

ECCC welcomes the Commissioner of the Environment and Sustainable Development's Report tabled in Parliament on April 26, 2022 on the application of carbon pollution pricing systems in Canada.

The Report assesses whether Environment and Climate Change Canada (ECCC) has ensured that carbon pricing systems in Canada were applied effectively, fairly and transparently, as defined in the Pan-Canadian Framework on Clean Growth and Climate Change.

The Report recognizes that putting a price on carbon pollution is critical to significantly reducing Canada's GHG emissions towards meeting national reduction targets.

It notes the broad consensus among expert international bodies, including the World Bank, the Organisation for Economic Development, and the International Monetary Fund, that carbon pricing is one of the most efficient policy approaches to reduce GHG emissions and needs to be a critical component of countries' overall approaches to reducing economy-wide emissions.

The Pan-Canadian Approach is intended to give provinces and territories the flexibility to implement the type of carbon pollution pricing system that makes sense for their circumstances, provided their approaches are aligned with minimum national stringency requirements (the federal benchmark).

The CESD Report confirmed that Environment and Climate Change Canada successfully ensured that carbon pollution pricing systems were in place in all provinces and territories as of 2019.

The Report found that some provincial systems were weaker than others, but recognized that the Government has already taken steps to address this issue by publishing updated, strengthened minimum national stringency requirements (federal benchmark) in August 2021, which will apply for the 2023-2030 period. As the Minister Guilbeault noted in his April 26, 2022 statement: "We are committed to making sure the price on pollution continues to be fair and effective. We have strengthened the minimum national standards for carbon pricing that all systems will need to meet from 2023 to 2030 and are engaging with provinces and territories on implementing them."

The CESD Report also identified other areas for further improvement.

ECCC agrees with the audits' four recommendations, and will work with provinces and territories to address these recommendations, to continue to ensure that carbon pollution pricing is in place and effective across Canada.