

Evaluation of the Canadian Environmental Assessment Agency's 1997 Sustainable Development Strategy

ACHIEVEMENTS AND EXPECTATIONS

Background

In 1995, amendments were made to the Auditor General Act to help strengthen the federal government's performance in protecting the environment and promoting sustainable development. The amendments required departments to prepare and table sustainable development strategies every three years, commencing in 1997. Federal departments are currently in the process of updating their 1997 sustainable development strategy to be tabled in Parliament by December 2000. As part of this process, the Agency is seeking input from within and outside of government to help set the direction of the new strategy. This consultation process is designed to ensure that our next strategy is relevant to stakeholders and in line with our mission - *To provide Canadians with high-quality federal environmental assessments that contribute to informed decision making in support of sustainable development.* It will be followed by a second round of consultations on a draft sustainable development strategy in the summer of 2000.

Introduction

To accomplish its mission, the Canadian Environmental Assessment Agency (the Agency) develops, manages and promotes an effective federal environmental assessment process. The Agency's business is to serve as the focal point for environmental assessment at the federal level through the implementation of a coordinated, effective and consistent federal process. Its contribution to sustainable development can best be measured by the performance of federal departments and agencies, who base their decisions on the assessments they conduct as required by the *Canadian Environmental Assessment Act* (the Act). Through effective corporate management, the Agency has endeavored to enhance the quality of environmental assessments in response to the three goals and accompanying action plans as outlined in the 1997 Sustainable Development Strategy. These were to:

1. Assume a leadership role for corporate management of environmental assessment processes in the federal government;
2. Refine and enhance the appropriate application of environmental assessment; and
3. Encourage the use of environmental assessment as a decision-making tool through strategic partnerships and agreements.

The following summary highlights the Agency's achievements in relation to the goals and objectives contained within the 1997 Sustainable Development Strategy, provides a brief description of ten challenges faced by the Agency in implementing the strategy as well as preliminary broad expectations for the next sustainable development strategy.

Goal 1

Assume A Leadership Role For Corporate Management Of Environmental Assessment Processes In The Federal Government

Through effective corporate management, the Agency can best identify what is needed to enhance the consistent and appropriate application of environmental assessments. It can act as a catalyst for others, while respecting the role of responsible authorities (RA) in conducting environmental assessments and making appropriate decisions. The Agency undertook five broad actions to achieve this goal.

1.1 Continuing efforts to communicate the benefits of environmental assessment, including the results of the Joint Monitoring Program, statistical analysis from the Public Registry System, results of the three-year International Study on the Effectiveness of Environmental Assessment, and responses to comments received from the public on the Agency's Internet site.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The President appeared before the management boards of most major client departments to talk about environmental assessment, common issues and challenges; similar presentations were made by the vice-presidents and regional directors to a variety of partners and stakeholders (e.g. the Alberta Energy Utilities Board, the Canadian Association of Petroleum Producers, the Atlantic Regional Environmental Assessment Committee, the Canadian Society of Environmental Biologists, the Pacific Council).
- The Agency has produced a publication entitled *Federal Environmental Assessment - Making a Difference*. It outlines twelve clear examples of how environmental assessment has benefited projects and contributed to sustainable development.
- The Agency has developed a brochure which outlines a simple approach to environmental assessment to help school children and their families increase their awareness and practice of environmental assessment. The publication entitled *Dilemma at I.M. Perplexed School*, has been published in Owl and Les debrouillards magazine.
- The Agency has published a pamphlet entitled, *Environmental Assessment for a Sustainable Environment* as well as a bookmark to increase the awareness of environmental assessment across federal departments and with the public.
- A report on the Joint Monitoring Program was completed 1997. It evaluated the impacts of the Act in relation to cost and competitiveness. Following its completion, the Agency created, in partnership with Industry Canada, Environment Canada and Natural Resources Canada, a multi-year Ongoing Monitoring Program to further evaluate the results obtained during the Joint Monitoring Program.
- The *International Study on the Effectiveness of Environmental Assessment* was completed and presented at the International Association for Impact Assessment (IAIA) in 1996. It was widely distributed in Canada and internationally in 1996-1997. As part of the follow-up to this study, the Agency hosted the first Government Forum in 1997. This has become an annual event, associated

with IAIA, during which senior government officials discuss the effectiveness of environmental assessment in their countries.

