

2005



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

Chapter 1
Fisheries and Oceans Canada—
Canada's Oceans Management Strategy



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.

This report is available on our Web site at www.oag-bvg.gc.ca.

For copies of this report or other Office of the Auditor General publications, contact

Office of the Auditor General of Canada
240 Sparks Street, Stop 10-1
Ottawa, Ontario
K1A 0G6

Telephone: (613) 952-0213, ext. 5000, or 1-888-761-5953 (toll-free)
Fax: (613) 943-5485
E-mail: distribution@oag-bvg.gc.ca

Ce document est également publié en français.

© Minister of Public Works and Government Services Canada 2005
Cat. No. FA1-2/2005-1E
ISBN 0-662-41312-1



Chapter

1

Fisheries and Oceans Canada

Canada's Oceans Management Strategy

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.

Table of Contents

Main Points	1
Introduction	3
Canada's oceans	3
New approaches to managing ocean activities	5
Canada's <i>Oceans Act</i> , a global benchmark	5
Canada's Oceans Strategy and Oceans Action Plan	6
Focus of the audit	6
Observations and Recommendations	7
Modern oceans management	7
A national oceans strategy	8
History of Canada's oceans legislation and policy	8
Slow to develop a national oceans strategy	9
Canada's Oceans Action Plan focusses on implementation	10
Barriers to implementation exist	10
Integrated management, marine protected areas	12
Progress on integrated management has been very slow	12
Lack of progress on a national system of marine protected areas	15
Sustainable development strategy commitments not met	20
Delivering on Canada's international oceans commitments	21
Accountability for implementation	23
Standing Committee reviewed the <i>Oceans Act</i>	23
Promise to report on state of the oceans not kept	24
Poor reporting to Parliament and the public	25
Conclusion	27
About the Audit	29
Appendices	
A. Lessons learned from international experiences	31
B. List of recommendations	33



Fisheries and Oceans Canada

Canada's Oceans Management Strategy

Main Points

What we examined

The 1996 *Oceans Act* announced the federal government's intention to take an active co-ordinating role in oceans policy and management; it established Canada's aspirations to lead in the field. The Act's purpose was to conserve and protect our oceans' environment, ecosystems, and resources while managing those resources in ways that were economically sustainable and environmentally acceptable—in short, to ensure that our oceans are clean, safe, productive, and accessible.

We examined Fisheries and Oceans Canada's actions to implement the *Oceans Act*. We looked at its progress in developing and carrying out a national oceans strategy and integrated management plans and at its efforts to establish marine protected areas.

We also examined the Department's public reporting on the results of its oceans-management activities and on the state of the oceans.

Why it's important

The government recognized in 1994 that Canada's oceans policies and practices had been short term, piecemeal, and fragmented, and this had contributed to over-exploitation of the fisheries and the degrading of the ocean environment. For example, the Atlantic groundfish industry had collapsed, and ship-generated oil waste was affecting marine bird populations on both the east and west coasts of Canada. Implementing the 1996 *Oceans Act* was supposed to turn this worsening situation around.

However, Canada's Oceans Action Plan, recently issued by the government, reports that the health and quality of the marine environment are at risk or declining. The plan notes major declines in some fish stocks, persistent introduction of pollutants and invasive species, habitat alteration and degradation, and declining biodiversity and productivity.

Canada's oceans area is an important legacy of natural capital for future generations. Over 20 percent of Canadians live in coastal communities, and our oceans are an important source of food, transportation, recreation, and natural resources for all Canadians.

The federal government has a clear responsibility to provide the careful management necessary to protect and develop Canada's vast ocean spaces and resources.

What we found

- Implementing the *Oceans Act* and subsequent oceans strategy has not been a government priority. After eight years, the promise of the *Oceans Act* is unfulfilled. Fisheries and Oceans Canada has fallen far short of meeting its commitments and targets: it has finalized no integrated management plans and has designated only two marine protected areas.
- The Department has had difficulty developing and implementing a workable and consistent approach to integrated oceans management. As a result, arrangements are not yet in place to resolve increasing conflicts among users of the oceans over access to space and resources.
- The government acknowledged in Canada's Oceans Action Plan that oceans-governance arrangements are still not up to dealing with modern-day challenges, including threats to the health of the oceans. Further, it recognized that the approach remains fragmented and exceedingly complex, lacks transparency, and focusses on solving problems as they arise. This assessment is consistent with our audit findings.
- Parliament has not been given the financial and other performance information it needs to hold the Department accountable for its *Oceans Act* responsibilities. Nor has the Department met its commitment to report periodically on the state of the oceans.
- The new oceans action plan is the government's framework for sustainably developing and managing our oceans. However, it does not address all the barriers to implementing a national oceans strategy. These include the need for strong leadership and co-ordination over the long term, adequate funding, and an accountability framework with appropriate performance measures and reporting requirements.

