

# 2005



Report of the  
**Commissioner of the  
Environment and  
Sustainable Development**  
to the House of Commons

**Chapter 7**  
**Sustainable Development Strategies**

- Government-Wide Direction
- Quality of the 2004 Strategies
- Action on Strategy Commitments
- Action on International Commitments



Office of the Auditor General of Canada

*The 2005 Report of the Commissioner of the Environment and Sustainable Development comprises eight chapters, and The Commissioner's Perspective—2005 and Main Points. The main table of contents is found at the end of this publication.*

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Chapter

# 7

## Sustainable Development Strategies

- Government-Wide Direction
- Quality of the 2004 Strategies
- Action on Strategy Commitments
- Action on International Commitments

*The audit work reported in this chapter was conducted in accordance with the legislative mandate, policies, and practices of the Office of the Auditor General of Canada. These policies and practices embrace the standards recommended by the Canadian Institute of Chartered Accountants.*

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# Sustainable Development Strategies

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## Main Points

### What we examined

Every three years, many federal departments and agencies (currently over 30) are required to submit a sustainable development strategy to Parliament. We examined whether the government gave adequate government-wide direction on preparing their 2004 strategies. We looked at the work of a committee of deputy ministers that the Privy Council Office had tasked to provide that direction and at how well selected departments have incorporated the direction into their strategies.

We assessed how well the 2004 strategies met selected expectations from the Commissioner's March 2003 *Sustainable Development Strategies—Making a Difference*, which the government had endorsed. We also assessed actions by nine departments to implement 10 commitments they had made in their 2001 and 2004 strategies (other commitments are discussed in chapters 1, 4, and 6 of this Report). And we report on the federal government's actions to implement six international commitments it made at the 2002 World Summit on Sustainable Development in Johannesburg.

### Why it's important

Sustainable development is based on the efficient and environmentally responsible use of natural, human, and economic resources. This includes sustaining our natural resources, protecting the health of Canadians and ecosystems, and improving our quality of life and well-being.

The government has said that departments' strategies are an important tool for advancing its sustainable development agenda. They set out specific commitments for departments, and Parliament can hold ministers accountable for how well their departments meet the commitments. The government has committed over the years to develop a federal sustainable development strategy that would help ensure good co-ordination among departmental strategies.

### What we found

- **Government-wide direction.** The committee of deputy ministers responsible for overseeing sustainable development strategies could not agree on priorities for the 2004 strategies, leaving departments

with little approved direction on how to co-ordinate their strategies. Nor did the committee develop the promised federal strategy; so Canadians and Parliament have no clear idea of the government's overall plan for sustainable development, how it will carry out the plan, and what progress it has made. Furthermore, for over a year there have been no significant efforts to provide direction for the next strategies, due in December 2006. During this critical time, the committee of deputy ministers ceased activities.

- **Quality of the 2004 strategies.** While the overall quality of strategies has improved somewhat since 2001, the quality of the 2004 strategies still varies widely. Every strategy has room for improvement.
- **Action on strategy commitments.** With one exception, departments have made some progress, if not satisfactory progress, toward meeting the 10 strategy commitments we looked at, many of which are only first steps toward sustainability. The exception is Transport Canada's lack of progress in identifying discharges of effluent and waste at major Canadian ports. Consequently, the discharges at the 19 Canada Port Authorities have not been determined. Depending on the quantities released, sewage effluent and other chemical discharges can negatively affect aquatic ecosystems and human health.
- **Action on international commitments.** The government still does not have an action plan for its 2002 World Summit commitments. The federal government risks not meeting three of the six commitments we examined because progress is slow in some areas and there is no information on progress in others.

**The departments have responded.** The Privy Council Office and Environment Canada have responded to our recommendations. The actions they are taking or plan to take are set out after each recommendation in the chapter.



## Introduction

**Sustainable development**—It is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It is based on the efficient and environmentally responsible use of natural, human, and economic resources. It integrates social, economic, and environmental considerations into decisions and actions. This includes sustaining our natural resources, protecting the health of Canadians and ecosystems, and improving our quality of life and well-being.

**7.1** In 1995, in its *Guide to Green Government*, the government stated that **sustainable development** was a central theme of its policy agenda. It also amended the *Auditor General Act* to require the ministers of 25 departments and agencies to table a sustainable development strategy in Parliament every three years. In 2004, in its Speech from the Throne, the government added that it would “work with its partners to build sustainable development systematically into decision making.”

**7.2** Federal departments and agencies set out a series of commitments in their sustainable development strategies, and they report on progress made against those commitments. Ministers make specific commitments on behalf of their departments and can be held accountable by Parliament for how well those commitments have been met. The Commissioner of the Environment and Sustainable Development monitors and reports on the federal government’s progress toward sustainable development, including the implementation of strategy commitments (see Action on Strategy Commitments on page 20).

### Focus of the chapter

**7.3 Government-wide direction.** Our audit objective was to determine whether the federal government provided sufficient direction to departments on the priorities for the strategies and whether the commitments made by departments and agencies in the 2004 strategies reflect these priorities. We examined the process for developing and providing direction, whether departments were able to respond to direction, and who was accountable for ensuring that strategies reflected the direction.

**7.4 Quality of the 2004 strategies.** We examined the extent to which the 2004 strategies met selected expectations set out in the Commissioner’s 2003 *Sustainable Development Strategies—Making a Difference*. This document, developed in consultation with departments, was endorsed by the deputy ministers’ Environment and Sustainable Development Coordinating Committee.

**7.5 Action on strategy commitments.** We assessed the actions of nine departments and agencies in implementing 10 commitments in their 2001 and 2004 sustainable development strategies. Chapters 1, 4, and 6 of this Report examined other strategy commitments.

### Did you know?

Departments have tabled three rounds of strategies in Parliament: **in 1997, 2001, and 2004**

The number of commitments they made  
in 1997: **2,983**  
in 2001: **2,672**  
in 2004: **2,207**

**7.6 Action on international commitments.** We assessed the actions of three departments and the Environment and Sustainable Development Coordinating Committee on six international commitments made at the 2002 World Summit on Sustainable Development in Johannesburg, South Africa.

**7.7** For more information on the audit's objectives, scope, approach, and criteria, see **About the Chapter**.

## Government-Wide Direction

**7.8** The government has said that the sustainable development strategies are an important tool for advancing its sustainable development agenda, and that it should be held fully accountable for its progress in sustainable development. Through the strategies, departments were to integrate sustainable development into their policies and programs to fit their mandate and responsibilities.

**7.9** In previous audits, we found that the strategies raise awareness of sustainable development within departments, inform stakeholders of departmental sustainable development activities, and identify areas that require more effort. However, we also found that

- strategy commitments are generally not measurable or meaningful,
- management systems that support the strategies are weak,
- leadership from senior management is often missing,
- there is too much focus on current and planned activities and not enough on long-term results, and
- performance reporting has been incomplete and inconsistent.

Achieving sustainable development is complex and difficult—strategies that specify clear roles, objectives, and action plans are essential for moving forward.

### Observations and recommendations

#### Commitments to develop a federal strategy have not been met

**7.10** By having individual departments and agencies prepare sustainable development strategies, the government has chosen a decentralized approach to advancing its sustainable development agenda. In 1999 and 2003, we called for a Government of Canada perspective on sustainable development. The government has agreed and recognized that a federal sustainable development strategy would

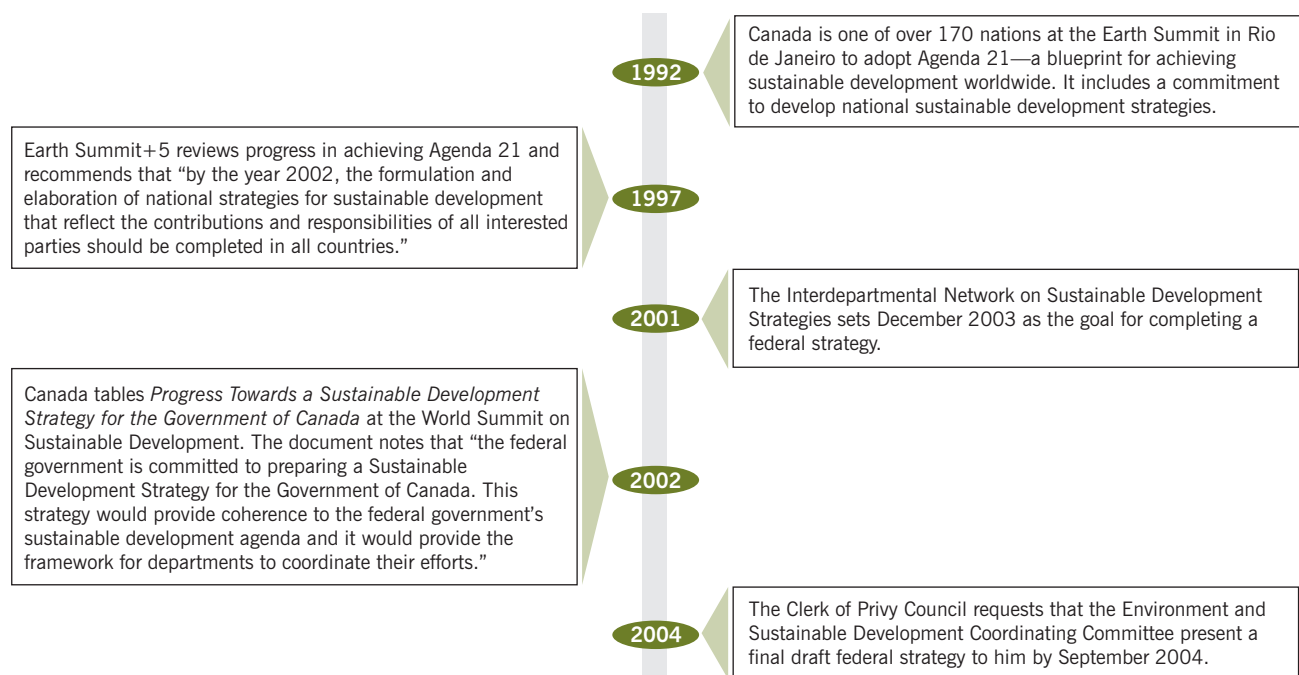
- provide a clear picture of the government's broad goals and directions,