- The Agency updated its website in 1998 and 1999. The Agency has greatly improved the appearance and contents of its website to contain a variety of information directed to the broad range of Agency audiences.
- Analysis of the public registry system has been ongoing and has resulted in a report entitled, *Study on the Public Registry and the Federal Environmental Assessment Index* prepared in March 1999. In response to the Commissioner of the Environment and Sustainable Development report of May 1998, the Agency has developed a web based application to improve the Federal Environmental Assessment Index (FEAI). This has improved its performance, speed, and dependability. In addition to simplifying the data entry capabilities and enhancing the search functions, the Agency is examining the feasibility of expanding linkages to departmental websites, in order to improve access to environmental assessment reports.

1.2 Establishing a system for follow-up to determine whether environmental assessments of projects are accurate and whether measures to mitigate any adverse environmental effects taken after a public review or comprehensive study of a project are effective.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- In establishing a system for follow-up, the Agency created the *Follow-up Interdepartmental Committee* and developed an options paper to determine the challenges related to the implementation of follow-up in environmental assessment by federal departments. The “root causes” of these issues were identified, as well as potential options and/or tools that could be used to improve the manner in which federal authorities fulfill their roles and responsibilities for follow-up under the Act.
- The options paper, which was completed in August 1999, illustrates effective follow-up practices through the use of case examples from a variety of federal departments and other jurisdictions.
- In addition to the work completed by the *Follow-up Interdepartmental Committee*, the Agency chaired an organizing committee responsible for a series of six seminars on lessons learned on follow-up in environmental assessment.
- Furthermore, effective follow-up practices are also outlined in elements within the Ongoing Monitoring Program and the Compliance Monitoring Framework (see below).

1.3 Demonstrating continued improvement in the application of the Act through monitoring and compliance information.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The Agency led the development of a Compliance Monitoring Framework for the Act and its regulations. This assisted federal departments in gathering consistent information on their compliance with the Act, and on the quality of their environmental assessments. Furthermore, it should assist the RAs in standardizing the information gathered for screening reports while improving the consistency and quality of information.

- Eleven departments and agencies participated in the pilot project which was completed in March 1999. It included 191 screenings from nine departments, plus aggregate information on another 300 screenings from two other departments. The framework is flexible enough to allow departments to select the elements that suit their own needs and circumstances.
- The Agency has used the experience from the pilot project to implement a “Quality Assurance Program” across federal departments. Twenty-one departments have confirmed their participation in working with the Agency towards this end.
- In 1998-99, the Agency led a major monitoring program, the “Multi-Year Ongoing Monitoring Program (OMP), to identify the societal benefits generated by the Act and the costs and benefits of the Act to industry.
- The OMP was based on 20 detailed case studies of large scale screenings, comprehensive studies and panel reviews. It identified and classified a range of benefits and costs driven by the Act. The OMP collected information on: the costs and source of costs of assessments associated with comprehensive studies, public reviews and large-scale screening projects; the benefits to industry and the public of preparing environmental assessments; and actual contributions to sustainable development brought about through comprehensive studies, public reviews and large-scale screening projects. The report of the OMP was finalized in August 1999. The preliminary findings of this exercise indicated that the Act is resulting in better decisions that are benefiting the environment. The Agency will be evaluating the results and recommendations contained within the OMP.

1.4 Continuing to provide advice and support to federal negotiators addressing environmental assessment issues in Aboriginal comprehensive land-claim and self-government negotiations

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000.

Aboriginal peoples continue to be active participants in the federal environmental assessment process. The Agency promotes aboriginal participation in the following ways.

- The Agency participated directly at a number of negotiation tables for self-government agreements and in negotiations for implementation arrangements under these Agreements (e.g. *United Anishnaabeg Council, Meadow Lake Tribal Council, Westbank, Kahnawake*).
- The Agency has represented the Minister of the Environment in developing and approving First Nations environmental assessment regimes and interim environmental assessment arrangements created pursuant to the *First Nations Land Management Act* for 14 First Nations.
- The Agency has assisted Indian and Northern Affairs Canada in the development of implementation legislation for the *Yukon Final Agreement - Yukon Development Assessment Process (YDAP)*.
- The Agency has worked on the implementation of the *Nisga’a* and *Sechelt* treaties, including the harmonisation of environmental assessment processes.
- The Agency participated directly at the negotiation tables of the comprehensive land claims of the *Innu Nation, Labrador Inuit Association, Makivik, Montagnais-Innu, Dogrib, Dene-Metis, Deh-Cho*, among others.
- The Agency has directly participated at 15 negotiation tables in British Columbia Treaty process.

