensive expenditure review initiative, the decision to stop the work on the thermal coal export ban was formalized. However, we also found no clear records to show that the department had provided the minister with an assessment of the implications of stopping all work on the export ban.

27. We found that, beyond the end of 2024, Environment and Climate Change Canada and Global Affairs Canada did not monitor and compile export data of thermal coal mined in Canada and thermal coal that originated from the United States. Over the past 10 years, exports of thermal coal shipped from Canada increased, with a peak in exports in 2023. As of 2025, thermal coal exports remained above 2021 levels ([Exhibit 4](#)).

28. We found that Environment and Climate Change Canada did not share information about the decisions to stop work on the ban with Global Affairs Canada or other partners, interested parties, or Indigenous communities. While the commitment had been announced internationally and noted in multiple federal strategies, the work on the ban was stopped with no public announcement.

Exhibit 4—Exports of thermal coal, both mined in Canada and that originated from the United States, have increased over the last 10 years



Note: The Office of the Auditor General of Canada did not audit the source data. We calculated the thermal coal export volumes for 2025 using Global Affairs Canada's methodology.

Source: Based on information from Statistics Canada, the Vancouver Fraser Port Authority, and the Prince Rupert Port Authority



[Read the Exhibit 4 text description](#)

29. Since the 2021 commitment to ban thermal coal exports, Environment and Climate Change Canada had not provided an update or publicly reported on its progress. The department had prepared briefing materials for the minister's appearances before the Standing Committee on Environment and Sustainable Development; the briefing materials stated that an update would be provided following the assessment of the options. The lack of public information and updates on the government's current approach is concerning. Transparency in decision making provides certainty and enables interested parties, such as provincial and territorial governments, coal mining companies, transportation authorities, shipping terminals, and the labour force to contribute to a just transition.

30. Our recommendation for this section is at [paragraph 40](#).

Environment and Climate Change Canada's limited analysis of the expected outcomes of a ban contributed to inaction toward implementing an export ban

Findings

31. The main assessment that Environment and Climate Change Canada conducted on the expected impacts of a thermal coal export ban was a preliminary economic analysis completed in 2023. We found that this analysis was limited in scope and remained preliminary. The analysis concluded that a ban would be unlikely to lead to a reduction in global greenhouse emissions from reduced combustion of exported thermal coal from Canada because market responses would impact any reductions. For example, substitute sources of thermal coal would be available because of the global level of current stockpiles and the thermal coal production capacities of certain countries. The department's analysis also identified that alternative trade routes could potentially be established for the thermal coal that originated from the United States. After this analysis, briefing materials for decision makers stated that an export ban in Canada would not reduce global coal use or global greenhouse gas emissions.

32. We found that the Environment and Climate Change Canada's preliminary economic analysis and its briefing notes for decision makers did not consider the estimated quantity of greenhouse gas emissions associated with the combustion of thermal coal exported through Canadian ports, irrespective of market responses that could impact emission reductions. In our view, this would have been important information for decision makers when considering the rationale for the ban on thermal coal exports and changes to the government's approach.

33. We also found that Environment and Climate Change Canada, in collaboration with other federal departments and agencies, did not complete the necessary assessments that the department had planned to identify the potential impacts of a ban and to determine the actions that would be needed to implement potential options. Assessments were not done on the implications of a ban on thermal coal exports on Indigenous peoples and on the socio-economic impacts of a ban. Assessments were also not done on water and on wildlife including related health impacts of the transport and end use of thermal coal. As a result, analyses of domestic labour and social impacts, including health considerations of mining and transportation were not conducted to inform decision making. As government priorities evolve to

respond to domestic and international circumstances, transparent communication of decisions affecting public commitments is important for accountability.

34. We also found that Environment and Climate Change Canada had not completed strategies for engagement and consultation with Indigenous groups and interested parties. This was contrary to early plans where the department had stated that it would explore options to support the transition, to remove barriers, and to conduct early and meaningful engagement with Indigenous peoples. Engagements and consultations with interested parties did not take place during the audit period. Overall, not conducting engagement activities and not keeping interested or affected parties informed about the department's work and the planned approach create uncertainty regarding future operational planning across the thermal coal sector, which directly and indirectly affects different industries and communities.

35. We found that Global Affairs Canada was involved in the work on the thermal coal export ban only at the request of Environment and Climate Change Canada. In accordance with its responsibilities for foreign affairs and trade policy, Global Affairs Canada provided information on the trade risks associated with potential implementation options for a thermal coal export ban.

36. Our recommendation for this section is at [paragraph 40](#).

Increased emissions from thermal coal combusted abroad and shipped from Canada were misaligned with Canada's progress on reducing emissions from its domestic phase-out efforts