The Department has responded. Fisheries and Oceans Canada is in agreement with all of the audit recommendations. Its responses, which follow the recommendations in the report, indicate what actions it intends to take and when these will be completed.

Introduction

1.1 The vastness of the oceans and their historical inaccessibility gave us the sense that their abundance could not be depleted. However, our resource use has had serious negative impacts on the state of our oceans, and the effects of human activity are becoming increasingly evident. The United Nations advisory body, the Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection, issued *A Sea of Troubles* in January 2001. It warned about the worsening condition of the world's oceans.

The state of the world's seas and oceans is deteriorating. Most of the problems identified decades ago have not been resolved, and many are worsening. New threats keep emerging. The traditional uses of the seas and coasts and the benefits that humanity gets from them have been widely undermined.

1.2 The federal government has recently reported that this is also the situation in Canada.

All indicators point to the reality that the health and quality of the marine environment are at risk or declining The current approach has resulted in failing oceans health, including some declining fish stocks and increasing fluctuations of stocks, increasing numbers of marine species at risk and invasive species, marine habitat loss, and declining biodiversity.

Canada's Oceans Action Plan, May 2005

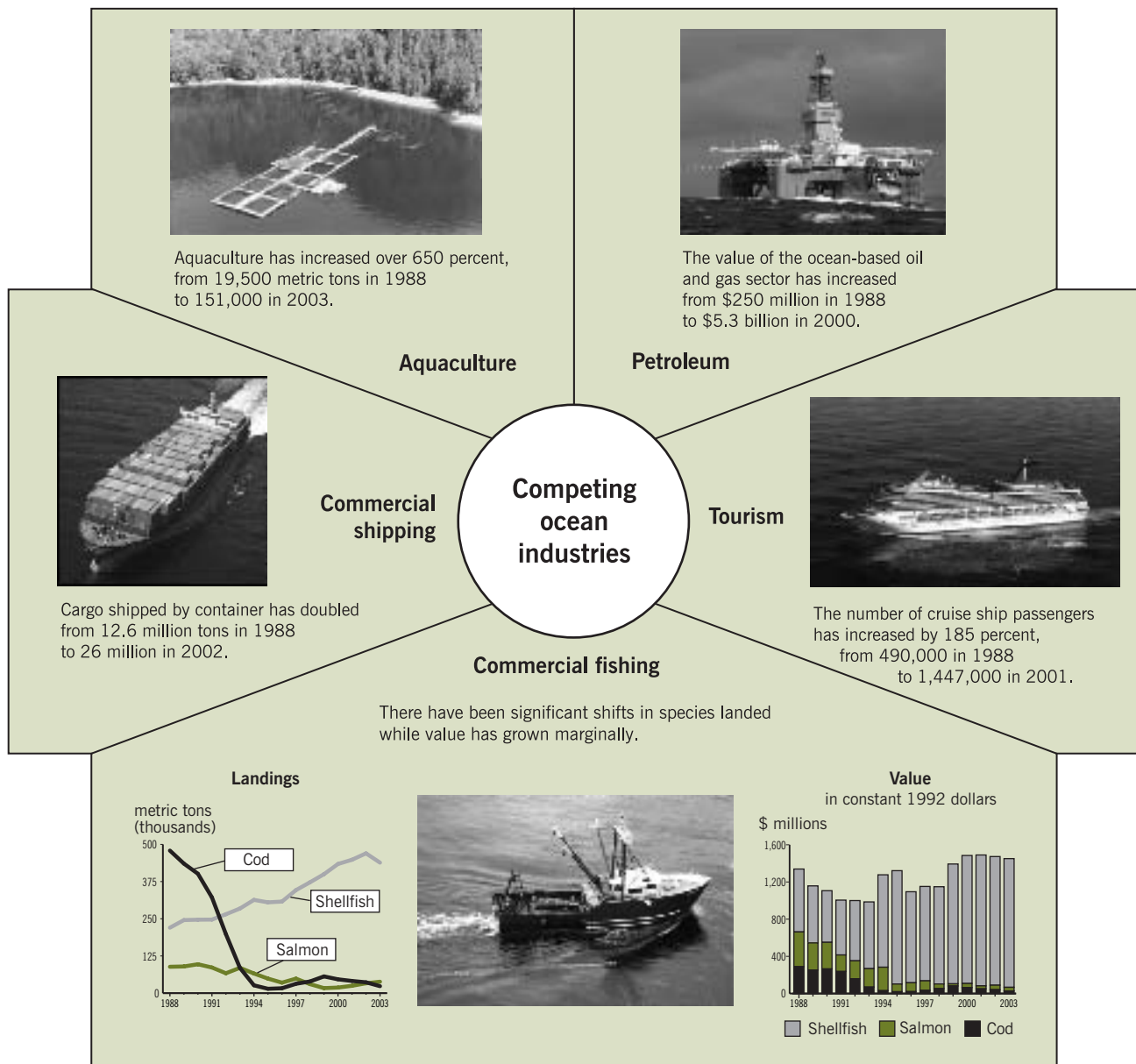
Canada's oceans

1.3 Canada is a coastal nation bordering on the Arctic, Atlantic, and Pacific oceans. It has the world's longest coastline at over 243,000 kilometres. Canada's extensive marine area of 5.87 million square kilometres—more than half of our land mass—is one of the largest in the world. Our oceans represent a large portion of Canada's natural capital and are an important legacy for future generations.

1.4 For Canadians, oceans are a source of food, transportation, recreation, and natural resources, such as oil and gas. However, people affect the oceans through land- and sea-based pollution, introduced alien species, negative coastal development, overfishing, climate change, and other practices that destroy oceans habitats. Ocean resources are viewed as the common property of all Canadians; therefore, only the government can speak on their behalf and protect them for the long-term use of Canadians.