- The President of the Agency is the administrator for the purposes of chapters 22 and 23 of the James Bay and Northern Quebec Agreement and has an approval function for certain projects under that agreement. The Agency also participates directly at the side table on the environment of the Canada-Crees Vennat/Namagoose process, in order to find ways to improve the implementation of chapter 22.
- The Agency has coordinated Aboriginal involvement in project assessments, such as BHP Diamonds and Voisey's Bay panel reviews.
- The Agency is exploring opportunities to formally co-ordinate the environmental assessment activities of the Nunavut government and those of the federal government under the Act.
- The Agency has finalised an agreement with the Inuvialuit Environmental Impact Review Board, which will facilitate the substitution of panel reviews on a case by case basis.
- The Agency has involved national and regional Aboriginal groups in the stakeholder consultations on the Five Year Review of the Act.
- The Agency worked with the Assembly of First Nations (AFN) and others on the development of a regulation for section 10 of the Act. The Agency, with its stakeholders, has continued to explore various options to use environmental assessment as a decision-making tool on reserves.
- The Agency has worked with the Department of Justice Canada and others to determine the extent to which the *Delgamuukw* decision imposes a higher standard on consultation, and whether and how the Act may be used to enable the federal government to meet its obligations vis-à-vis Aboriginal rights and title.
- The Agency has been leading an interdepartmental initiative to determine the most appropriate way to incorporate Traditional Ecological Knowledge (TEK) and its related environmental considerations into the federal environmental assessment process and decision-making. A three-phased approach has been established to develop a guide on TEK. Phase one, which proposed options for the development of the guide, is complete.

1.5 Continuing use of the Agency's Regulatory Advisory Committee as the key forum for consulting with environmental assessment stakeholders.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The Regulatory Advisory Committee (RAC) is a multi-stakeholder committee made up of representatives from provincial, environmental, industry and aboriginal groups. On average the committee has met 2-3 times per year. Major consultations since 1997 have included: Ministerial Guideline for Panel Procedures; proposed Canadian Standards Association Environmental Assessment Standard; Guidelines For Participant Funding Program; Ports Regulations; Plans for and recommendations to the Minister on the Five Year Review; and Package of Amendments to Regulations .

Goal 2

Refine And Enhance The Appropriate Application Of Environmental Assessment

The Agency has developed innovative measures to improve the quality of environmental assessments and to encourage the use of best practices. The Agency undertook five broad actions to achieve this goal.

2.1 *Continuing to provide guidance and training to federal departments and agencies in the application of the Act.*

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The Agency created an Interdepartmental Forum on Training and Guidance in 1997, to better meet the needs of its partners and thereby promote higher quality environmental assessment. A training and guidance strategy has been developed in order to identify approaches and priorities that meet the needs of federal departments and other stakeholders.
- In order to meet the needs of federal departments in their efforts to comply with the Act, the Agency has developed and delivered training on Cumulative Effects Assessment, Class Screenings, Scoping, Alternative Dispute Resolution, Comprehensive Studies, the Port Authority Regulations, the Federal Coordination Regulations, First Nation environmental assessment regimes, and Strategic Environmental Assessment. The Agency has offered more than 40 training sessions since 1997.
- The Agency has developed the following tools to assist federal departments in meeting their obligations under the Act and thereby increase the sustainability of their activities:
- **The Agency has produced the following reference guides:** Reference Guide on Federal Coordination Regulations, 1997; Guide to the Preparation of a Comprehensive Study, 1997; Cumulative Effects Assessment Practitioners Guide, 1999; Reference Guide for Project Proponents on the Cost Recovery of Environmental Assessment Review Panels, 2000; Participant Funding Program: Guide and Application Form, 1997; and Strategic Environmental Assessment Guide, updated in 1999.
- **The Agency has developed the following Operational Policy Statements:** The Scope of environmental assessment, 1998; Policy Statement on Project Description, 1999; Addressing Cumulative Environmental Effects under the *Canadian Environmental Assessment Act*, 1999; and Addressing the “Needs for”, “Purpose of”, “Alternative to” and “Alternative Means” under the *Canadian Environmental Assessment Act*, 1998.
- **In addition, the Agency has completed the following Studies:**
 - *Analysis of the Follow-up Components of Selected Panels and Comprehensive Studies*, 1998
 - *Options and Tools for Improving Follow-Up - A Discussion Paper*, 1999
 - *On-going Monitoring Program of the Canadian Environmental Assessment Act*, 1999
 - *Final of Seminar Proceedings on Follow-up in Environmental Assessment*, 1999
 - *Final of The Lessons Learned on Follow-up in Environmental Assessment*, 1999
 - *Compliance Monitoring Review Final Report*, 1999