Findings



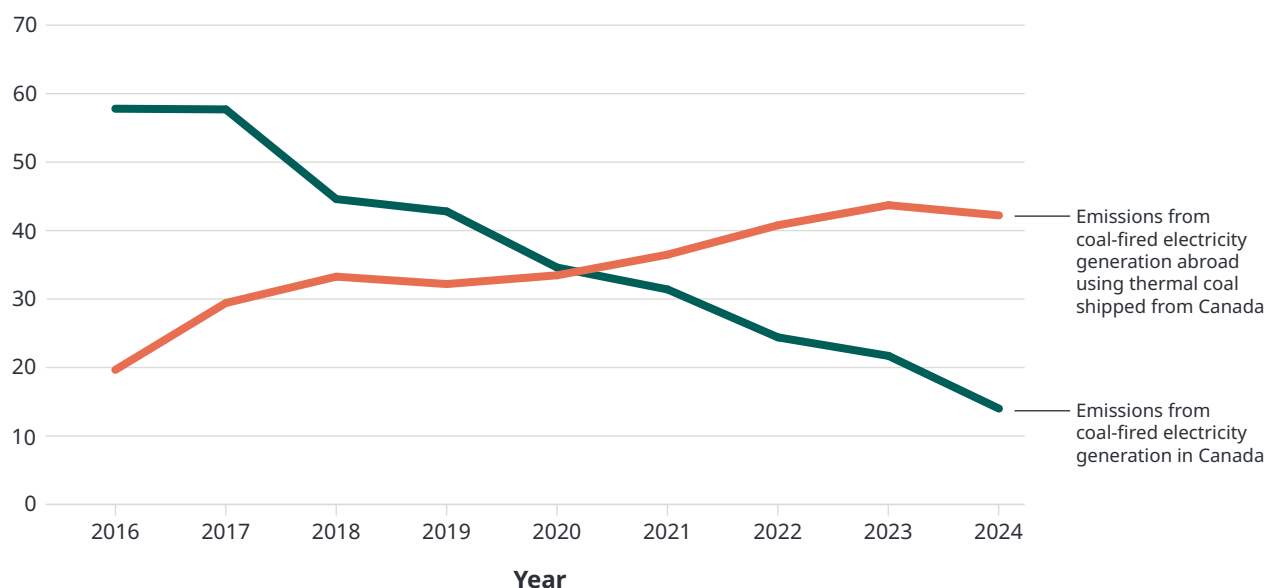
Take urgent action to combat climate change and its impacts

Source: United Nations

37. We found that despite international and domestic thermal coal phase-out commitments, Canada stopped its work on an export ban and that volumes of thermal coal shipped from Canada remained above 2021 levels. Although Environment and Climate Change Canada recognized the significant health and climate impacts of emissions generated from thermal coal, Canada has continued, by means of exports of thermal coal shipped from Canada, to enable ongoing coal-fired electricity generation abroad. From 2016 to 2024, an approximate decrease of 76% in domestic greenhouse gas emissions from Canada's thermal coal used to generate electricity was achieved through regulatory measures. Meanwhile, we found that estimated emissions generated abroad from exports of thermal coal shipped from Canada increased by approximately 115% ([Exhibit 5](#)).

Exhibit 5—Exports of thermal coal shipped from Canada enabled harmful greenhouse gas emissions abroad while Canada worked to lower emissions at home

**Total emissions
(megatonnes of carbon
dioxide equivalent)**



Note: These calculations are estimates. Estimated emissions may not be representative of actual combustion. Estimates depend on the method of combustion and pollution control equipment located at the combustion site.

Source: Based on information from Statistics Canada; Environment and Climate Change Canada; Global Affairs Canada; National Inventory Report 1990–2024: Greenhouse Gas Sources and Sinks in Canada, 2026; GHG Emission Factors Hub, United States Environmental Protection Agency, 2025; and the Alberta Energy Regulator



[Read the Exhibit 5 text description](#)

38. Despite Canada's international leadership as a co-chair of the Powering Past Coal Alliance, Canada has not taken effective actions to reduce the significant health and climate impacts of the greenhouse gas emissions from the exports of thermal coal that is shipped from Canada to other countries and that is burned abroad. Environment and Climate Change Canada produced estimates on these greenhouse gas emissions in response to requests, such as in response to a House of Commons inquiry from a member of Parliament in 2023 and in responses to a series of 5 environmental petitions submitted between 2021 and 2025 under the Auditor General Act by a Canadian organization. However, the department did not systematically produce such estimates as part of Canada's leadership on efforts to ban thermal coal exports.

39. We also found that the department did not prepare a document that consolidates and synthesizes the work completed since 2021 to assess existing authorities for the implementation of a ban on thermal coal exports. This document would summarize the analysis undertaken, capture what was learned, and help preserve institutional knowledge to inform future decision making.

Recommendation

40. Environment and Climate Change Canada, in collaboration with Global Affairs Canada, should make publicly available information on its rationale for not proceeding with its work on the commitment to ban thermal coal exports. Environment and Climate Change Canada should also publicly communicate the decision to not proceed with the commitment to ban thermal coal exports or any future decision to resume its work.

The department's response. Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

Limited progress toward the commitment to support a global phase-out of unabated thermal coal

Why this finding matters

41. This finding matters because due diligence is important to confirm that agreed terms for the use of federal government resources are consistently met, to provide accountability, and to support progress toward achieving expected results.

42. Federal government leadership to help advance the global phase-out of unabated thermal coal is aligned with the sustainable development principles related to meeting international and domestic obligations (principle 4) and to respecting intergenerational equity and the needs of future generations (principle 7). These efforts contribute to Canada's commitments under the Paris Agreement and help address climate risks that could affect future generations.