1.5 Traditional ocean industries, such as the fishery and shipping, are now competing for access to our oceans with non-traditional industries, such as oil and gas, aquaculture, and tourism (Exhibit 1.1). These new ocean industries have enormous potential to contribute to the economies of coastal communities. Fisheries and Oceans Canada's current estimate of \$23 billion as the economic impact of ocean activities could increase substantially.

Exhibit 1.1 New and traditional industries compete for ocean space and resources



Source: Fisheries and Oceans Canada, Transport Canada, and Statistics Canada

New approaches to managing ocean activities

1.6 As the use of the oceans has grown, laws and structures for managing these activities have evolved around specific industry sectors. Management processes that allocate resources and resolve user conflicts have not responded to the complexity and interconnectedness of ocean ecosystems.

1.7 The 1992 United Nations Conference on Environment and Development adopted Agenda 21, a plan for achieving sustainable development at the global level. Chapter 17 of Agenda 21 called for new integrated management approaches to the sustainable development of the oceans.

1.8 Some examples of potential benefits from integrated oceans management include

- resolving oceans-use conflicts—where pipelines or cables are to be placed in or near traditional fishing areas, an integrated approach would identify routings that minimize the impact on the fishery;
- creating opportunities for, and enabling the potential use of ocean resources—seabed mapping can be used to identify opportunities for new or existing industries;
- limiting and mitigating the negative impacts of human use of ocean resources—shipping traffic lanes can be rerouted to avoid areas where endangered marine mammals exist; and
- identifying priorities for management and science activities—using risk assessment, limited science and management resources can be invested in high-risk or high-opportunity areas.

Canada's *Oceans Act*, a global benchmark

1.9 On 26 September 1995, the Minister of Fisheries and Oceans addressed the House of Commons on the second reading of the *Oceans Act*

For all of the excellent co-operation that went into establishing oceans jurisdictions, the truth is that Canada's policies for actual management of our oceans areas have been piecemeal, fragmented and scattered. The same spirit of partnership, co-ordination, co-operation and innovation that enabled Canada to gain authority over ocean resources must now be used to manage those resources.

The 1996 *Oceans Act* came into force 31 January 1997, making Canada the first country to have comprehensive oceans-management legislation.