- *Advancing Cumulative Effects Assessment: A Canadian Federal Perspective*, 1999.

2.2 *Supporting environmental assessment standards, in collaboration with the Canadian Standards Association and stakeholders.*

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The purpose of the proposed CSA Standard on Environmental Assessment (the Standard) is to develop a framework that would bring greater consistency among environmental assessments in Canada, while being sufficiently flexible to accommodate the existing legislative requirements across the country.
- The Agency has contributed to the development of the Standard through its membership on the multi-stakeholder Technical Committee, which is responsible for developing the Standard.
- The Agency has also provided significant financial support to this undertaking. Consultation on the standard took place in the fall of 1999 and resulted in amendments that will be necessary to produce future drafts of the Standard.

2.3 *Continuing development of environmental assessment regimes for Crown corporations, harbour commissions and airports.*

In order to achieve this commitment the Agency undertook the following activities from 1997-2000:

- Under the *Canada Marine Act*, eighteen Canadian port corporations and harbour commissions have become Canada Port Authorities (CPAs) in places such as Vancouver, Montreal, Trois-Rivières, Saguenay, Halifax, Windsor and Toronto.
- In the course of developing the *Canada Marine Act*, Transport Canada and the Agency undertook to co-operatively develop environmental assessment regulations to govern CPA projects. Following consultations with the CPAs in 1998, the Agency outlined the background and rationale for the development of the CPA Environmental Assessment Regulations.
- The proposed regulations received final approval in July 1999 and are now in effect. The Agency delivered a training program to 18 port authorities in November 1999 which emphasized methodologies to comply with the new regulation.
- The Agency has established that there are a number of legal factors that significantly encumber the formulation and evaluation of an environmental assessment regime for airport authorities. The Agency believes that these factors can best be addressed in the forthcoming review of the Act. The Canadian Airport Council has been informed by the Agency of its intention to recommence its work to establish an appropriate federal environmental assessment regime for local airport authorities, following the review.

2.4 *Continuing to refine regulations to enhance their efficiency and effectiveness.*

In order to achieve this commitment the Agency undertook the following activities from 1997-2000.

- Four key regulations determine the application of the Act. These include the *Inclusion List*, *Exclusion List*, *Comprehensive Study List* and *Law List* regulations. The package of

amendments to these regulations came into force in November 1999. They included some additions to the regulations, as well as modifications to make the Act more efficient to administer.

- Examples of these Regulations include:
 - the culling of wildlife in a national parks was added to the *Inclusion List* ;
 - the installation of small structures such as survey markers was added to the *Exclusion List*;
 - the development of a commercial ski area in a national park was added to the *Comprehensive Study List*; and
 - the *Canada Transportation Act* was added to the *Law List* to replace the *National Transportation Act* and *the Railway Act*.