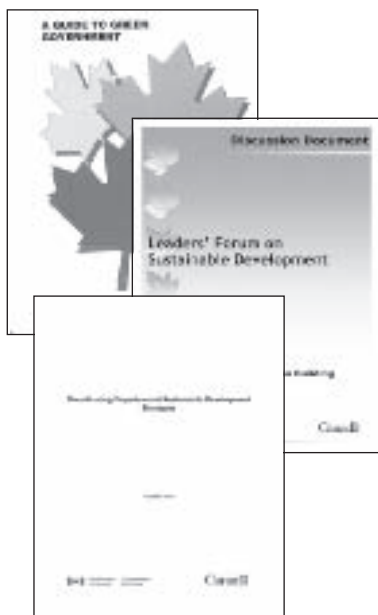
- communicate the government's sustainable development plan to Canadians and parliamentarians,
- allow reporting on Canada's environmental performance,
- allow departments to align their strategies with other departments, and
- help departments develop meaningful commitments and action plans for their strategies.

**7.11** The government has made commitments to develop a federal strategy over the years (Exhibit 7.1). Beginning in late 2001, Environment Canada led the development of a federal strategy, which was not completed. At the time of our audit, the Department had no plans to complete it.

**7.12** Many countries have a national strategy. At the Earth Summit in 1992, more than 170 countries committed to develop a national sustainable development strategy. Since then, more than 20 countries have developed some form of strategy. These can provide a model for a Canadian federal strategy (see the United Kingdom example on page 7).

**Exhibit 7.1** The government has made commitments to develop a federal strategy over the years





For the three strategies, the government has tried to set some overall priorities.

**7.13 Priorities change with each round of strategies.** Even though the government did not have a federal strategy, it has tried to set some overall priorities for the departmental strategies:

- **1997 strategies.** In 1995, the *A Guide to Green Government* set five objectives including greening government operations.
- **2001 strategies.** In 2000, the government held the Leaders' Forum on Sustainable Development, which resulted in eight themes. Some departments worked these themes into their 2001 strategies.
- **2004 strategies.** In 2003, the guidance document *Coordinating Departmental Sustainable Development Strategies* outlined another set of priorities and established elements for a common approach.

With each round of strategies, government-wide priorities have changed (Exhibit 7.2). We did not find a rationale for these changes.

**Exhibit 7.2** Government-wide priorities changed with each round of strategies

1997 strategies: <i>A Guide to Green Government</i>	2001 strategies: Leaders' Forum on Sustainable Development	2004 strategies: <i>Coordinating Departmental Sustainable Development Strategies</i>
Sustaining natural resources— sustainable jobs, communities, and industries		
Protecting the health of Canadians and of ecosystems	Sustainable development and healthy Canadians	Federal role on fresh water
Meeting international obligations	Sustainable development in the international context	Implementation of international commitments from the World Summit on Sustainable Development
Promoting equity		
Improving quality of life and well-being		
Greening government operations	Sustainable government operations	Sustainable Development in Government Operations and Federal House in Order initiatives
	Productivity through eco-efficiency	
	Knowledge and information, sustainable development indicators and reporting	
	Federal sustainable development strategy for the North	
	Sustainability at the community level	
	Social and cultural aspects of sustainable development	

### The United Kingdom: An example of a government strategy within a national sustainable development framework

In 2005, the UK Prime Minister released a revised sustainable development strategy for his government. The strategy

- set a small number of key priorities,
- required departmental action plans based on the strategy by December 2005, and
- explained how the UK was taking action on commitments from the World Summit on Sustainable Development.

The strategy was accompanied by a strategic framework—agreed to by the UK government and the devolved administrations in Scotland, Wales, and Northern Ireland—that would guide the sustainable development strategies of each. The strategy established 68 indicators on key outcomes to be reported annually, including 20 shared by the UK government and the devolved administrations.

A permanent group in the UK government's DEFRA (Department for Environment, Food and Rural Affairs), which monitors and reports on sustainable development across departments, led development of the strategy.



### Departments could not agree on priorities for the 2004 strategies

**7.14** In 2003, the deputy ministers of Environment Canada and Natural Resources Canada made a commitment to the Clerk of the Privy Council to develop guidance for the 2004 strategies. Under the initiative and leadership of the Deputy Minister of Natural Resources Canada, the Environment and Sustainable Development Coordinating Committee provided departments with a guidance document, *Coordinating Departmental Sustainable Development Strategies*. It included a draft government-wide vision on sustainable development, and three priorities for the 2004 strategies—federal role on freshwater, implementing the 2002 World Summit commitments, and greening government operations.

**7.15** We expected the three priorities to be coherent and communicated to departments at an early stage in the development of their strategies. However, there were several problems:

- The Committee did not agree on the vision or the three priorities. Departments thought work on the vision and priorities would be completed during the summer, which was not the case.
- The document only identified priorities. Departments did not receive sufficient guidance to know what was expected of them.

- The document was completed only a few months before departments were to table their strategies. Departments stated that their strategies were too far along to incorporate the guidance.

The case study on page 9 demonstrates the need for proper guidance.

### **The government faces barriers to sustainable development progress**

**7.16** The government needs to improve its government-wide direction to departments. Specifically, departments need

- Better guidance on structure and reporting
- Clear and effective governance
- Engagement from central agencies
- Stronger senior management accountability

It is important that the government provide direction soon. No significant work has been underway over the past year to develop this direction. Departments must complete their next strategies by December 2006 and need time to plan and consult with other departments and central agencies.

#### **Did you know?**

The *Auditor General Act* permits the government, through regulations, to direct how departments prepare sustainable development strategies and what information they should contain.

### **7.17 Departments need better guidance on structure and reporting.**

The *Guide to Green Government* provided general guidance to departments on the structure of the 1997 strategies. That was 10 years ago, and it has not been updated. Departments are not consistent in how they report performance and categorize commitments in their strategies—this is confusing for those who use the strategies. For example, we found that departments used 10 different terms for what the guide called “goals.” The Treasury Board Secretariat only provides limited advice in the form of guiding questions for reporting on sustainable development in departmental performance reports. Its guide for the reports on plans and priorities does not contain guidance on how to structure a strategy.

**7.18** As well, the government has not provided Parliament and Canadians with an easily accessible way to search the strategies to determine what commitments have been made on sustainable development issues (for example climate change, air quality, and freshwater).

**7.19 Clear and effective governance does not exist.** The government created the deputy minister’s Environment and Sustainable Development Coordinating Committee to ensure that departments collaborate on sustainable development, co-ordinate

sustainable development initiatives, and manage the strategies' cross-cutting issues. At the time of our audit, the committee

- had not developed a federal strategy or overseen the implementation of Canada's 2002 World Summit commitments,
- did not have a secretariat with full-time personnel, and
- had not met in over a year and had no plans to meet.

### The government's guidance for the three priorities in its 2004 strategies was inadequate

#### What we examined

We expected that central agencies and interdepartmental committees would provide guidance to departments on the three priorities identified in the government's *Coordinating Departmental Sustainable Development Strategies*:

- Federal role on fresh water
- Implementing 2002 World Summit commitments
- Greening government operations

We also expected departments to include commitments that were meaningful and contributed significantly to these three priorities.

#### What we found

Departments did not receive adequate guidance to help them incorporate the three priorities into their strategies. However, departments could have made further progress in incorporating the last two priorities—implementing 2002 World Summit commitments and greening government operations—into their strategies because they are basic to the mandate and operations of many departments.