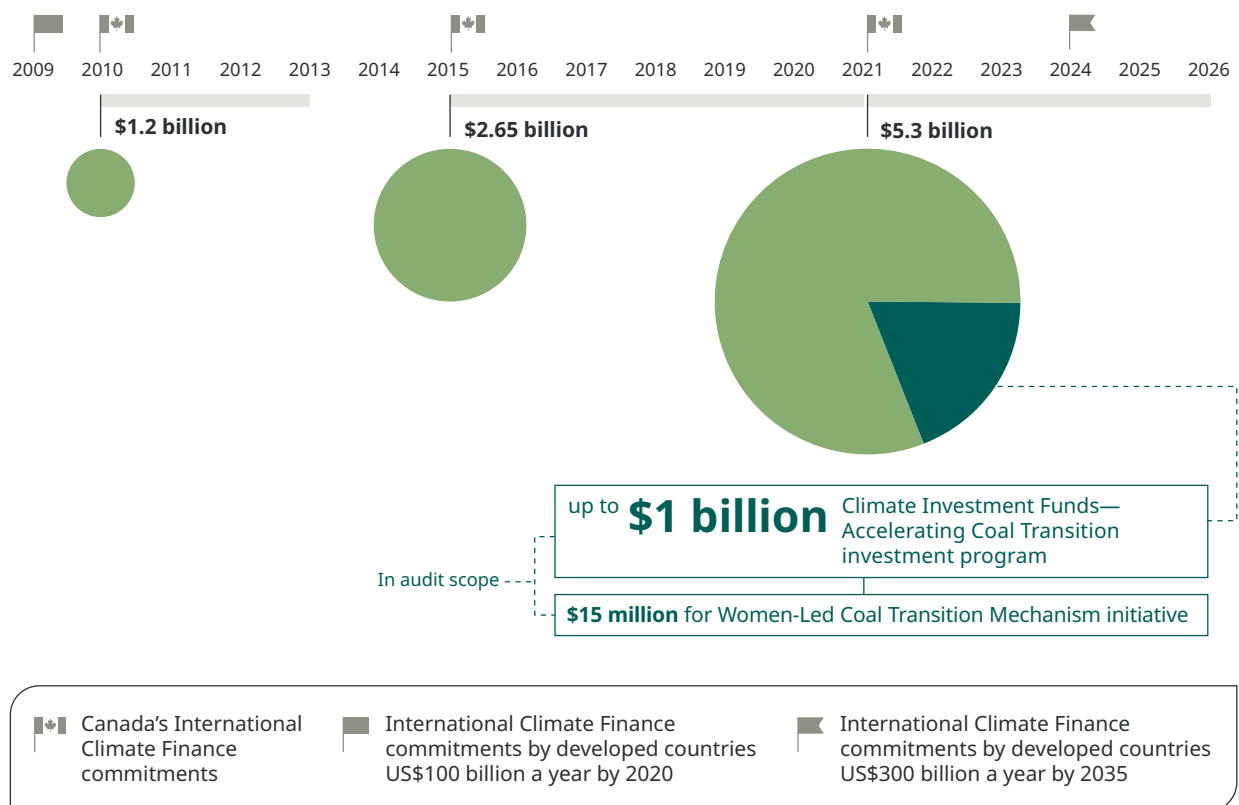
Context

43. The International Climate Finance program is a collective commitment that involves developed countries mobilizing funds for developing countries to support climate change mitigation and adaptation efforts. International Climate Finance program commitments have increased over time, globally and in Canada. In 2021, Canada's approach evolved by introducing the following 4 thematic areas to guide its International Climate Finance program:

- climate-smart agriculture and food systems
- nature-based solutions and biodiversity
- climate governance
- clean energy transition and coal phase-out

Canada's commitments to the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative examined in this audit support the clean energy transition and coal phase-out thematic area ([Exhibit 6](#)).

Exhibit 6—Canada's 2021 International Climate Finance program commitment included \$1 billion as a low interest loan for the Accelerating Coal Transition investment program to support the global phase-out of unabated thermal coal



Source: Based on information from Environment and Climate Change Canada and Global Affairs Canada

[Read the Exhibit 6 text description](#)