2.5 Providing advice, assistance and support to departments in the preparation of environmental assessments of policy and program proposals.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- On June 8, 1999, Cabinet approved an updated Cabinet Directive on Strategic Environmental Assessment (SEA), and a guide for departments and agencies on implementing the Directive. The new Directive extends the SEA requirements from policies and programs to include plans submitted to Cabinet and to individual Ministers for approval. Furthermore, it explicitly encourages its use in achieving sustainable development goals.
- The purpose of the Cabinet Directive is to ensure that environmental considerations are integrated into the planning and decision-making process at the earliest appropriate stage of policy development, on an equal footing with economic and social considerations. As an internationally recognized tool, it aims to provide information on the existing state of the environment and the characteristics of a proposed action (and possibly its alternatives), to predict the impact of that action in such a way as to inform both the decision maker and the public.
- Since 1997, the Agency has provided over 15 briefings to departments and agencies on the Cabinet Directive and how to conduct an SEA. In 1999, letters were issued from the Clerk of the Privy Council and the President of the Agency informing departments and agencies of the updated Directive and Cabinet's expectations.
- The Agency has provided procedural advice for conducting SEA of seven submissions to Cabinet.
- The Agency has provided advice and support to departments in the identification of the environmental effects of climate change initiatives for the reduction of greenhouse gas emissions.

Goal 3

Encourage The Use Of Environmental Assessment As A Decision-Making Tool Through Strategic Partnerships And Agreements

A key part of the Agency's mandate is to convince decision makers of the value of good environmental assessment in terms of its long-term positive impact on the health of the environment. The Agency undertook four broad actions to achieve this goal.

3.1 Developing strategic partnerships, both federally and provincially, to reduce overlap and eliminate duplication in environmental assessments.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- In August 1998, the first Model Class Screening Report for the Town of Banff was completed in collaboration with Parks Canada, for routine projects within the town of Banff. A Model Class Screening Report was developed with the Canadian Food Inspection Agency for the importation of certified European honeybees in April, 1999. Approximately 15 class screenings are currently being developed across Canada.
- Since 1997, the Agency has been involved in 19 comprehensive studies that were conducted jointly with provinces or territories.
- The Agency completed joint panel agreements with the National Energy Board, the Alberta Energy and Utilities Board, and two with the Natural Resources Conservation Board.
- In 1997, the Agency completed an agreement on Voisey's Bay with the Newfoundland government, the Innu Nation of Labrador and the Labrador Inuit Association.
- The Agency has expanded its network of regional offices to include an office in Ontario and in Quebec. The six regional offices (BC, Alberta, Prairies, Quebec, Ontario, and Halifax/East) have provided ongoing guidance and support to federal departments, provincial governments, stakeholders and the public. An important aspect of this is to provide a liaison and coordination function between federal departments in federal assessments and between federal and provincial governments in joint assessments.
- Regional directors chair Regional Environmental Assessment Committees (REACs) that strengthen the relationships with other federal departments and provincial agencies to promote better and coordinated environmental assessments. REACs are held in each of the six locations across Canada and meet on average two times per year.
- The Agency has secured funding from the Department of Justice Canada to conduct research, develop and implement a program to enhance the ability of federal departments to more fully utilize alternative dispute resolution (ADR) in environmental assessment. The Agency has conducted training sessions in eight locations across Canada and has completed two draft guides – a process guide which discusses how ADR fits into environmental assessment process and a Resource Guide which discusses techniques and methodologies for doing ADR.
- The Agency set up a working group which examined options for developing a research and development program (R&D) for environmental assessment in Canada. The Agency developed an R&D Strategy and held a multi-stakeholder workshop in 1999, to seek input on R&D priorities and research directions.

3.2 Continuing to work toward bilateral and multilateral harmonization agreements, including substitution agreements with other federally created agencies

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- In January 1998, the Canadian Council of Ministers of the Environment (CCME)- with the exception of Quebec - signed the *Canada-Wide Accord on Environmental Harmonization* together with three supporting sub-agreements (Standards, Inspections, Environmental Assessment).
- Implementation of the *Sub-agreement on Environmental Assessment* (the Sub-agreement) requires the negotiation of bilateral cooperation agreements between the federal government and the provinces. The Sub-agreement would apply where two or more governments are required by law to assess the same proposed project.
- Each government would retain its authority to issue or refuse permits and to approve or disallow the project. There is no transfer of legal obligations or decision making between governments involved, rather the Sub-agreement provides a framework for collaboration, cooperation and promotes consistency and predictability in how a joint environmental assessment is conducted.
- Development of the bilateral agreements has involved regular consultation with federal departments, stakeholders and the public.