**Federal role on fresh water.** The Environment and Sustainable Development Coordinating Committee asked the Interdepartmental Water Assistant Deputy Minister Committee to prepare a federal framework on fresh water. However, the Coordinating Committee did not approve the framework until February 2004, after the strategies were tabled in Parliament. Even then further work was needed to refine the framework. Without an approved federal direction, we could not

determine if commitments made by departments contributed to significant government-wide progress on fresh water. If fresh water remains a federal priority, departments could use the framework to develop and incorporate targets and action plans into their 2007 strategies. (Chapter 4 of this Report, on safe drinking water, provides more information on the fresh water framework).

**Implementing 2002 World Summit commitments.** The 2002 World Summit on Sustainable Development developed the Plan of Implementation, which contained over 600 commitments. In 2003, the Earth Summit 2002 Canadian Secretariat started to prepare an action plan for 46 commitments, identifying the lead department for each one. The Secretariat was disbanded and never completed its plan, which could have helped departments incorporate the commitments into their strategies. We found that only four departments incorporated Summit commitments in their strategy action plans. Without an approved federal direction, we could not determine if commitments contributed to significant government-wide progress on World Summit commitments. See Action on International Commitments on page 27 for more details on Canada's progress in meeting its international commitments.

**Greening government operations.** All departments that produce a strategy have a role in greening government operations, and their strategies could be used to advance this area. In 2000, the government provided guidance on greening government operations, which included targets and measures for the

2001 strategies. Some departments incorporated them into their strategies.

For the 2004 strategies, the government did not produce guidance for greening its operations. However, 11 of 24 departments stated in their strategies that they would develop a common framework for measuring and reporting on greening operations. While a common framework is important, we expected the government to have made further progress by this time. The three largest property managers—Public Works and Government Services Canada, Correctional Services Canada, and National Defence—have made some progress; they will report on common indicators in 2006. Also, Treasury Board Secretariat, Environment Canada, and Public Works and Government Services Canada are developing a performance management framework that will explain their current state of greening operations and provide a governance model and reporting indicators. Treasury Board Secretariat informed us that the framework and its recommendations for action will be prepared by fall 2005.

We examined the commitments made by selected departments on vehicle fleet management, real property, and green procurement (see Chapter 6 of this Report for more details on green procurement commitments). We found that some departments had made specific commitments, while others referred to action plans that they were developing. In the absence of federal direction, we could not determine if commitments made by departments contributed to significant government-wide progress on greening operations.



#### Did you know?

In 2004, after reviewing Canada's environmental performance, the Organisation for Economic Co-operation and Development recommended that the government "prepare an integrated federal sustainable development strategy (including greening of the federal budget)."

**7.20** In October 2004, the Prime Minister established the Ad Hoc Committee of Cabinet on Sustainability and the Environment to consider specific sustainable development and environment priorities, such as climate change and other items from the 2004 Speech from the Throne. A committee of deputy ministers supports the Ad Hoc Committee of Cabinet.

**7.21** During our audit, the government established the Deputy Minister Policy Committee on Environment and Sustainability to replace the deputy minister's Environment and Sustainable Development Coordinating Committee. The committee's new mandate states that they "could" play a role in providing direction for the 2007 strategies, but this role has not yet been defined. The failure to develop a sustainable development strategy for the North is an example of the difficulty departments have in collaborating when governance mechanisms are not clear or effective (see Developing a federal sustainable development strategy for the North requires clear and effective governance, page 11).

**7.22** To provide meaningful direction for the 2007 strategies and develop a federal strategy, the government will require assigned staff and resources, which could be housed in a sustainable development secretariat in a central agency or lead department.

**7.23 Engagement from the Privy Council Office and the Clerk is critical.** The Privy Council Office is responsible for policy cohesion and how the government operates. For example, on different occasions, the Clerk of the Privy Council asked the deputy ministers of Natural Resources Canada and Environment Canada, as co-chairs of the Environment and Sustainable Development Coordinating Committee, to work on a federal sustainable development strategy and provide guidance for the departmental strategies. Apart from a guidance document prepared by Natural Resources Canada, the Clerk's requests did not lead to results.

**7.24** In 2002, we recommended that the federal government develop a clear vision of what a sustainable Canada would look like in 20 years, and provide departments with guidance and direction on their 2004 strategies. At the time, the Privy Council Office said that the Environment and Sustainable Development Coordinating Committee would take on this role. Yet there is still no clear vision of what a sustainable Canada would look like, and guidance and direction is inadequate. Efforts by the Privy Council Office were not sufficient to ensure that departments were adequately responding to its requests.



### Developing a federal sustainable development strategy for the North requires clear and effective governance

During public consultations for the 1997 strategies, Northerners told the government that they wanted greater communication, coordination, and collaboration among federal departments that have northern operations. In 1999 an interdepartmental working group, led by Indian and Northern Affairs Canada and involving 20 departments, was formed. The group was to develop a sustainable development strategy for the North, which would eventually be part of a federal strategy. The strategy would integrate the objectives and actions of departments who were involved in the North and would be limited to federal mandate and jurisdiction.

In 2003, after two rounds of consultations and many interdepartmental discussions, the working group was dissolved. Their efforts did result in two documents: *Progress Toward Sustainable Development in the North* and *The Federal Sustainable Development Strategy for the North: Lessons Learned*.

The lessons-learned document identified some problem issues:

- Departments and agencies wanted their strategies to guide the northern strategy rather than have issues in the North guide their strategies.
- The working group had trouble getting enough resources.
- The turnover of working group members was disruptive.

It concluded that some departments needed to be more flexible in collaborating on a strategy for the North.

The 2004 Speech from the Throne committed the government to developing a new strategy for the North. This strategy is long overdue, and it is not clear how previous efforts will be used.

**7.25 Recommendation.** The Privy Council Office should assign the responsibility of providing sustainable development direction to departments to a specific body, and regularly monitor its progress. For the 2007 strategies, the body should develop

- a federal sustainable development strategy that involves ministers,
- guidance on structure and reporting,
- an easily accessible way to search the strategies, and
- an annual report on government-wide progress toward sustainable development.

**Privy Council Office's response.** The Privy Council Office (PCO) agrees with the recommendation for greater direction to assist departments in the development of their respective sustainable development strategies. To achieve this, the Prime Minister established the Ad Hoc Cabinet Committee on Sustainability and the Environment in October 2004, which is in turn supported by a committee of deputy ministers, as well as by PCO in its role as secretariat to the Cabinet. The Ad Hoc Committee has a clear mandate to deliver a federal sustainable development strategy that will guide the government's overall actions.

Each federal department is required under the *Auditor General Act* to develop its own sustainable development strategy, which ensures that ministers are accountable for tailoring strategies to the specific challenges of their departments. A federal sustainable development strategy, to be completed by mid 2006, will help ensure an overall federal approach to sustainable development and broad consistency of departmental goals.

**7.26 Senior management accountability needs strengthening.**

In 2001, we found that senior management support was often missing. Leadership is important if departments are to develop effective strategies that respond meaningfully to government-wide direction. Under the *Auditor General Act*, ministers are accountable for tabling their strategies in Parliament. However, the accountability of senior management is not as explicit. We examined the performance agreements of some deputy ministers and found that they do not highlight accountability for strategies as either an ongoing or key commitment.

**7.27** The Privy Council Office recognizes the importance of the performance management process in encouraging excellent performance by rewarding the achievement of results that are linked to government objectives, such as accountability for strategies.

**7.28 Recommendation.** The Privy Council Office should include in the annual performance agreements of deputy ministers the commitment to develop, implement, and monitor a sustainable development strategy that would achieve significant progress toward sustainable development. The Privy Council Office should also ensure that deputy ministers include the same provision in the annual performance agreements of assistant deputy ministers with significant sustainable development responsibilities.

**Privy Council Office's response.** Sustainable development continues to be specifically mentioned as a key objective in the performance contracts of those deputy ministers for whom sustainable development is a core element of their work. Deputy ministers are asked to translate this priority into the performance contracts of their assistant deputy ministers. More broadly, sustainable development is also considered part of the ongoing delegated responsibilities of all deputy ministers in managing their organizations, which is currently measured as part of the Performance Management Program for Deputy Ministers.

**Competitiveness and Environmental Sustainability Framework**—The framework’s central aim is to attain the highest environmental quality as a means of improving the quality of life of Canadians—enhancing the health and well-being of Canadians, preserving our natural environment, and advancing our long-term competitiveness. The framework will be a national framework developed in collaboration with the provinces and territories, industry, non-governmental organizations, Aboriginal groups, and other stakeholders. It will include shared goals and five pillars: decision making, information, science and technology, performance promotion and enforcement, and education and engagement.

### 7.29 Role of a new Environment Canada framework is unclear.

Environment Canada is developing the **Competitiveness and Environmental Sustainability Framework**. At the time of our audit, it was not clear

- what role the framework would play,
- how other departments would be involved,
- how the framework would involve departmental sustainable development strategies, and
- whether the framework would serve as a basis for the federal sustainable development strategy.