Ensure access to affordable, reliable, sustainable and modern energy for all

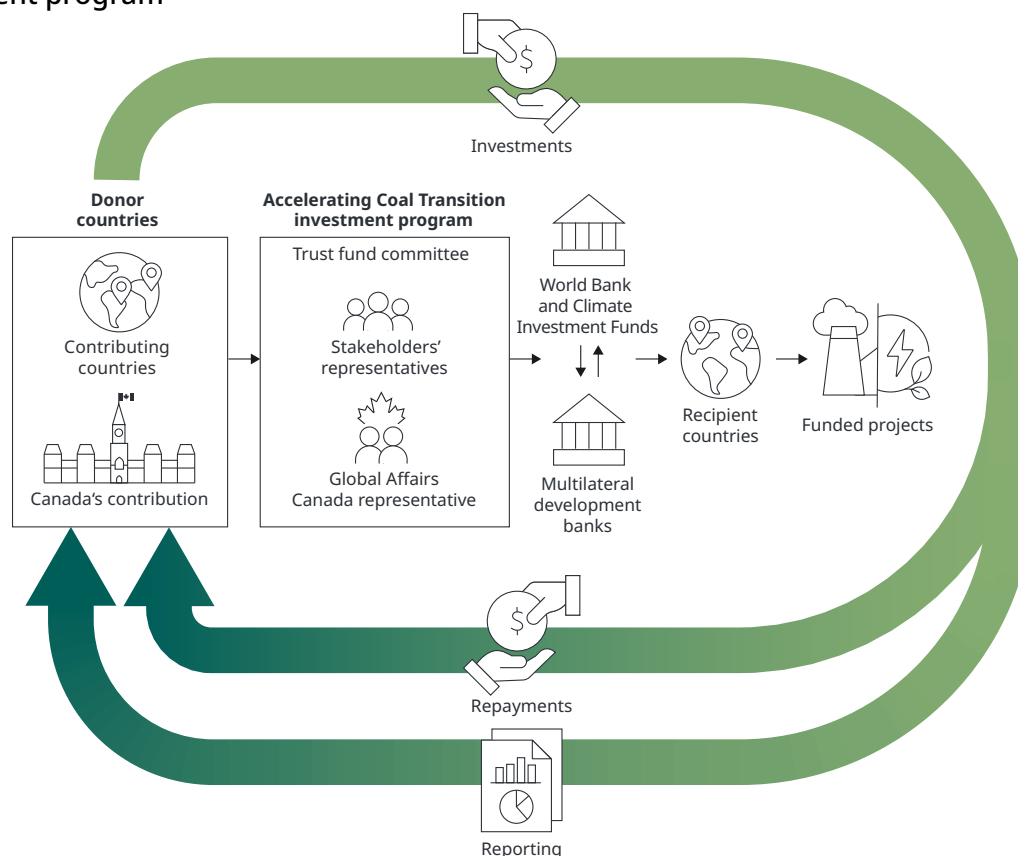
Source: United Nations

44. At the end of the audit period, Canada's contribution to the Climate Investment Funds—Accelerating Coal Transition investment program of \$1 billion represented about 42% of the program's funding from the 4 contributor countries of Canada, United Kingdom, Germany, and Denmark. For Global Affairs Canada, this contribution was also one of the department's single largest project investments ever made. The program finances country-led investment plans with projects designed to accelerate coal retirement, scale up clean energy alternatives, and mitigate socio-economic impacts on affected workers and communities. Projects are expected to continue up to 2047.

45. The Women-Led Coal Transitions Mechanism, launched in 2022 under the Accelerating Coal Transition investment program, supports technical assistance, capacity building, and knowledge sharing to strengthen women's participation and leadership in the design and implementation of coal-to-clean-energy transition strategies. Canada is the only donor country to the \$15 million initiative.

46. The Trust Fund Committee of the Climate Investment Funds is responsible for allocating the funds of the Accelerating Coal Transition investment program. The committee has 16 decision-making members and 8 additional decision-making members from countries that share seats. Decision-making members are evenly distributed from contributor and recipient countries, and decisions are made by consensus. Global Affairs Canada's roles and responsibilities include being a decision-making member of the Trust Fund Committee. Canada's contribution is kept in a trust fund, and the World Bank, as trustee, transfers funds approved by the Trust Fund Committee to partner multilateral development banks. The trustee is also expected to make loan repayments to Canada twice every year beginning in 2032 and ending in 2051, subject to repayment funds availability ([Exhibit 7](#)).

Exhibit 7—Accountability of the Climate Investment Funds—Accelerating Coal Transition investment program



Source: Based on information from the Climate Investment Funds and from Global Affairs Canada

Global Affairs Canada did not provide public updates since Canada's 2021 International Climate Finance commitment on the implementation challenges

Findings

47. We found that Global Affairs Canada had not provided public updates during the initial 5 years on the implementation challenges encountered, such as delays due to the changing geopolitical landscape, during the implementation of the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative. This is despite that Global Affairs Canada's framework of climate finance requires that the funding of the program be aligned with the blended finance principles from the Organisation for Economic Co-operation and Development. These principles on public transparency and accountability recommend that information on the implementation and results of activities be made publicly available and easily accessible to interested parties. We recognize that Global Affairs Canada's ability to publicly disclose information is constrained by confidentiality requirements. However, within these constraints, there are ways that the department can provide public information on the general nature of implementation challenges and delays encountered during the early stages of the program.

48. We found that most projects of the Climate Investment Funds—Accelerating Coal Transition investment program were at an early stage of conceptual development and had not yet been operationalized. About 1% of the funds, according to the investment plans of the recipient countries, had been made available to the coal-to-clean energy transition projects. The US\$1.67 billion Climate Investment Funds—Accelerating Coal Transition investment program was launched in 2021, but only 6 projects or components of projects totalling approximately US\$18.41 million had been operationalized. However, the investment plans for Republic of South Africa, Republic of Indonesia, Republic of North Macedonia, Republic of the Philippines, and the Dominican Republic were endorsed between 2022 and 2025, with the US\$1.67 billion allocated to the 5 countries to fund eligible projects.

49. The International Climate Finance—Results Framework had been finalized by Environment and Climate Change Canada and Global Affairs Canada in 2022 while the Climate Investment Funds—Accelerating Coal Transition investment program results framework had been finalized by Climate Investment Funds in 2023. However, because the program was still in the early stages of implementation, Global Affairs Canada had not yet received a Climate Investment Funds—Accelerating Coal Transition investment program results report.

50. We also found that Global Affairs Canada had gaps in its International Climate Finance—Results Framework that will affect its measurement and reporting on progress for the Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative projects. We found that the department's approach of reporting on only a small number of high-level indicators in accordance with the International Climate Finance—Results Framework, such as overall reduction in greenhouse gas emissions, will limit its ability to attribute reported results to the Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative. In this context, reporting on project-level progress and results is important to support transparency and accountability. Without that detailed information, the department risks that its reporting would not effectively inform Parliament and the public about how many coal assets from each participating country had been shut down with the \$1 billion that Canada had contributed.