Results to date:

- *CCME Canada-Wide Accord on Harmonization, 1998*
- *The Sub-agreement on Environmental Assessment, 1998*
- *The Canada - British Columbia Agreement for Environmental Assessment Cooperation, 1997* (Consistent with Sub-agreement)
- *The Canada - Alberta Agreement for Environmental Assessment Cooperation, 1999*
- *The Canada - Saskatchewan Agreement for Environmental Assessment Cooperation, 1999*
- *The Canada - Manitoba Agreement for Environmental Assessment Cooperation, 2000*
- Negotiations are advanced in Ontario
- Discussions have been initiated with New Brunswick.

3.3 Continuing collaboration with Mexico and the United States on a trilateral agreement on transboundary environmental assessments

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The Agency has continued to lead negotiations for Canada on the development of a legally binding agreement (federal level only) with Mexico and the United States on transboundary environmental impact assessment (TEIA). The Agency has participated in six rounds of negotiations since 1997.
- Progress on the TEIA Agreement has been slow given the difference in the domestic legislation required in the application of the proposed agreement.

3.4 Ratifying the UNECE Convention on Environmental Impact Assessment in a Transboundary Context.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- Canada ratified the United Nations Economic Commission for Europe (UNECE) *Convention on Environmental Impact Assessment in a Transboundary Context* in May 1998.

Greening Internal Operations

Given the nature and scale of the Agency's operations, the adverse environmental effects of its operations are limited. However, the Agency is a key sustainable development institution within the federal government, and as such, it must be exemplary in its efforts to "green" its internal operations.

The Agency is committed to preparing and implementing an environmental management system. As a minimum, the Agency will meet or exceed federal "best practices guidelines", particularly in the case of procurement and waste reduction.

In order to achieve this commitment, the Agency undertook the following activities from 1997-2000:

- The Agency initiated the development of an Environmental Management System (EMS) in 1998. A coordinator and working group were appointed by the Agency Executive Committee to develop and implement an EMS in the spirit of the ISO 14000 standard. An Environmental Policy was developed in consultation with staff and signed by the Minister of the Environment, the Executive Committee and all Agency staff on Earth Day, 1999. An Initial Environmental Review of the Agency's environmental aspects was also conducted and is setting the direction for the development of an Environmental Management Plan (EMP). The EMP will identify specific actions and associated resources, targets and indicators, as well as reporting and accountability structures.
- The Agency has already taken action to reduce the environmental impact of its internal operations. In 1999, it initiated a No Waste program which increased the amount of material being recycled by 30%; launched an awareness campaign to promote "green thinking" ; delivered training to its administrative assistants on green procurement practices; and included greening operations information in the Agency orientation package for new employees. In conjunction with Public Works and Government Services and other tenants of the Fontaine Building situated in Hull, the Agency negotiated to have showers installed to promote green commuting practices such as cycling and walking.
- The Agency will continue to reduce the impact of its operations on the environment and to share its experiences and work with other federal departments to achieve this.

WHAT HAS CHANGED

Never before has the Agency faced as many challenges as it faces today. It must respond with speed, accuracy and clarity to new issues and to government priorities. It must develop training and guidance materials for an increasingly broad scope of stakeholders, including federal departments and agencies, industry, environmentalists and concerned Canadians. It must find ways of collaborating with other jurisdictions to maximize the efficiency of the environmental assessment process. It must address the increasing demands of Canadians for stronger public participation in the environmental assessment

process. Furthermore, in January 2000, the Agency embarked upon a review of its legislation and associated regulations - a review that involves the most comprehensive consultation program in the Agency's history. The Agency's ability to carry out its mission is based on its ability to meet new challenges and adapt to emerging trends. These include:

1. The five year review of the Canadian Environmental Assessment Act - The Government of Canada seeks to achieve sustainable development by conserving and enhancing environmental quality and by encouraging and promoting economic development that conserves and enhances environmental quality. Environmental assessment provides an effective means of integrating environmental factors into planning and decision making process in a manner that promotes sustainable development. During the Five Year Review of the Act, which was launched in December 1999, it has become clear that there are several areas related to the operation and provisions of the Act that require improvement. Issues have been raised with respect to the predictability, consistency and timeliness of the process. We have also heard that issues relating to the quality of assessments, compliance, and follow up are areas that need to be improved. In addition, although public participation is one of the fundamental objectives of the Act, there have been challenges in putting that goal fully into practice.