Environment Canada needs to clarify the role of the framework to avoid confusion and duplication of work on sustainable development.

**7.30 Recommendation.** Environment Canada should clearly articulate the role of the Competitiveness and Environmental Sustainability Framework, and how it will involve departmental sustainable development strategies.

**Environment Canada’s response.** Agreed. The Competitiveness and Environmental Sustainability Framework (CESF) is a Government of Canada initiative, led by Environment Canada, to address in a coherent and integrated manner the environmental and sustainability challenges facing Canadians. In November 2004, the Ad Hoc Committee of Cabinet on Sustainability and the Environment endorsed the development of a national framework on environmental sustainability under the CESF approach. The Ad Hoc Committee will also oversee its implementation. The CESF will take an integrated and comprehensive approach to a full range of sustainability challenges, linking policy with action in such areas as climate change, environmental stewardship, health and environment, and sustainable communities.

The Deputy Ministers’ Policy Committee on Environment and Sustainability, formed in the spring of 2005, has been charged with the further elaboration and implementation of a national framework on environmental sustainability, which will be implemented under the CESF approach. The Committee has also been charged with advancing federal house-in-order efforts, including the next generation of federal sustainable development strategies. Sustainable development strategies will be a key interdepartmental mechanism for implementation of the CESF, providing co-ordinated departmental delivery of the framework’s “whole of government” approach. The

CESF will enable departmental sustainable development strategies to take a more integrated and collaborative approach, based on common federal environment and sustainability priorities.

Guidance for federal departments on aligning sustainable development strategies with the CESF will be forthcoming from the Deputy Ministers' Policy Committee on Environment and Sustainability, in order to influence the preparation of the fourth round of strategies in 2006. The guidance will strengthen the sustainable development strategy process by building policy coherence across the federal environment and sustainability agenda and by strengthening accountability to Canadians through improved performance reporting.

**7.31 Lessons learned on the effectiveness of the strategies.** After auditing three rounds of strategies, we have found a number of areas for improvement (see Quality of the 2004 Strategies on page 16). The government needs to assess the impact and effectiveness of the previous strategies for achieving sustainable development before the 2007 strategies.

**7.32 Recommendation.** In order to improve the 2007 sustainable development strategies, the Privy Council Office should assign responsibility for a lessons-learned exercise on how to better use the strategies to achieve sustainable development, and act on the results.

**Privy Council Office's response.** The Privy Council Office (PCO) agrees that ongoing review and reform are key to ensuring government policies, programs, and operations are sustainable. Within this context, PCO considers the ongoing evaluation of departmental sustainable development strategies to be important.

In September 2004, the Deputy Minister of Environment Canada was asked to consider how such an exercise could be undertaken. An interdepartmental lessons-learned exercise was launched in December 2004 through the Interdepartmental Network on Sustainable Development Strategies, building on independently conducted departmental reviews, to identify best practices and key challenges.

With respect to the 2007 strategies, the Committee of Deputy Ministers on the Environment and Sustainability has been clearly mandated with advancing the next generation of federal sustainable development strategies. In this regard, the interdepartmental lessons-learned exercise will support the work of the Committee of Deputy Ministers on the Environment and Sustainability.

**Conclusion**

**7.33** The federal government has taken a unique, decentralized approach to sustainable development with its departmental strategies. However, departments must contend with changing priorities and an ineffective governance structure for overseeing sustainable development strategies. For the 2004 strategies, departments received little approved direction. By not completing a federal strategy, the government has left departments without the direction needed to co-ordinate and bring coherence to the strategies. Also, the committee of deputy ministers that was responsible for the sustainable development strategies ceased activities, leaving no one in charge.

**7.34** Departments will table their fourth strategy in December 2006, which makes this a critical time to act. If the government does not provide direction and leadership soon, departments will not have time to align their strategies with the government's plan for sustainable development and report on government-wide progress.

**7.35** Most importantly, without a federal strategy, the government runs the risk of extending the sustainable development status quo for another three years. This will leave Canadians and parliamentarians without a clear idea of the government's overall plan for sustainable development, how it will get there, and what progress it has made.

## Quality of the 2004 Strategies



A sample of 2004 sustainable development strategies

### What we expected for the strategies

**7.36** Assessing and reporting on the quality of the 2004 sustainable development strategies helps parliamentarians and Canadians understand the government's sustainable development agenda. It also will help departments and agencies improve the planning of their 2007 strategy.

**7.37** To assess the quality of the 2004 strategies, we examined the following expectations set out in the Commissioner's 2003 *Sustainable Development Strategies—Making a Difference*:

**Role and fit.** The role of the strategy and how it fits with other plans and strategies is clearly indicated.

**Vision.** A vision for sustainable development is included.

**Goals and objectives.** Goals and objectives clearly express the long-term results to be achieved.

**Linking goals and objectives with targets and actions.** Targets and actions are clearly linked to goals and objectives.

**Clear targets.** Targets are clear—they are clearly stated and understandable.

**Measurable targets.** Targets provide a deadline and a clear deliverable. We also examined whether the direction and the extent of intended change in expected results was indicated.

**Lessons learned from 2001.** Lessons learned from the 2001 strategies are included.

**Changes in 2004.** Changes between the 2001 and 2004 strategies are included.

We also looked at

**Reporting.** Do departments and agencies report annually in their performance report and in a more detailed supplementary annual progress report?

Our assessment of the quality of the 2004 strategies is presented in Exhibit 7.3.

## Observations

### Did you know?

In 2004, the number of departments and agencies required to table strategies: **25**

By December 2006, the number required to table strategies: **more than 30**

New or reorganized departments include

Canada Revenue Agency,  
Canada Border Services Agency,  
Canadian Firearms Centre,  
Human Resources and Skills Development  
Canada,  
Social Development Canada,  
International Trade Canada,  
Foreign Affairs Canada,  
Public Health Agency of Canada, and  
Public Service Human Resources Management  
Agency of Canada.

### There has been some improvement since the 2001 strategies

**7.38** We found some areas where the 2004 strategies improved since the 2001 strategies:

- Most strategies now include the department's vision for sustainable development.
- They generally describe the role and fit of the strategy relative to other departmental plans more clearly.

We also noted in the 2004 strategies the following:

- Several departments are using innovative approaches to fit their strategies with other business planning exercises.
- Several strategies set out clear responsibility within the organization for commitments made.

These are all encouraging signs because of the strategic and accountability roles that the strategies play.

### The quality of the strategies still varies widely

**7.39** In comparing the 2004 strategies against our expectations, we did not find a “gold medal” strategy—every strategy had room for improvement, in particular

- The majority of strategies contain goals and objectives that focus more on process, activities, and outputs than on long-term results.
- Less than half of the strategies meet our expectation for measurable targets with clear deliverables and deadlines. They could be improved by clearly indicating the direction and the extent of intended change in expected results.

To be able to assess progress on commitments, these issues need to be addressed.

### Departments report progress on strategy commitments regularly

**7.40** All organizations report on progress toward their strategy commitments in their performance reports. More than two thirds produce supplementary strategy progress reports.

**Exhibit 7.3** Our assessment of the quality of the 2004 strategies

Organization	Role and fit	Vision	Goals and objectives	Linking goals and objectives with targets and actions	Clear targets	Measurable targets	Lessons learned from 2001	Changes in 2004	Reporting	
									Performance report	Supplementary progress report
Agriculture and Agri-Food Canada	●	●	●	●	●	●	●	●	Yes	Yes
Atlantic Canada Opportunities Agency	○	●	●	●	●	●	●	●	Yes	No
Canada Economic Development for Quebec Regions	○	●	○	○	●	○	●	●	Yes	No
Canada Revenue Agency	●	●	●	●	●	●	●	●	Yes	Yes
Canadian Heritage	●	●	●	●	●	●	●	●	Yes	No
Canadian International Development Agency	●	●	●	●	●	●	●	●	Yes	No
Citizenship and Immigration Canada	●	○	●	●	●	●	●	●	Yes	Yes
Environment Canada	●	●	●	●	●	○	●	●	Yes	Yes
Finance Canada	●	●	○	●	●	●	●	●	Yes	Yes
Foreign Affairs Canada <sup>1</sup>	●	●	●	●	●	●	●	●	Yes	Yes
Health Canada	●	●	○	●	●	○	●	●	Yes	Yes
Human Resources Development Canada <sup>2</sup>	○	○	●	●	●	●	●	●	Yes	No
Indian and Northern Affairs Canada	●	●	○	●	●	●	●	●	Yes	Yes

● Meeting expectation ○ Meeting expectation to some degree ○ Not meeting expectation

**Notes**

<sup>1</sup> In December 2003, the Department of Foreign Affairs and International Trade began operating as two departments: Foreign Affairs Canada and International Trade Canada. The 2004 strategy was developed when the departments were one. Individual strategies will be tabled in 2006.