Canada's Oceans Strategy and Oceans Action Plan

1.10 In July 2002, the government released Canada's Oceans Strategy, a policy framework for the protection and sustainable use of the marine environment. The government announced an oceans action plan in speeches from the Throne in February and October 2004.

1.11 No new funding was provided for implementation of the *Oceans Act*, Part II, Oceans Management Strategy (hereafter referred to as the *Oceans Act*) or Canada's Oceans Strategy. Fisheries and Oceans Canada estimates that, over the past eight years, it has redirected about \$100 million from its other operations to fund its activities in support of the Act and the Strategy. These activities included establishing an oceans organization with roughly 110 employees in Ottawa and in the Department's six regions.

Focus of the audit

1.12 The audit scope is defined by the *Oceans Act*. We examined Fisheries and Oceans Canada's role in developing and implementing a national oceans strategy, integrated management planning, and marine protected areas. In addition, we examined the actions taken on oceans commitments made by the government internationally, by the government in its response to the October 2001 Report on the *Oceans Act* from the Standing Committee on Fisheries and Oceans, and by the Department in its *2001–2003 Sustainable Development Strategy*.

1.13 We examined recent international developments on modern oceans management, including the review of approaches in several other jurisdictions, concentrating primarily on Australia. The lessons learned from this review are in Appendix A.

1.14 For more information on the objectives, scope, approach, and criteria see **About the Audit**.

Observations and Recommendations

Modern oceans management

1.15 An emerging concept. The 1996 *Oceans Act* established Canada's aspiration to be a world leader in oceans issues and provided the foundation for modern oceans management. However, the complexity of applying modern oceans-management concepts should not be underestimated. Many countries are contemplating how they will implement these concepts.

1.16 Progress in implementing the *Oceans Act*. Our audit examined three aspects of the *Oceans Act* where the Minister of Fisheries and Oceans has a leadership role:

- Lead and facilitate the development and implementation of an oceans-management strategy based on the principles of sustainable development, integrated management of ocean activities, and the precautionary approach. While the national oceans strategy has been developed, no department has been assigned lead responsibility for co-ordinating its implementation and reporting on progress. Our observations begin at paragraph 1.21.
- Lead and facilitate the development and implementation of plans for the integrated management of activities affecting Canada's oceans. Work is underway in five large ocean management areas; no plans have been finalized. Our observations begin at paragraph 1.31.
- Lead and co-ordinate the development and implementation of a national system of marine protected areas. Little progress has been made on a national system, and only two marine protected areas have been designated under the *Oceans Act*. Our observations begin at paragraph 1.41.