The Minister will submit a report to Parliament by the end of 2000 outlining any recommended changes deemed necessary to address problems related to the operation and provisions of the Act. These changes could be legislative, regulatory or policy changes. Improvements to the implementation of the Act will work towards strengthening the achievement of the purposes of the Act, one of which is, *to encourage RAs to take actions that promote sustainable development and thereby achieve or maintain a healthy environment and a healthy economy.*

2. Environmental assessment is a shared responsibility - Under the Canadian Constitution, responsibility for environmental management is shared between the federal and provincial governments. Although this arrangement can potentially lead to duplication and delays, the Agency is working with its provincial counterparts to ensure cooperation in environmental assessment, in order to promote the consistent and predictable application of environmental assessment processes across Canada.

3. The government's commitment to fiscal responsibility has affected environmental assessment - Fiscal pressures are affecting federal environmental assessment activities, as departments are asked to meet their legislated requirements with reduced budgets. The Agency is challenged to find new cost-effective ways of conducting environmental assessments, while maintaining high quality assessments.

4. Effectively engaging Canadians in decisions that affect them - There is considerable variability among Canadian jurisdictions in terms of the opportunities provided for public participation through environmental assessment legislation and regulations. One important concern has been for more active and earlier opportunities for public involvement in screenings, scoping, report review and decision making. A continuing challenge is to find new ways to engage the public while meeting proponents' desire for expeditious processes.

5. Gathering strength - Aboriginal self-government is reshaping environmental assessment throughout Canada. Through comprehensive land-claim and self-government agreements, new Aboriginal-based

environmental assessment regimes are being established. The Agency is working closely with Aboriginal groups to develop tools that will assist these communities in achieving environmental integrity and sustainable development, while respecting self-determination objectives.

6. In a global economy, public policies must be scrutinized for their impact on competitiveness -

An important development in the last decade has been the globalization of the economy. Globalization draws attention to the potential for Canada's environmental assessment laws and regulations to adversely affect the private sector, particularly when compared to the processes of our trading competitors. While numerous studies have concluded that the cost of environmental assessment in Canada is typically a very low percentage of the total cost of a project, and effective environmental assessment processes provide net economic benefits to society, process uncertainty remains a challenge.

7. The courts are shaping many areas of public policy - A powerful recent trend has been the role of the courts in shaping many areas of public policy. Environmental assessment has also been affected by recent court decisions. While it has resulted in the clarification and direction needed to increase the certainty and predictability of the environmental assessment process, litigation is costly, time-consuming and can interfere with competitiveness, efficiency and process predictability.

8. Sustainable Development - Increased understanding and acceptance of sustainable development, the establishment of the Commissioner for the Environment and Sustainable Development and the resulting requirement to prepare and report on Sustainable Development Strategies, has increased the level of accountability for the Agency and its federal partners.

9. Balancing competing interests - Environmental assessment is at the forefront of many sensitive issues affecting socio-economic development, environmental protection, aboriginal interests, and federal-provincial relations. The complexity and profile of projects undergoing assessments are also increasing and involve competing stakeholders interests. The challenge is to balance these interests while maintaining productive relationships and delivering high quality services to all stakeholders.

10. The Act is premised on the principle of self assessment - Unlike many other jurisdictions where one government agency is responsible for carrying out assessments, the federal environmental assessment process requires that the government department or agency that proposes to participate in a project (as a proponent, funder, landowner or regulator), ensure that an assessment is conducted. This necessitates the sharing of knowledge among departments and some consistency in the manner in which they proceed. Therefore, due to the nature of the legislation, responsibility for sustainable development is shared across all departments and results in the environment being considered in a broad range of federal government planning and permitting activities.

WHERE DO WE GO FROM HERE

Canada extends over almost ten million square kilometers, borders on three oceans and is the custodian of about nine percent of the world's renewable fresh water supply, ten percent of its forests and significant reserves of oil, gas, coal and other minerals.