<sup>2</sup> In December 2003, Human Resources Development Canada became two departments: Social Development Canada and Human Resources and Skills Development Canada. The 2004 strategy was developed when the departments were one. Individual strategies will be tabled in 2006.



**Exhibit 7.3 Our assessment of the quality of the 2004 strategies (continued)**

Organization	Role and fit	Vision	Goals and objectives	Linking goals and objectives with targets and actions	Clear targets	Measurable targets	Lessons learned from 2001	Changes in 2004	Reporting	
									Performance report	Supplementary progress report
Industry Canada	●	●	●	●	●	●	●	●	Yes	Yes
Justice Canada	●	●	●	●	●	●	●	●	Yes	No
National Defence	●	●	●	●	●	●	●	●	Yes	Yes
Natural Resources Canada	●	●	●	●	●	●	●	●	Yes	Yes
Parks Canada	●	●	●	●	●	●	○	○	Yes	Yes
Public Safety and Emergency Preparedness Canada <sup>3</sup>	●	●	●	●	●	●	●	●		
Public Works and Government Services Canada	●	●	●	●	●	●	●	●	Yes	Yes
Transport Canada	●	●	○	●	●	●	●	●	Yes	Yes
Treasury Board Secretariat	●	○	○	●	●	●	●	●	Yes	Yes
Veterans Affairs Canada	●	●	●	●	●	●	●	●	Yes	Yes
Western Economic Diversification Canada	●	●	●	●	●	●	●	●	Yes	Yes

● Meeting expectation    ● Meeting expectation to some degree    ○ Not meeting expectation

**Notes**

<sup>3</sup> The 2004 strategy was prepared for the Solicitor General Canada rather than Public Safety and Emergency Preparedness Canada. This department was created in December 2003 and now includes the Solicitor General of Canada, Office of Critical Infrastructure Protection and Emergency Preparedness (formerly part of National Defence), and the National Crime Prevention Centre (formerly part of the Department of Justice Canada).

## Action on Strategy Commitments

**7.41** In our *2004 Sustainable Development Strategy*, we committed to assess a greater number of departmental strategy commitments by involving other audit teams from across the Office of the Auditor General of Canada. The teams assessed the progress made by departments and agencies in meeting 10 commitments in their 2001 and 2004 strategies (Exhibit 7.4). The commitments were chosen based on significance, audit team judgment, and availability of audit staff. The results apply only to the 10 commitments and not to an organization's overall performance. Chapters 1, 4, and 6 of this Report also assess progress on other selected departmental strategy commitments.

### Observations

#### **Most departments have made satisfactory or some progress in meeting 10 strategy commitments**

**7.42** With one exception, we found that most departments and agencies have made progress on the commitments we examined. These are important first steps that need to be continued if real progress is to be achieved.



**7.43** Our assessment of progress made by departments found the following:





- Agriculture and Agri-Food Canada has made satisfactory progress on its commitment to provide green procurement awareness training to staff.
- Canada Revenue Agency has made satisfactory progress in finalizing its environmental policy, which incorporates key environmental issues such as reducing the level of environmental risk associated with operations and implementing sound environmental practices.
- Environment Canada has made satisfactory progress in developing initiatives to improve media access to weather warnings, and thus to Canadians.
- Environment Canada has made some progress in improving Canadians' accessibility and understanding of high-impact weather warnings.
- Foreign Affairs Canada has made satisfactory progress in developing a plan to protect the health and safety of its overseas employees.

- Indian and Northern Affairs Canada has made some progress in developing a comprehensive federal community-planning strategy for First Nations.
- Industry Canada has made satisfactory progress in helping to develop an innovation strategy and action plan for how bio-products and bio-processes are used.
- National Defence has made progress in implementing training area management plans at selected sites.
- Treasury Board Secretariat has made satisfactory progress in maintaining and updating its federal contaminated sites inventory.

**7.44** However, Transport Canada has made limited progress in meeting its 2001 commitment to identify discharges of effluent and waste at major Canadian ports. Consequently, discharges at the 19 Canada Port Authorities have not been determined. Sewage effluent and other chemical discharges, depending on the quantities released, can negatively affect aquatic ecosystems and human health.

**Exhibit 7.4 Progress made by departments and agencies in meeting commitments in their 2001 and 2004 strategies**

Commitment	Progress	Comments
<b>Agriculture and Agri-Food Canada</b>		
<p>Delivery of green procurement awareness training to the integrated service managers community and all NCR Assets Management/Procurement Staff. (2004 strategy) <b>Target:</b> 2004</p>		<p><b>Context.</b> The Department has policies in place to ensure that its procurement activities are in compliance with its environmental responsibilities. It identified the need for a training program so that personnel with purchasing responsibility would be able to recognize green procurement opportunities.</p> <p><b>What we found.</b> The Department has made satisfactory progress in providing green procurement awareness training. It started training in 2003–04 with workshops but found that this was not the most effective approach. In 2004–05, the Department hired Public Works and Government Services Canada to provide a green procurement awareness course on-line. The on-line course was less expensive to administer and more flexible for staff to use. To date, green procurement awareness training has been provided to more than 120 staff. The Department plans to continue to offer this training.</p> <p>This commitment was carried over from the 2001 strategy. According to the Department, progress on this commitment was delayed because it made significant changes in its organization, including consolidating procurement activities and reviewing procurement activities and delivery models. However, the Department recommitted to achieving this commitment in its 2004 strategy.</p>
<b>Canada Revenue Agency</b>		
<p>Finalize CCRA* environmental policy. (2001 strategy) <b>Target:</b> 30 November 2001  *CCRA (Canada Customs and Revenue Agency), now the Canada Revenue Agency</p>		<p><b>Context.</b> As a large government institution, the Agency recognizes that its activities affect the environment. Its vision is to have globally recognized best practices for sustainable development.</p> <p><b>What we found.</b> The Agency’s environmental policy has been finalized. It was approved by the board of management in December 2001 and was communicated to staff through a package, which included the new policy, a presentation for management use, and frequently asked questions. The environmental policy incorporates key environmental issues such as reducing the level of environmental risk associated with operations, implementing and promoting sound environmental management practices, and improving environmental performance.</p> <p>The Agency reassessed the policy after Canada Customs was separated from the Agency in December 2003 and found that it was still relevant. The Agency plans to review the policy by 31 December 2006.</p>



 Satisfactory progress  
  Some progress  
  Limited or no progress  
  Not assessed

**Exhibit 7.4 Progress made by departments and agencies in meeting commitments in their 2001 and 2004 strategies (continued)**

Commitment	Progress	Comments
<b>Environment Canada</b>		
<p>Put proper mechanisms in place, through work with community partners, to make warning information accessible to individuals in time for them to take action.</p> <p>(2001 strategy)</p> <p><b>Target:</b> None</p>	●	<p><b>Context.</b> Canadians are vulnerable to high-impact weather events, such as the Red River flood in 1997, the ice storm in 1998, and Hurricane Juan in 2003. Environment Canada believes that improving access to weather warnings will help to ensure that Canadians can take appropriate steps to protect themselves and their businesses. The media is Environment Canada's primary partner for communicating warning information to the public.</p> <p><b>What we found.</b> Environment Canada has made progress in developing initiatives to improve media access to weather warnings, for example a Web site for weather information and weather warning protocols for radio stations. However, the Department does not know the extent to which Canadians' access to warnings or warning time has improved.</p>
<p>Improve Canadians' accessibility to, and understanding of, high-impact weather warnings.</p> <p>(2004 strategy)</p> <p><b>Target:</b> None</p>	◐	<p><b>Context.</b> This commitment builds on the Department's previous commitment to make weather warnings more accessible. In addition to developing initiatives that improve media access to warning information, this commitment focusses on improving Canadians' understanding of high-impact weather warnings.</p> <p><b>What we found.</b> The Department has not defined measurable targets. Consequently, it is unable to fully assess the extent to which the objectives of the commitment have been met. In addition, technical and policy issues, such as the need to foster voluntary participation by broadcasters, hinder progress on providing access to Canadians. However, Environment Canada is working on outreach initiatives, for example, an expansion of the Warning Preparedness Meteorologist Program, to improve how Canadians understand and react to high-impact weather.</p>
<b>Foreign Affairs Canada</b>		
<p>Develop a strategy in 2001 to address issues related to the health and welfare of employees and their families located at our missions abroad.</p> <p>(2001 strategy)</p> <p><b>Target:</b> 2001</p>	●	<p><b>Context.</b> The Department committed to developing a strategy to address the many health and safety challenges that its employees and families located at missions abroad face. For example, problems that may exist in Canada to some degree, such as air pollution, can be extreme in other countries.</p> <p><b>What we found.</b> The Department set up a committee and it developed a strategy. The committee, along with its sub-committees, was made up of representatives from the Department and other departments, such as Health Canada, Citizenship and Immigration Canada, and Canadian International Development Agency. The strategy identifies issue areas, such as pollution, and sets out recommendations with expected results, rough costs, and which branch or department will implement the recommendations.</p>