Recommendation

51. Global Affairs Canada should strengthen its public reporting on the implementation progress, results, and lessons learned from the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative including detailed project-level progress updates and results, while respecting confidentiality requirements.

The department's response. Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

Global Affairs Canada lacked a structured approach to apply due diligence throughout program and initiative implementation

Findings

52. Global Affairs Canada supported the governance of the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative mainly as a member of the governing committees for the Climate Investment Funds. The department's membership on the governing committees added value by identifying opportunities for improvements. For example, Global Affairs Canada proposed in February 2025 at a Clean Technology Fund meeting the creation of a committee dedicated to ensuring that results and impacts are clearly and transparently documented, understood, and communicated.

53. Although Global Affairs Canada relied on the safeguards and controls that have been put in place by the multilateral development banks to help mitigate risks, we found that the department lacked a structured approach during its review of whether project proposals met the eligibility criteria for the International Climate Finance program. In 2022, when Global Affairs Canada sought federal approvals to participate in the program and initiative, the department had determined that active and ongoing monitoring with respect to International Climate Finance program eligibility criteria was needed. However, we found that the department could not produce evidence that it had carried out analyses, including consulting relevant experts, to inform its position on the eligibility of proposed projects and to advocate alignment with its position when reviewing project proposals that had been submitted to the Trust Fund Committee for approval.

54. Our recommendation for this section is at [paragraph 58](#).

Environment and Climate Change Canada and Global Affairs Canada had gaps in their coordinated governance approach

Findings

55. We found that Environment and Climate Change Canada and Global Affairs Canada had a formal interdepartmental governance structure for the International Climate Finance program. However, the mandates of the committees within the governance structure did not include oversight responsibilities for the advancement of

the proposals for the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative.

56. We also found that Environment and Climate Change Canada and Global Affairs Canada collaborated through regular working-level discussions to enable timely information sharing and coordination on international energy transition programs. However, Global Affairs Canada did not engage with Environment and Climate Change Canada and other relevant federal departments through a formal interdepartmental committee focused on strategic risks and priorities related to thermal coal phase-out, clean energy transition, and related policies to support policy coherence.

57. Governance mechanisms, such as whole of government coordination, are important objectives under the United Nations' Sustainable Development Goal 17 to enhance policy coherence for sustainable development. The Evaluation of Global Affairs Canada's Climate Finance Programming, completed in June 2025, also found that there was a need to review the appropriate oversight and delegation of authority and made a recommendation to this effect. However, Global Affairs Canada's management response did not address the oversight and delegation of authority elements of that recommendation. Formal governance structures help reduce important accountability and implementation risks by ensuring that discussions and decisions are documented, by clarifying when to seek a higher decision authority, and by strengthening senior oversight on programs and projects across departments.



Strengthen the means of implementation and revitalize the global partnership for sustainable development

Source: United Nations

Recommendation

58. Global Affairs Canada should engage with Environment and Climate Change Canada and other relevant federal departments and agencies through a formal interdepartmental committee related to thermal coal phase-out, clean energy transition, and related policies. This committee should support policy coherence by considering broader results, lessons learned, and strategic risks associated with the portfolio of initiatives funded with climate finance, while respecting Global Affairs Canada's accountability and decision-making authority for the management of its international assistance programming.

The department's response. Agreed.

See [Recommendations and Responses](#) at the end of this report for detailed responses.

Conclusion

59. We concluded that Environment and Climate Change Canada, in collaboration with Global Affairs Canada, did not take effective actions toward Canada's commitment to ban the export of thermal coal from and through Canada by 2030.

60. We also concluded that Environment and Climate Change Canada and Global Affairs Canada did not take effective actions toward Canada's commitment to support a global phase-out of unabated coal-fired electricity.

About the Audit

This independent assurance report was prepared by the Office of the Auditor General of Canada on thermal coal phase-out. Our responsibility was to provide objective information, advice, and assurance to assist Parliament in its scrutiny of the government's management of resources and programs and to conclude on whether Environment and Climate Change Canada and Global Affairs Canada complied in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements, set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook—Assurance.

The Office of the Auditor General of Canada applies the Canadian Standard on Quality Management 1—Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. This standard requires our office to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In conducting the audit work, we complied with the independence and other ethical requirements of the relevant rules of professional conduct applicable to the practice of public accounting in Canada, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

In accordance with our regular audit process, we obtained the following from entity management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided
- confirmation that the audit report is factually accurate

Audit objective

The objective of this audit was:

- to determine whether Environment and Climate Change Canada, in collaboration with Global Affairs Canada, took effective actions toward Canada's commitment to ban the export of thermal coal from and through Canada by 2030
- to determine whether Environment and Climate Change Canada and Global Affairs Canada took effective actions toward Canada's commitment to support a global phase-out of unabated coal-fired electricity

Scope and approach

The audit examined Canada's commitment to ban thermal coal exports by 2030 and Canada's commitment to support the phase-out of unabated thermal coal in developing countries.

For the commitment to ban thermal coal exports, this audit involved examining Environment and Climate Change Canada's plans for implementation, such as its analyses, engagement with interested parties, governance processes, decision-making processes and information provided to decision makers, and reporting on progress. We examined evidence gathered through document review, such as departmental documents and correspondence with other external organizations. We also examined evidence gathered through interviews with federal officials and external experts.

