

July 17, 2023

Briefing Note: Recommendations for ERP Progress Report

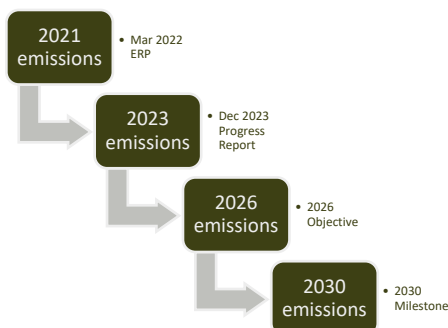
Environment and Climate Change Canada (ECCC) must publish a progress report by the end of 2023, setting out Canada’s headway towards the 2026 and 2030 GHG emissions targets. Ecojustice and CAN-Rac have set out the minimum requirements for that report below. Anything less will fail to deliver on the federal government’s promise of transparency and accountability on climate action and may breach the *Canadian Net-Zero Emissions Accountability Act*.

Rationale

Canada has never met a climate target it set for itself. To break this cycle with the 2026 and 2030 emissions targets (20% and a range of 40–45% reductions below 2005 levels, respectively), ECCC must use the progress reports mandated by the Act as opportunities for accountability, transparency, and course correction where necessary.

In other words, the 2023 Progress Report is an opportunity for the government to be honest about where it is on the journey to achieving its climate targets and on the implementation of the various policies that contribute to reducing emissions. Decarbonizing the Canadian economy is a complex, whole-of-society endeavour that takes place in a broader, constantly changing context and, as such, requires an iterative approach. Regular and specific updates are necessary to assure that the 2030 Emissions Reduction Plan (“2030 ERP”) and its contents are reaching their objectives, whether they need to be amended or accelerated, and whether the plan is delivering on the benefits of climate action to people’s everyday lives.

Information Requirements for the Progress Report



If “progress” is “movement towards a goal” and “movement” is a “change in position” then it follows that the 2023 Progress Report *must* describe how far Canada has moved towards its goals – the 2026 objective and the 2030 milestone target – between the launch of the ERP in March 2022 and publication of the report in December 2023.

We can break down the Act’s progress report requirements into three types or categories of information:

1. The Big Picture [ss.14(2)(a), (a.1), (a.2) and (3) of the Act]
2. Emissions Reduction Plan Implementation Details [ss.14(2)(b) and (b.1)]
3. Next Steps [s.14(2)(b.2)]

1. The Big Picture

The Act contains four provisions that together require a comprehensive and current picture of progress made under each Emissions Reduction Plan towards that ERP’s emissions target. This “Big Picture” view must serve as a trusted baseline against which we can evaluate how the ERP is doing.

First, **s.14(2)(a.2) requires the progress report to include a summary of Canada’s most recent published official GHG emissions inventory**, in this case, the 2023 National Inventory Report (“2023 NIR”).

Next, s.14(2)(a) requires an “update on the progress that has been made towards achieving the greenhouse gas target.” This is not measure-by-measure reporting; that is required by ss.14(2)(b) and (b.1). Nor is it covered by reporting the latest NIR. For one, the NIR requirement is set out in a separate provision (a.2). Secondly, each NIR reports on emissions two years after they have been emitted. The 2023 NIR will only show 2021 emissions – emissions that predate the 2030 ERP, which was issued March 29, 2022. Any progress that the NIR describes is two years old; it is not a present-day assessment of progress as required by the term “update” in s.14(2)(a).

Put another way, **s.14(2)(a) requires the progress report to include *projections* of how far – as of 2023 – the 2030 ERP has moved Canada towards the 2030 target. Subsection 14(3) requires the same in relation to the 2026 target.**

These projections must be described quantitatively. Since the Act requires reporting on progress in relation to numeric emissions targets, meaningful transparency requires a numeric explanation of progress. This can be satisfied in both absolute and relative terms.

For example:

- As of 2023, the ERP has reduced Canada’s emissions by X million tonnes (Mt);
- Canada’s emissions in 2023 are X Mt; and
- Canada is X% of the way to the 2026 target and X% to the 2030 target.

Best Practice: Denmark

The Danish [Status Outlook 2022](#) provides a quantitative assessment of government efforts to reach the 2025 and 2030 targets. It reports that Denmark has adopted policies over the past 2 years that will reduce the gap to the 2030 target by 10 Mt CO₂e and that additional policies are required to address the remaining 10 Mt gap. The Outlook also describes the level of risk associated with planned emissions reductions as well as plans and challenges with achieving the 2050 target.

Exclusively qualitative reporting can be attractive as there is more room, when describing progress qualitatively, to highlight successes while skating over setbacks. The 2023 Progress Report *cannot* take that route without undermining the purpose and promise of the Act. Canadians don't want another glossy brochure – it is past time for the unvarnished truth.

There is still a place for qualitative reporting and discussion, however. The progress report should include context about Canada's progress, including drivers and trends in emissions, whether Canada's emissions in 2023 are as expected, the reasons why Canada is on or off track to its targets, and any uncertainties, barriers, or risks in achieving the targets.