● Satisfactory progress   ◐ Some progress   ○ Limited or no progress   X Not assessed





**Exhibit 7.4 Progress made by departments and agencies in meeting commitments in their 2001 and 2004 strategies (continued)**

Commitment	Progress	Comments
<b>Indian and Northern Affairs Canada</b>		
<p>In cooperation with First Nations communities, to develop a federal comprehensive community-planning strategy.</p> <p>(2004 strategy)</p> <p><b>Target:</b> April 2005</p>		<p><b>Context.</b> The federal government's current approach to funding and supporting First Nations communities is fragmented. It involves many government programs with different eligibility criteria, funding conditions, and reporting requirements. The Department believes that comprehensive community planning can help First Nations determine their priorities and increase their self-reliance. The Department originally made this commitment in its 2001 strategy with a target date of December 2003.</p> <p><b>What we found.</b> The Department has made some progress. Over the past four years, it has created partnerships with First Nations and other departments, established pilot projects and working groups, and published a document on planning experiences in First Nations, Inuit, and Northern communities. To complete work on the federal strategy, the Department believes that it must first develop its own community-planning strategy, in co-operation with First Nations, which it plans to complete by December 2005. This strategy will be used for discussions with other federal departments. Consequently, it has revised its target date to December 2006. Given the work remaining, we feel this target date is optimistic.</p>
<b>Industry Canada</b>		
<p>Development of an innovation strategy and action plan for application of bio-products and bio-processes in support of sustainable development.</p> <p>(2001 strategy)</p> <p><b>Target:</b> None</p>		<p><b>Context.</b> Bio-products are products made from any type of organic material that is available on a renewable or recurring basis. They can include crops and trees, wood and wood wastes, and aquatic plants and grasses. An innovation strategy and action plan for bio-products is important because they can reduce the use of fossil fuels in the manufacturing and processing of many industrial products. Industry Canada considers that the document, <i>Innovation Roadmap on Bio-based Feedstocks, Fuels and Industrial Products</i>, is the strategy and action plan. The roadmap is a living process that allows industry players to work with the government and the academic sector to design their own long-term plans.</p> <p><b>What we found.</b> The strategy and action plan has been finalized, published, and distributed. The initiative was led by industry, while the Department provided services to the "roadmap secretariat," for example, facilitation, contributing to the working groups, and writing. The document has been reviewed by industry members, to whom it is addressed. The strategy provides guidance on the targets of industry and lists action items that are prioritized in the short and long term. However, we observed that the accountability for each action item has not yet been assigned, and it is not clear how a specific action item relates to a specific target. We did not examine the sufficiency or comprehensiveness of the strategy and action plan.</p>



 Satisfactory progress  
  Some progress  
  Limited or no progress  
  Not assessed




**Exhibit 7.4 Progress made by departments and agencies in meeting commitments in their 2001 and 2004 strategies (continued)**

Commitment	Progress	Comments
<b>National Defence</b>		
<p>Implement Training Area Management Plans at selected sites* by 31 March 2004.</p> <p>(2001 strategy)</p> <p><b>Target:</b> 31 March 2004</p> <p>*We selected the following sites for this audit: Gagetown, Nanoose, Petawawa, and Valcartier.</p>		<p><b>Context.</b> While military training activities can be damaging to the environment, the Canadian Forces needs to train under conditions that are as realistic as possible, and it has locations across the country for that purpose. In 2003, we reported that the Department needed to improve its environmental stewardship of the areas it uses for training and how it reports progress on strategy targets. National Defence has committed to reduce damage to the environment as a result of its training activities and make progress toward its goal of sustainable military training.</p> <p><b>What we found.</b> The Department has made progress toward this sustainable development strategy commitment. It has produced plans for managing training areas at the sites we examined. We reviewed the progress reported on improving training area environmental management and found that action is being taken to address environmental concerns. The Department has stated that it is focussing on high-priority items, but we were not able to conclude that areas addressed were the high-priority areas, which is one measure the Department uses to report progress.</p>
<b>Transport Canada</b>		
<p>Transport Canada will identify third party discharges of effluent and waste at Canadian ports by 2001/2002.</p> <p>(2001 strategy)</p> <p><b>Target:</b> 2001-02</p>		<p><b>Context.</b> It is important to reduce the impact of discharges of effluents and liquid waste to protect aquatic and terrestrial ecosystems and to prevent exposure by humans to dangerous substances. Transport Canada wanted to adopt measures to prevent discharges, prepare for such situations, and take action as necessary. The Department also wanted to adopt measures that reduce or eliminate regular discharges of effluents and waste.</p>
<p>Objective 1</p> <p>Work with the Association of Canadian Port Authorities (ACPA) to identify discharges at ports by requesting an inventory of existing environmental problems on Crown lands, by 2001/2002.</p> <p><b>Target:</b> 2001-02</p>		<p><b>Context.</b> The <i>Canada Marine Act</i> established 19 Canada Port Authorities. These ports are essential links in Canada's domestic and international trade. They operate as independent entities and manage any federal property assets within the ports (i.e., Crown land) on behalf of Transport Canada.</p> <p><b>What we found.</b> An inventory of discharges has not yet been compiled. Transport Canada has indicated that it tried to work with the Association of Canadian Port Authorities (ACPA) to obtain an inventory of the discharges in the 19 major Canadian ports. The ACPA has indicated that it does not have the necessary resources to conduct such an inventory. No further action has been taken by Transport Canada.</p>
<p>Objective 2</p> <p>Work closely with the ACPA (Environment Committee) to develop work plans, with timelines, to address environmental problems and determine the role of TC in the remediation process, by 2002/2003.</p> <p><b>Target:</b> 2002-03</p>		<p><b>Context.</b> Objective 2 was not evaluated because it requires objective 1 to be completed.</p>

 Satisfactory progress
  Some progress
  Limited or no progress
  Not assessed

**Exhibit 7.4 Progress made by departments and agencies in meeting commitments in their 2001 and 2004 strategies (continued)**

Commitment	Progress	Comments
<p>Objective 3</p> <p>Prepare an inventory of problematic sites for TC-owned ports, by reviewing existing audits and environmental baseline studies, by 2001/2002.</p> <p><b>Target:</b> 2001-02</p>		<p><b>Context.</b> Under its National Marine Policy, Transport Canada is transferring its regional/local ports to other operators. On 31 March 2002, 82 regional/local ports and 34 remote ports across Canada were still under the responsibility of the Department.</p> <p><b>What we found.</b> Transport Canada identified the discharge sites in almost all of its ports by March 2002. Information on location, ownership, and effluent type was collected.</p> <p>Based on its knowledge of the 116 ports and on the results of a detailed March 2003 study involving 5 ports, Transport Canada determined that it did not have significant discharge problems. Although this is a good initiative, this does not guarantee that ports not studied in detail are free of problem situations.</p>
<p>Objective 4</p> <p>Develop a monitoring framework for TC-owned ports that will include project identification, analysis and timelines for remediation, in 2002/2003.</p> <p><b>Target:</b> 2002-03</p>	<p>X</p>	<p><b>Context.</b> Objective 4 was not evaluated because it requires objective 3 to be completed.</p>
<p><b>Treasury Board Secretariat</b></p>		
<p>Maintain and update the federal contaminated sites inventory.</p> <p>(2001 strategy)</p> <p><b>Target:</b> Ongoing</p>		<p><b>Context.</b> Thousands of federal sites have been assessed and identified as contaminated by the federal government, tenants on its lands, and others over the last decade. If not properly managed, contamination of soil and water on federal sites can pose a significant threat to human health and the environment. The Treasury Board Secretariat believes that improving information will enhance the management of contaminated sites.</p> <p><b>What we found.</b> The Secretariat maintains and updates its federal contaminated sites inventory using internal standards for input and quality control. Since October 2002, the number of sites in the inventory has nearly doubled. Progress has been made to ensure proper updates of the inventory; however, the database is incomplete and is considered a work in progress. All suspected sites have not been assessed and are not included in the inventory. In addition, the Secretariat does not have a formal monitoring process to ensure that the inventory is updated on a timely basis. The Secretariat has told us that it is improving the inventory's systems and processes. New developments, such as senior level certification on the accuracy and completeness of information, will improve the inventory.</p>

 Satisfactory progress  
  Some progress  
  Limited or no progress  
 X Not assessed



## Action on International Commitments

**7.45** The 2002 World Summit on Sustainable Development took place in Johannesburg, South Africa, and brought together nearly 200 nations to address global sustainable development issues. The key outcome was the Johannesburg Plan of Implementation, which outlined the commitments made by nations. The Government of Canada agreed to implement its part of the Plan. We examined action on six international commitments in the areas of oceans management, biodiversity, and sustainable development strategies (see chapters 1 and 3 of this Report, and paragraphs 7.10 to 7.12 of this chapter for more information).