The federal government has a role to play in protecting the environment and fostering sustainable development in three ways:

- as an employer, landlord and purchaser - being the largest single enterprise in Canada;
- as a rule maker and enforcer - government policies influence decisions made by individual producers and consumers, and the framework of laws and regulations affects our use of the environment; and
- as a service and program provider - government contributes to overall economic, environmental and social well being.

In Canada, the converging social, economic, and environmental agendas are becoming increasingly evident. Sustainable development involves the integration of social, economic and environmental considerations into how an organization defines its objectives and conducts its business. Environmental assessment is a critical tool for sustainable development given the potential for serious and irreversible damage to the environment that could result from human activity.

The Canadian Environmental Assessment Agency is a uniquely positioned federal agency charged with the responsibility of balancing the multifaceted range of often competing views related to the development and use of Canada's natural resource base. The Agency provides leadership and serves as a center of excellence for federal environmental assessments in support of sustainable development. The Government of Canada is seen as a leader in environmental assessment and is at the forefront, incorporating new factors such as traditional ecological knowledge and cumulative effects assessment into the process. Environmental assessment provides decision makers with the information they need to make balanced and informed decisions in support of sustaining a healthy environment and economy for present and future generations.

The 1995 *Canadian Environmental Assessment Act* and the 1999 *Cabinet Directive on the Environmental Assessment of Policy, Plan, and Program Proposals* were instituted as the basis for the federal environmental assessment process, at both the project and the policy level respectively. Environmental assessment involves assessing the effects of a proposed project, policy, plan or program on the ecosystem - the air, water, land and living organism, including humans. Failure to consider adverse environmental effects before carrying out an undertaking, can lead to significant degradation of the environment, higher risks to human health and increased economic costs. As our knowledge and understanding of sustainable development evolves, environmental assessment remains to be an effective means of integrating environmental factors into federal planning and decision making in a manner that promotes sustainable development.

In preparation for our next sustainable development strategy we are interested in your views on where the Agency should focus its efforts.

The Agency has been successful in meeting the commitments outlined in its 1997 Sustainable Development Strategy. Given that the Agency's direct impact on sustainable development within its internal operations is minimal, it can best continue its contribution to sustainable development by ensuring that departments and agencies have the necessary tools to effectively discharge their responsibilities under the Act. In that regard, the Agency has acted as a catalyst in its efforts to *lead, advocate, engage and remain relevant* to a broad range of audiences.

Perhaps the greatest achievement has been its ability to put in place a solid foundation, from which it can move forward in promoting sustainable decision making. Over the past three years, the Agency has broadened the scope of the application of the Act, developed tools to improve the monitoring, follow-up and compliance with the Act, expanded its network of regional offices, enhanced its training and guidance capabilities and worked cooperatively with a range of stakeholders on a number of fronts to promote a consistent, predictable and efficient environmental assessment process across Canada.

Over the next three years, the Agency intends to continue to work closely with federal departments to implement a coordinated, effective and consistent federal environmental assessment process. In addition to promoting high quality environmental assessment, the Agency will be increasing its awareness of sustainable development and in partnership with federal departments and agencies intends to further refine tools, training and strategies for departments and agencies responsible for implementing the Act. It aims to more closely align its strategic priorities with its sustainable development goals and develop a management system, with assigned roles and responsibilities to effectively track the goals and objectives of the sustainable development strategy. Towards that end, the next sustainable development strategy will focus on the following seven goals:

- 1. *Be recognized as a credible advocate of high-quality environmental assessment.***
- 2. *Advance the science and practice of environmental assessment.***
- 3. *Learn from experience and share results.***
- 4. *Strengthen relationships with partners and stakeholders.***
- 5. *Clarify and improve environmental assessment processes with other jurisdictions and with federal partners.***
- 6. *Improve the Agency's capacity to monitor, assess and foster compliance.***
- 7. *Address gaps in the application of the Act and other federal environmental assessment processes.***

As we determine our priorities in relation to the next sustainable development strategy and forecast our activities over the next three years, we are interested in your suggestions as to where we should focus our effort in order to *lead, advocate, engage and remain relevant* to our stakeholders.

Please send your comments to:
Diane Kaiser (diane.kaiser@ceaa.gc.ca)
200 Sacre-Coeur Blvd.
14th floor, Fontaine Building
Hull, Quebec K1A 0H3

Thank you in advance for your input in this important initiative.