Lastly, **s.14(2)(a.1) requires a forward-looking view of Canada's expected emissions in 2030** – that is the target which drives this entire framework (arguably as much or more than net-zero by 2050 – we know that it is this decade which will make all the difference).

2. ERP Implementation Details

Subsections 14(2)(b) and (b.1) require a deeper dive into how the ERP is being implemented. This is a more granular view that complements the big picture, as it explains how each of the elements of the ERP have been implemented to-date. This allows Canadians and the government to understand whether the measures and strategies are doing what they were intended to do and whether they need to be amended or accelerated.

To comply with ss.14(2)(b) and (b.1), the progress report should provide an “update on implementation” in the following ways:

1. **Statement of completion.** Statement of whether a measure is complete or incomplete where there are clear, measurable deliverables associated with the measure. [Ireland](#) and [New Brunswick](#) use this approach.
2. **Discussion of work undertaken.** For each measure and strategy, describe the work undertaken as of 2023 to deliver that measure or strategy, the next steps for continued implementation, and whether implementation is on track to contribute as expected/necessary to reach the targets.
3. **Indicators of progress.** For each measure and strategy, develop an indicator that reflects a real-life, measurable outcome of implementation. Each indicator would have “milestones”, annual goals that the measure or strategy must achieve to make its intended contribution to the targets. The 2023 Progress Report would state the measured outcome of each indicator in 2023, compare this outcome against the milestone for 2023, and report the multi-year trend.

ECCC already has some of the data to report on indicators that should be part of this progress report:

- The [2021-22 Departmental Results Report](#) includes performance indicators, targets, and measured annual results in the years 2019–2022 for a number of policies and actions.
- Regulatory Impact Analysis Statements (RAIS) for climate regulations published in the Gazette often include the emissions reductions attributable to the regulation over certain time periods.

Where this data is not available, the ECCC/lead department should develop this information. There are many progress reports ahead on the road to 2050, and doing this work upfront will make reporting progress and improving our ERPs much easier.

Best Practice: United Kingdom

The UK Climate Change Committee (CCC) provides an excellent model for progress reports. It has developed a monitoring framework (described [here](#)) involving sectoral “monitoring maps” that outlines the theory of change to achieve the emission reductions for each sector and progress indicators to measure real-world progress. The table below is from the [2022 Progress Report](#):

Table 3.1
Surface transport key indicators

Surface transport indicators		Most recent value & benchmark			Trend
Group	Name	Year	Value	Change	Key: Historical - CCC - Gov
Zero-emission vehicle uptake	Battery Electric Vehicles - % of new car sales	2021	12%; CCC benchmark: 7.7%	+78% from 2020	
	All plug-in Electric Vehicles - % of new car sales	2021	19%; CCC benchmark: 15%	+75% from 2020	
	Battery Electric Vehicles - % of new van sales	2021	3.6%; CCC benchmark: 8%	+87% from 2020	

Subsection 14(2)(b) also encourages the government to project annual emissions reductions in the years ahead from the combined ERP measures and strategies. This emissions trajectory provides important transparency about the amount and timing of expected reductions and allows us to understand whether Canada needs to do more to minimize overall emissions on the way to our targets; this is the assessment that lets us know if Canada needs to “course correct” to do its part to achieve the temperature goals in the Paris Agreement. Canada must calculate these trajectories in each progress report.

3. Next Steps

Subsection 14(2)(b.2) requires the progress report to respond to the government's assessment of Canada's progress to its targets. It requires that, if the projections show that the targets will not be met, the progress report include details of additional measures that could be taken to increase the probability of achieving that target.

The projections required by ss.14(2)(a) and (a.1) let us know *if* Canada needs to course correct from its last ERP. Subsection 14(2)(b.2) requires ECCC to set out *how*.

An opportunity to improve reporting

The 2023 Progress Report is a timely opportunity for ECCC to revise its overall approach to reporting measures and strategies in the ERP.

The Implementation Table in Annex 8 tracks the measures and strategies that Canada intends to take to reduce emissions. As currently drafted, the Table omits key information that is necessary to provide the transparency and accountability intended by the Act. This missing information includes:

- Numbered measures and sub-measures for ease of reference.
- A notation of whether the measure/strategy was introduced in the Pan-Canadian Framework, the Strengthened Climate Plan, or the ERP.
- Funding – annual and total – that has been set aside for the implementation of the measure/strategy.
- Modelling assumptions that underlay the measure/strategy.

Best Practice: Canadian Climate Institute

The Carbon Reduction Policy Tracker prepared by Canadian Climate Institute for its "[440 Megatonnes](#)" project provides a good example of what information should be included.

To provide updates on the implementation of the ERP measures and strategies as described above, additional information is required in the Implementation Table, including:

- Indicators.
- Annual milestones for each indicator.
- Annual measured outcomes for each indicator (current to the publication of the report).
- Is the indicator on track? Y/N
- Trends over the past X years.
- A gap analysis outlining the necessary steps to put the measure/strategy on track.

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