### Observations **The government does not have an action plan for 2002 World Summit commitments**

**7.46** Shortly after the Summit, we recommended that the federal government develop a plan to ensure that Canada's commitments were met. The government took some promising first steps. Its Earth Summit Secretariat, which co-ordinated Canada's participation in the Summit, worked with departments to identify a manageable set of federal commitments to monitor and report on. In early 2003, a draft list was prepared, containing 46 commitments selected from the over 600 in the Plan of Implementation. Lead and implementing departments were identified for each commitment.

**7.47** However, the draft list was never finalized. The Environment and Sustainable Development Coordinating Committee was responsible for overseeing the implementation of Canada's commitments.

**7.48** In the absence of a federal action plan on World Summit commitments, it was up to each department to determine its responsibilities for delivering on commitments relevant to its mandate. Only four departments—Canadian International Development Agency, Foreign Affairs Canada, Department of Finance, and Industry Canada—incorporated commitments into their strategies in a meaningful way—they linked Summit commitments to their activities. The other departments either did not clearly specify the action they would take, or did not mention the Summit at all.

**7.49** Without a federal plan, it is difficult for parliamentarians and Canadians to know what the government intends to do to meet its 2002 World Summit sustainable development commitments, and what progress it has achieved.

**7.50** Because progress is slow in some areas and there is no information on progress in others, the federal government risks not meeting three of the six commitments we examined:

**Did you know?**

The United Kingdom published a “Table of Commitments,” which sets out its World Summit priorities and the responsible departments. Its 2005 sustainable development strategy sets out the government’s international priorities for sustainable development.

- establishing a national sustainable development strategy by 2005,
- significantly reducing the rate of biodiversity loss by 2010, and
- establishing representative networks of marine protected areas by 2012.

**7.51** We have rated progress on each commitment (Exhibit 7.5 provides more details). This is challenging without a government-wide plan that would establish clear expectations for each commitment.

**Exhibit 7.5 Progress made by departments on 2002 World Summit commitments**

Commitment	Progress	Comments
<b>Sustainable development strategies</b>		
<b>Who we audited:</b> Privy Council Office and the Environment and Sustainable Development Coordinating Committee		
Formulate and elaborate national strategies and begin their implementation by 2005.	○	<p><b>Context.</b> Canada first committed to develop a national sustainable development strategy in 1992 at the Earth Summit. In 1995, it amended the <i>Auditor General Act</i> to require the ministers of 25 departments and agencies to table a sustainable development strategy in Parliament every three years, in line with this commitment. The federal government has promised to develop an overall federal strategy, although it recognizes that this would not constitute a national strategy.</p> <p><b>What we found.</b> The government has not developed a federal strategy. It will not be able to meet its commitment for a national strategy by 2005.</p> <p>For more information, see paragraphs 7.10 to 7.12 of this chapter.</p>
<b>The Canadian Biodiversity Strategy</b>		
<b>Who we audited:</b> Environment Canada		
Achieve a significant reduction in the rate of loss of biological diversity by 2010.	X	<p><b>Context.</b> Biological diversity refers to the variety of life in all its forms—the foundation for the continued existence of a healthy planet and well-being of its inhabitants.</p> <p><b>What we found.</b> While the government is working toward such reporting and reporting is taking place in various sectors, there is no overall picture of the state of biodiversity in Canada. By not knowing the state of its own biodiversity or how it is changing over time, the federal government is limited in its ability to help conserve biodiversity and use it sustainably. Consequently, the federal government cannot demonstrate it is meeting its commitment, and we are unable to rate progress.</p> <p>For more information, see Chapter 3 of this Report.</p>

● Satisfactory progress   ● Some progress   ○ Limited or no progress   X Not assessed

**Exhibit 7.5 Progress made by departments on 2002 World Summit commitments (continued)**

Commitment	Progress	Comments
<b>Oceans management</b> <b>Who we audited:</b> Fisheries and Oceans Canada		
Encourage the application, by 2010, of the ecosystem approach to the management of oceans.	◐	<p><b>What we found.</b> The Department is developing an ecosystem approach, which is a key component of its integrated management planning. It is testing some aspects of the approach.</p> <p>For more information, see Chapter 1 of this Report.</p>
Establish marine protected areas consistent with international law and based on science, including representative networks, by 2012.	◐	<p><b>Context.</b> Two other departments that we did not audit have responsibilities for marine protected areas. Parks Canada has authority to protect places that represent Canada's marine regions, and Environment Canada has authority to designate Marine Wildlife Areas to protect habitat.</p> <p><b>What we found.</b> The Department has designated 2 marine protected areas under the <i>Oceans Act</i>, and has identified 11 areas of interest as potential marine protected areas. But, we are concerned that Canada is in danger of not meeting the commitment to establish representative networks of marine protected areas by 2012 for the following reasons:</p> <ul style="list-style-type: none"> <li>• delays in developing a federal marine protected areas strategy,</li> <li>• no plan as to how the commitment will be met, and</li> <li>• uncertainties about funding.</li> </ul> <p>For more information, see Chapter 1 of this Report.</p>
Promote integrated, multidisciplinary and multisectoral coastal and ocean management at the national level.	◐	<p><b>What we found.</b> The <i>Oceans Act</i>, Canada's Oceans Strategy, and Canada's Oceans Action Plan promote an integrated management approach. However, moving from a definition of integrated management to implementing it has been difficult. The Department is leading integrated management planning initiatives in five large ocean areas.</p> <p>For more information, see Chapter 1 of this Report.</p>
Implement the work programme arising from the Jakarta Mandate on the Conservation and Sustainable Use of Marine and Coastal Biological Diversity of the Convention on Biological Diversity.	◐	<p><b>What we found.</b> The <i>Oceans Act</i>, Canada's Oceans Strategy, and Canada's Oceans Action Plan are consistent with the Jakarta Mandate. Key elements, including integrated management, ecosystem approach, and marine protected areas have been reported in the previous three commitments.</p> <p>For more information, see Chapter 1 of this Report.</p>

Satisfactory progress
  Some progress
  Limited or no progress
  X Not assessed

## About the Chapter

### Government-wide direction

**Objectives.** We looked at whether the federal government, in setting government-wide priorities for sustainable development strategies, provided sufficient direction to departments to reflect the priorities. We also looked at whether departments had reflected the priorities in their 2004 strategies commitments:

- Did central agencies and interdepartmental committees take adequate steps to ensure that departments develop strategies to reflect the government-wide priorities identified for them?
- Did the efforts made by selected departments to respond to direction on the three government priorities—federal role on fresh water, implementing 2002 World Summit commitments, and greening government operations—significantly contribute to sustainable development?

**Scope and approach.** We examined the process for developing and providing direction, whether departments were able to respond to the direction, and who was accountable for ensuring that strategies reflected the direction. We focussed on the role of two central agencies—the Privy Council Office and Treasury Board Secretariat—and interdepartmental committees, notably the Environment and Sustainable Development Coordinating Committee. We examined how six departments—Environment Canada, Foreign Affairs Canada, Health Canada, Indian and Northern Affairs Canada, Industry Canada, and Natural Resources Canada—responded to the direction.

We interviewed staff from the departments involved; assessed the quality of direction; analysed the strategies; reviewed committee mandates, meeting documentation, and performance contracts; and interviewed officials from the government of the United Kingdom on their approach to sustainable development.

**Criteria.** We expected that

- There was clear accountability for ensuring that strategies reflected the government-wide priorities and guidance.
- The government-wide priorities were coherent and communicated to departments at an early stage in the development of the strategies.
- Departments with key responsibilities for the priorities received guidance from central agencies or interdepartmental committees on interpreting and applying the priorities.
- Key departments considered the priorities when they developed their strategies.
- The strategies of the selected departments contained commitments that were meaningful and significantly contributed to sustainable development in their priority areas and mandate.

## Quality of the 2004 strategies

**Objective.** We examined the extent to which the 2004 strategies met selected expectations from the Commissioner's *Sustainable Development Strategies—Making a Difference*.

**Scope and approach.** We assessed 24 of the 28 strategies tabled in the House of Commons in 2004. Four strategies were tabled voluntarily and were excluded from our audit. Fisheries and Oceans Canada failed to meet its requirement to table a strategy. Instead, the Department tabled a progress report. In March 2005, the Department tabled its strategy. Given the delay, we did not assess its strategy.

We sent departments and agencies the results of our assessment and met with those who wanted to discuss our findings. Findings are reported by department or agency.

**Criteria.** In March 2003, the Commissioner published her expectations for the 2004 strategies in *Sustainable Development Strategies—Making a Difference*, a document endorsed by the government and developed in consultation with departments. The quality assessment of the 2004 strategies focussed on the following expectations:

**Role and fit.** The role of the strategy and how it fits with other plans and strategies is clearly indicated.

**Vision.** A vision for sustainable development is included.

**Goals and objectives.** Goals and objectives clearly express the long-term results to be achieved.

**Linking goals and objectives with targets and actions.** Targets and actions are clearly linked to goals and objectives.