We gathered and analyzed data on thermal coal exports and emissions. We engaged with Environment and Climate Change Canada, Global Affairs Canada, and Natural Resources Canada on the compiling and producing of results. Statistics Canada's Canadian International Merchandise Trade Database was used for the analysis of Canada's exports of thermal coal. But the database does not capture thermal coal exports that originate from the United States that are shipped from Canadian ports. We used other sources for this analysis, including House of Commons documents, responses to environmental petitions under the Auditor General Act, the US Energy Information Administration—Coal Data Browser, the Alberta Energy Regulator, the Vancouver Fraser Port Authority, and the Prince Rupert Port Authority.

Canada's National Inventory Report 1990–2024: Greenhouse Gas Sources and Sinks in Canada, 2026, was used for the analysis of the total emissions from Canada's thermal coal used domestically to generate electricity. The 2026 report includes emissions data through 2024. Canada's National Inventory Report 1990–2023: Greenhouse Gas Sources and Sinks in Canada, 2025, was used for the analysis of emission factors associated with coal combustion abroad. We also used information on thermal coal from the United States Environmental Protection Agency 2025 GHG Emission Factors Hub and the United States Energy Information Administration for our analysis.

With respect to Canada's commitment to support the global phase-out of unabated thermal coal, audit work included examining the federal government's due diligence in supporting the progress of the Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism. This program and this initiative both fall under the "clean energy transition and coal phase-out" thematic area of Canada's International Climate Finance program. This thematic area aims to support developing countries in reducing greenhouse gas emissions, including by phasing out thermal coal. We also examined evidence gathered through interviews with federal officials and external experts.

Canada's commitment to ban thermal coal exports by 2030 and its support for unabated thermal coal phase-out in developing countries through Canada's International Climate Finance program are distinct but related policy instruments as they both contribute to Canada's objective of reducing global thermal coal use. Focusing on both allows for an assessment of how Canada is advancing its commitments, and whether they are being implemented in a coherent manner.

Drawing on the Auditor General Act and other relevant legislation, the Office of the Auditor General of Canada developed 14 sustainable development principles that reflect key considerations related to the office's environment and sustainable development work. More information about these principles is available on the Sustainable Development pages of our website.

Criteria

We used the following criteria to conclude against our audit objective:

Criteria	Sources
Environment and Climate Change Canada, in collaboration with Global Affairs Canada, demonstrated progress toward the commitment to ban thermal coal exports from and through Canada by 2030.	<ul style="list-style-type: none"> • Paris Agreement, United Nations Framework Convention on Climate Change, 2015 • 2022–2026 Federal Sustainable Development Strategy, Environment and Climate Change Canada • 2030 Emissions Reduction Plan: Clean Air, Strong Economy, Environment and Climate Change Canada, 2022 • Policy Statement on Future Thermal Coal Mining Projects and Project Expansions, Environment and Climate Change Canada, 2021 • Policy on Financial Management, Treasury Board, 2024
Environment and Climate Change Canada and Global Affairs Canada advanced Canada's international climate efforts to support unabated thermal coal phase-out in developing countries to achieve greenhouse gas emission reductions and positive social and environmental outcomes.	<ul style="list-style-type: none"> • Paris Agreement, United Nations Framework Convention on Climate Change, 2015 • Solidarity and Just Transition Silesia Declaration, 24th Conference of the Parties to the United Nations Framework Convention on Climate Change, 2018 • Powering Past Coal Alliance Declaration, 23rd Conference of the Parties to the United Nations Framework Convention on Climate Change, 2017 • Canada's Federal Implementation Plan for the 2030 Agenda, Employment and Social Development Canada, 2021 • 2022–2026 Federal Sustainable Development Strategy, Environment and Climate Change Canada • Canada's Feminist International Assistance Policy, Global Affairs Canada, 2017 • Official Development Assistance Accountability Act • Canada's 2030 Agenda National Strategy: Moving Forward Together, Employment and Social Development Canada, 2021 • Canada's Climate Finance for Developing Countries, Global Affairs Canada, 2021 • Directive on Transfer Payments, Treasury Board, 2022 • Guideline on Performance Measurement Strategy Under the Policy on Transfer Payments, Treasury Board of Canada Secretariat, 2010

Period covered by the audit

The audit covered the period from April 1, 2021, to March 31, 2026. This is the period to which the audit conclusion applies.

Date of the report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on September 25, 2026, in Ottawa, Canada.

Audit team

This audit was completed by a multidisciplinary team from across the Office of the Auditor General of Canada led by Markirit Armutlu, Principal. The principal has overall responsibility for audit quality, including conducting the audit in accordance with professional standards, applicable legal and regulatory requirements, and the office's policies and system of quality management.

Recommendations and Responses

Responses appear as they were received by the Office of the Auditor General of Canada.

In the following table, the paragraph number preceding the recommendation indicates the location of the recommendation in the report.

