

# Effectiveness of the Green Fund Over First Two Years

## Department of Environment and Climate Change

### Key Messages

- Department of Environment and Climate Change is not effectively monitoring or reviewing the performance of Green Fund programs, however programs meet the purposes defined in the *Environment Act*
- Unclear why Green Fund special purpose account money transferred out of Government each year
- In the first two years, the province disbursed \$73.7 million to Green Fund program partners, but as of March 31, 2022, only \$11.9 million spent on programs
- During the audit period, no Climate Change Plan to direct Green Fund programming
- Testing showed Green Fund partners delivering programs in accordance with agreements, some improvements needed

### Why We Did This Audit

- \$73.7 million in Green Fund revenue collected from cap-and-trade auctions as of March 31, 2022
- Funding to climate change reduction initiatives important
- Green Fund created in 2019, important to ensure funds are being used for intended purposes
- Provincial goal to reduce greenhouse gas emissions by at least 53 per cent below 2005 levels by 2030 and to be net-zero by 2050

### Unclear Why Green Fund Special Purpose Account Money Transferred Out of Government Each Year

- As of March 31, 2022, \$59.8 million of Green Fund proceeds held in partner bank accounts outside of Government

### Department of Environment and Climate Change Not Effectively Monitoring Green Fund Programming – \$73.7 Million

- Reporting requirements and performance targets clearly defined in contracts
- Quarterly and annual performance updates from program partners not effectively reviewed by Department
- Performance targets reported incorrectly, but error unnoticed by Department
- Provincial partner program support and administration costs not monitored on a program-by-program basis
- Annual reporting occurring, but needs to be more transparent
- Unclear authority to charge departmental staffing, administration, and operational expenses to Green Fund

### During the Audit Period there was no Climate Change Plan for Clean Growth to Direct Green Fund to Meet Climate Change Goals

- Interim criteria developed in absence of strategic climate change plan
- Programs selected meet the objectives of the Green Fund
- Transparent process needed for selecting Green Fund program partners

### Our Testing Indicates EfficiencyOne, and Clean Foundation Green Fund Programs Delivered in Accordance with Agreements to Date

- Green Fund has contracts with program partners, but some contract clauses missing
- Audit testing indicates programs delivered effectively – some improvements needed