**Clear targets.** Targets are clear—they are clearly stated and understandable.

**Measurable targets.** Targets provide a deadline and a clear deliverable. We also examined whether the direction and extent of intended change in expected results was indicated.

**Lessons learned from 2001.** Lessons learned from the 2001 strategies are included.

**Changes in 2004.** Changes between the 2001 and 2004 strategies are included.

Based on our assessment, we assigned one of three grades—meeting expectation, meeting expectation to some degree, and not meeting expectation. Because strategies contain many goals, objectives, and targets, a strategy may meet expectation even if not all the goals, objectives, and targets met the expectations.

We also looked at:

**Reporting.** Do departments and agencies report annually in their performance report and in a more detailed supplementary progress report?

## Action on strategy commitments

**Objective.** We assessed the action of nine departments and agencies in implementing 10 commitments in their 2001 and 2004 strategies. Chapters 1, 4, and 6 of this Report examined other strategy commitments.

**Scope and approach.** As part of our annual monitoring of strategy commitments, we evaluated the following nine organizations: Agriculture and Agri-Food Canada, Canada Revenue Agency, Environment

Canada, Foreign Affairs Canada, Indian and Northern Affairs Canada, Industry Canada, National Defence, Transport Canada, and Treasury Board Secretariat.

We looked at 10 commitments, 1 from each organization, except for Environment Canada for which we chose 2 commitments.

We are piloting this approach for this Report and will continue to use it in subsequent years. The commitments were chosen based on significance, audit team judgment, and availability of audit staff.

Audit teams from across the Office of the Auditor General conducted the work. For example, the audit team responsible for Transport Canada audited Transport Canada's commitment. We assessed each organization's response to a questionnaire and its key documents, and where required, interviewed key officials. The work was conducted to an audit level of assurance.

**Criteria.** To assess the progress made by the departments and agencies, we expected that they were

- effectively managing the implementation of their commitments; and
- meeting their commitments—they were doing what they said they would.

Based on our assessment, we assigned one of three ratings—satisfactory progress, some progress, and limited or no progress. In some cases, we were unable to assess and assign a rating.

In determining the rating, we considered the following elements:

- the requirements of the commitment,
- the complexity of the commitment,
- the time that elapsed since the commitment was made,
- whether actions have led to demonstrable results, and
- any significant changes in circumstances that have occurred since the commitment was made.

The results apply only to the 10 commitments and not to an organization's overall performance.

### **Action on international commitments**

**Objective.** We assessed the action of three departments and the Environment and Sustainable Development Coordinating Committee on six international commitments made at the 2002 World Summit on Sustainable Development in Johannesburg, South Africa.

**Scope and Approach.** As part of our assessment, we evaluated the following topics and departments:

- Oceans management—Fisheries and Oceans Canada
- Canadian Biodiversity Strategy—Environment Canada
- Sustainable development strategies—Privy Council Office and the Environment and Sustainable Development Coordinating Committee.

**Criteria.** To assess the progress made by the departments and agency, we expected that they were:

- effectively managing the implementation of their commitments; and
- meeting their commitments—they were doing what they said they would.

Based on our assessment, we assigned one of three ratings—satisfactory progress, some progress, and limited or no progress. In some cases, we were unable to assess and assign a rating.

In determining the rating, we considered the following elements:

- the requirements of the commitment,
- the complexity of the commitment,
- the time that elapsed since the commitment was made,
- whether actions have led to demonstrable results, and
- any significant changes in circumstances that have occurred since the commitment was made.

The results apply only to the commitments and not to an organization's overall performance.

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## Appendix List of recommendations

The following is a list of recommendations found in Chapter 7. The number in front of the recommendation indicates the paragraph where it appears in the chapter. The numbers in parentheses indicate the paragraphs where the topic is discussed.

Recommendation	Department's response
<p><b>Government-wide direction</b></p> <p><b>7.25</b> The Privy Council Office should assign the responsibility of providing sustainable development direction to departments to a specific body, and regularly monitor its progress. For the 2007 strategies, the body should develop</p> <ul style="list-style-type: none"> <li>• a federal sustainable development strategy that involves ministers,</li> <li>• guidance on structure and reporting,</li> <li>• an easily accessible way to search the strategies, and</li> <li>• an annual report on government-wide progress toward sustainable development. (7.16-7.24)</li> </ul>	<p>The Privy Council Office (PCO) agrees with the recommendation for greater direction to assist departments in the development of their respective sustainable development strategies. To achieve this, the Prime Minister established the Ad Hoc Cabinet Committee on Sustainability and the Environment in October 2004, which is in turn supported by a committee of deputy ministers, as well as by PCO in its role as secretariat to the Cabinet. The Ad Hoc Committee has a clear mandate to deliver a federal sustainable development strategy that will guide the government's overall actions.</p> <p>Each federal department is required under the <i>Auditor General Act</i> to develop its own sustainable development strategy, which ensures that ministers are accountable for tailoring strategies to the specific challenges of their departments. A federal sustainable development strategy, to be completed by mid 2006, will help ensure an overall federal approach to sustainable development and broad consistency of departmental goals.</p>



Recommendation	Department's response
<p><b>7.28</b> The Privy Council Office should include in the annual performance agreements of deputy ministers the commitment to develop, implement, and monitor a sustainable development strategy that would achieve significant progress toward sustainable development. The Privy Council Office should also ensure that deputy ministers include the same provision in the annual performance agreements of assistant deputy ministers with significant sustainable development responsibilities. (7.26-7.27)</p>	<p>Sustainable development continues to be specifically mentioned as a key objective in the performance contracts of those deputy ministers for whom sustainable development is a core element of their work. Deputy ministers are asked to translate this priority into the performance contracts of their assistant deputy ministers. More broadly, sustainable development is also considered part of the ongoing delegated responsibilities of all deputy ministers in managing their organizations, which is currently measured as part of the Performance Management Program for Deputy Ministers.</p>
<p><b>7.30</b> Environment Canada should clearly articulate the role of the Competitiveness and Environmental Sustainability Framework, and how it will involve departmental sustainable development strategies. (7.29)</p>	<p>Agreed. The Competitiveness and Environmental Sustainability Framework (CESF) is a Government of Canada initiative, led by Environment Canada, to address in a coherent and integrated manner the environmental and sustainability challenges facing Canadians. In November 2004, the Ad Hoc Committee of Cabinet on Sustainability and the Environment endorsed the development of a national framework on environmental sustainability under the CESF approach. The Ad Hoc Committee will also oversee its implementation. The CESF will take an integrated and comprehensive approach to a full range of sustainability challenges, linking policy with action in such areas as climate change, environmental stewardship, health and environment, and sustainable communities.</p> <p>The Deputy Ministers' Policy Committee on Environment and Sustainability, formed in the spring of 2005, has been charged with the further elaboration and implementation of a national framework on environmental sustainability, which will be implemented under the CESF approach. The Committee has also been charged with advancing federal house-in-order efforts, including the next generation of federal sustainable development strategies. Sustainable development strategies will be a key interdepartmental mechanism for implementation of the CESF, providing co-ordinated departmental delivery of the framework's "whole of government" approach. The CESF will enable departmental sustainable development strategies to take a more</p>

Recommendation	Department's response
<p>7.32 In order to improve the 2007 sustainable development strategies, the Privy Council Office should assign responsibility for a lessons-learned exercise on how to better use the strategies to achieve sustainable development, and act on the results. (7.31)</p>	<p>integrated and collaborative approach, based on common federal environment and sustainability priorities.</p> <p>Guidance for federal departments on aligning sustainable development strategies with the CESF will be forthcoming from the Deputy Ministers' Policy Committee on Environment and Sustainability, in order to influence the preparation of the fourth round of strategies in 2006. The guidance will strengthen the sustainable development strategy process by building policy coherence across the federal environment and sustainability agenda and by strengthening accountability to Canadians through improved performance reporting.</p> <p>The Privy Council Office (PCO) agrees that ongoing review and reform are key to ensuring government policies, programs, and operations are sustainable. Within this context, PCO considers the ongoing evaluation of departmental sustainable development strategies to be important.</p> <p>In September 2004, the Deputy Minister of Environment Canada was asked to consider how such an exercise could be undertaken. An interdepartmental lessons-learned exercise was launched in December 2004 through the Interdepartmental Network on Sustainable Development Strategies, building on independently conducted departmental reviews, to identify best practices and key challenges.</p> <p>With respect to the 2007 strategies, the Committee of Deputy Ministers on the Environment and Sustainability has been clearly mandated with advancing the next generation of federal sustainable development strategies. In this regard, the interdepartmental lessons-learned exercise will support the work of the Committee of Deputy Ministers on the Environment and Sustainability.</p>

# Report of the Commissioner of the Environment and Sustainable Development to the House of Commons—2005

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