Recommendation	Response
<p>40. Environment and Climate Change Canada, in collaboration with Global Affairs Canada, should make publicly available information on its rationale for not proceeding with its work on the commitment to ban thermal coal exports. Environment and Climate Change Canada should also publicly communicate the decision to not proceed with the commitment to ban thermal coal exports or any future decision to resume its work.</p>	<p>Environment and Climate Change Canada's response. Agreed. The Department agrees to publicly communicate the rationale for not proceeding with the work on implementing the commitment to ban thermal coal exports. More information will be set out in the Management Action Framework.</p> <p>Canada has made meaningful progress in reducing emissions and remains committed to achieving net-zero emissions by 2050. Canada is determined to continue taking targeted actions, including those outlined in Budget 2025 and the Climate Competitiveness Strategy.</p> <p>Canada will continue to support global efforts to reduce the use of highest emitting sources of energy including thermal coal-fired electricity.</p> <p>Canada's international leadership in co-chairing the Powering Past Coal Alliance has grown to over 180 members that are committed to ending unabated coal-fired electricity.</p> <p>Provinces and territories, supported by the federal government, have and continue to take significant action to reduce demand for coal in our domestic energy system and committed to double electricity supply by 2050. For example, from 2005 to 2023, coal-fired power generation decreased by 76.8% nationally. This is consistent with ambitions under the Powering Past Coal Alliance.</p>
<p>51. Global Affairs Canada should strengthen its public reporting on the implementation progress, results, and lessons learned from the Climate Investment Funds—Accelerating Coal Transition investment program and the Women-Led Coal Transition Mechanism initiative including detailed project-level progress updates and results, while respecting confidentiality requirements.</p>	<p>Global Affairs Canada's response. Agreed. Global Affairs Canada commits to more frequent reporting to the public on implementation of progress, results, and lessons learned. This will be done while adhering to codes of conduct related to confidentiality and with the understanding that there may be limits to what can communicated.</p>

Recommendation	Response
<p>58. Global Affairs Canada should engage with Environment and Climate Change Canada and other relevant federal departments and agencies through a formal interdepartmental committee related to thermal coal phase-out, clean energy transition, and related policies. This committee should support policy coherence by considering broader results, lessons learned, and strategic risks associated with the portfolio of initiatives funded with climate finance, while respecting Global Affairs Canada's accountability and decision-making authority for the management of its international assistance programming.</p>	<p>Global Affairs Canada's response. Agreed. Global Affairs Canada will work with Environment and Climate Change Canada to draft the Terms of References for an interdepartmental advisory group on clean energy transition and related policies, including thermal coal phase-out.</p>

Appendix—Text Descriptions of Exhibits

Here are the text descriptions of the exhibits.

Exhibit 2—Canada's transportation system facilitates the export of both thermal coal mined in Canada and thermal coal that originated from the United States (2025)—Text description

The illustration shows that most of the thermal coal that was shipped from Canada in 2025 originated from the United States. A total of about 16.6 megatonnes of thermal coal was shipped from Canada. Of this, about 10.1 megatonnes, or 61%, originated from the United States, while about 6.6 megatonnes, or 39%, was mined in Canada.

Thermal coal was shipped from 2 locations in British Columbia: Trigon Pacific Terminals and Westshore Terminals.

Note: The Office of the Auditor General of Canada did not audit the source data. The sum of the production of the thermal coal mined is not equivalent to the total exported thermal coal, since not all thermal coal exported in 2025 was mined that same year.

Source: Based on 2025 information from Environment and Climate Change Canada, the Vancouver Fraser Port Authority, and the Prince Rupert Port Authority



Exhibit 3—Environment and Climate Change Canada began to explore options to implement a ban on thermal coal exports in 2021 and stopped its work in 2024 —Text description

This timeline shows that from October 2021 to November 2024, Environment and Climate Change Canada began to explore options to implement a ban on thermal coal exports. In November 2024, work on the ban stopped, but up until the end of the audit period in March 2026, no public communication was issued about ending the work on the ban. The commitment on banning thermal coal exports remained, but the export of thermal coal continued.

In October 2021, Environment and Climate Change Canada undertook preliminary considerations for an export ban.

From November 2021 to December 2023, the department led work to explore regulatory options to implement a ban and conducted analysis.

In February 2024, the department began to consider non-regulatory approaches, such as voluntary measures to end thermal coal exports.

In November 2024, work on the ban effectively stopped without any communications.

In August 2025, the department formalized the end of the work on the ban.

As of March 2026, which was the end of the audit period, no public communication was issued about the end of the work on the ban. The commitment to ban thermal coal exports remained, but thermal coal exports continue.

Source: Based on information from Environment and Climate Change Canada and Global Affairs Canada



Exhibit 4—Exports of thermal coal, both mined in Canada and that originated from the United States, have increased over the last 10 years—Text description

This bar chart compares the amounts of thermal coal exports that were shipped from Canada from 2016 to 2025. It also compares the percentage of thermal coal that originated from Canada with the percentage that originated from the United States for each of those 10 years. Overall, the exports of thermal coal both mined in Canada and that originated from the United States have increased over the last 10 years.

In 2016, about 9 megatonnes of thermal coal were shipped from Canada. Of the total, 26% originated from Canada, and 74% originated from the United States.

In 2017, the amount of thermal coal that was shipped from Canada increased to about 13 megatonnes. Of the total, 16% originated from Canada, and 84% originated from the United States.

In 2018, the amount of thermal coal that was shipped from Canada increased to about 15 megatonnes. Of the total, 7% originated from Canada, and 93% originated from the United States.

In 2019, the amount of thermal coal that was shipped from Canada decreased slightly to about 14 megatonnes. Of the total, 13% originated from Canada, and 87% originated from the United States.

In 2020, the amount of thermal coal that was shipped from Canada increased to about 15 megatonnes. Of the total, 33% originated from Canada, and 67% originated from the United States.

In 2021, the amount of thermal coal that was shipped from Canada increased to about 16 megatonnes. Of the total, 34% originated from Canada, and 66% originated from the United States.

In 2022, the amount of thermal coal that was shipped from Canada increased to about 18 megatonnes. Of the total, 45% originated from Canada, and 55% originated from the United States.

In 2023, the amount of thermal coal that was shipped from Canada increased to about 20 megatonnes. Of the total, 41% originated from Canada, and 59% originated from the United States.

In 2024, the amount of thermal coal that was shipped from Canada decreased slightly to about 19 megatonnes. Of the total, 37% originated from Canada, and 63% originated from the United States.

In 2025, the amount of thermal coal that was shipped from Canada decreased to about 17 megatonnes. Of the total, 39% originated from Canada, and 61% originated from the United States.

Note: The Office of the Auditor General of Canada did not audit the source data. We calculated the thermal coal export volumes for 2025 using Global Affairs Canada's methodology.

Source: Based on information from Statistics Canada, the Vancouver Fraser Port Authority, and the Prince Rupert Port Authority



Exhibit 5—Exports of thermal coal shipped from Canada enabled harmful greenhouse gas emissions abroad while Canada worked to lower emissions at home—Text description

This line chart shows estimated greenhouse gas emissions relating to coal-fired electricity generation in Canada and abroad. While the emissions from coal-fired electricity generation in Canada decreased in 2024 to about one fifth of 2016 emission levels, the estimated emissions from electricity generated abroad in 2024 using thermal coal shipped from Canada were more than double 2016 emission levels.

Hereafter, “megatonnes” refers to “megatonnes of carbon dioxide equivalent.”

From 2016 to 2024, the estimated annual emissions from coal-fired electricity generation were:

2016: 58 megatonnes in Canada; 20 megatonnes abroad

2017: 58 megatonnes in Canada; 29 megatonnes abroad (an increase)

2018: 45 megatonnes in Canada (a decrease); 33 megatonnes abroad (an increase)

2019: 43 megatonnes in Canada (a decrease); 32 megatonnes abroad (a decrease)

2020: 35 megatonnes in Canada (a decrease); 33 megatonnes abroad (an increase)

2021: 31 megatonnes in Canada (a decrease); 36 megatonnes abroad (an increase)

2022: 24 megatonnes in Canada (a decrease); 41 megatonnes abroad (an increase)

2023: 21 megatonnes in Canada (a decrease); 44 megatonnes abroad (an increase)

2024: 14 megatonnes in Canada (a decrease); 42 megatonnes abroad (a decrease)

Note: These calculations are estimates. Estimated emissions may not be representative of actual combustion. Estimates depend on the method of combustion and pollution control equipment located at the combustion site.

Source: Based on information from Statistics Canada; Environment and Climate Change Canada; Global Affairs Canada; National Inventory Report 1990–2024: Greenhouse Gas Sources and Sinks in Canada, 2026; GHG Emission Factors Hub, United States Environmental Protection Agency, 2025; and the Alberta Energy Regulator



Exhibit 6—Canada's 2021 International Climate Finance program commitment included \$1 billion as a low interest loan for the Accelerating Coal Transition investment program to support the global phase-out of unabated thermal coal—Text description

This timeline from 2009 to 2026 is combined with a chart showing funding commitments for international climate finance to be mobilized from developed countries and the contributing funding commitments from Canada. The chart shows that the funds that Canada contributed to International Climate Finance commitments doubled every 5 or 6 years since 2010. The highest amount was in 2021 when Canada contributed \$5.3 billion, of which about \$1 billion was for the Accelerating Coal Transition investment program through Climate Investment Funds and \$15 million was for the Women-Led Coal Transition Mechanism initiative. Both the program and the initiative were included in the scope of this audit.

The funding commitment for international climate finance to be mobilized by developed countries started in 2009 and aimed to mobilize US\$100 billion per year by 2020.

In 2010, Canada contributed \$1.2 billion for its International Climate Finance commitment.

In 2015, Canada contributed \$2.65 billion for its International Climate Finance commitment, more than 2 times its 2010 contribution.

In 2021, Canada contributed \$5.3 billion for its International Climate Finance commitment, about 2 times its 2015 contribution.

In 2024, the funding commitment to be mobilized from developed countries increased to US\$300 billion per year by 2035.

Source: Based on information from Environment and Climate Change Canada and Global Affairs Canada

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Exhibit 7—Accountability of the Climate Investment Funds—Accelerating Coal Transition investment program—Text description

This illustration shows the process for allocating funding from the Accelerating Coal Transition investment program to funded projects in recipient countries, what organizations are accountable for the funds, and what organizations are responsible for allocating funds.

Donor countries, including Canada, loan funds to the Accelerating Coal Transition investment program. A trust fund committee is composed of representatives of stakeholders, including a Global Affairs Canada representative. The committee analyzes project proposals and allocates funds for projects. The World Bank, as trustee of the Climate Investment Funds, transfers funds to and from multilateral development banks. The multilateral development banks then send funds to the respective recipient countries to fund coal-to-clean-energy transition projects.

The trust fund committee then coordinates loan repayments to contributing countries like Canada and reports on the Accelerating Coal Transition investment program.

Source: Based on information from the Climate Investment Funds and from Global Affairs Canada

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