1.17 Canada's Oceans Strategy defines integrated management as

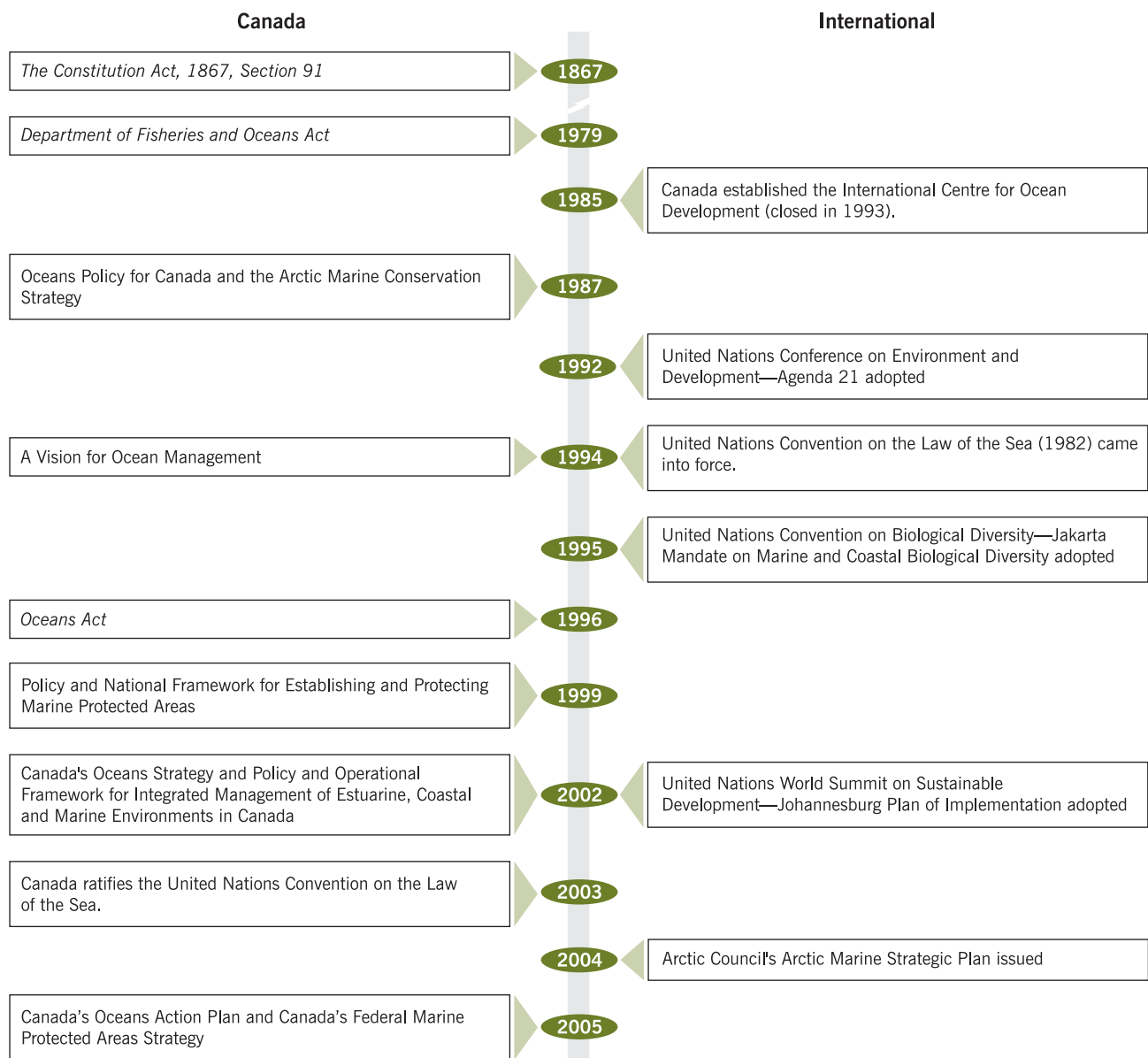
A commitment to planning and managing human activities in a comprehensive manner while considering all factors necessary for the conservation and sustainable use of marine resources and the shared use of ocean spaces.

1.18 We found that Canada has had great difficulty moving from this conceptual definition to practical implementation. We are concerned that the government has not made implementation of the *Oceans Act* a priority.

A national oceans strategy **History of Canada's oceans legislation and policy**

1.19 The responsibility of Fisheries and Oceans Canada for policy and program co-ordination of oceans was originally established by the *Department of Fisheries and Oceans Act* (1979). The Oceans Policy for Canada and the Arctic Marine Conservation Strategy, both issued in 1987, expanded the Department's responsibilities. See Exhibit 1.2 for a chronology of domestic and international oceans events.

Exhibit 1.2 Oceans management—events affecting Canada



1.20 In November 1994, the Minister of Fisheries and Oceans issued *A Vision for Ocean Management*, which highlighted the need for an oceans-management strategy and oceans legislation. Following an extensive period of consultation and parliamentary committee debate, the 1996 *Oceans Act* came into force 31 January 1997.

Slow to develop a national oceans strategy

1.21 Fisheries and Oceans Canada spent the next five years developing a national oceans strategy and in July 2002, Canada's Oceans Strategy was released as a policy of the Government of Canada.

1.22 Results to be achieved not well defined. The strategy makes the achievement of the three identified outcomes—understanding and protecting the environment, supporting sustainable economic activity, and international leadership—a shared responsibility of all departments and agencies that have oceans responsibilities. The strategy specifies 55 existing and new activities that were to be implemented over a four-year period by the approximately 20 departments and agencies involved. However, results expectations and responsible departments were not specified. Fisheries and Oceans Canada did not finalize the **accountability framework** called for by the strategy, and reporting against the strategy's outcomes has not occurred. While individual departments and agencies are responsible for reporting on their oceans-related activities, there is no consolidated reporting on the results associated with the strategy's 55 activities.

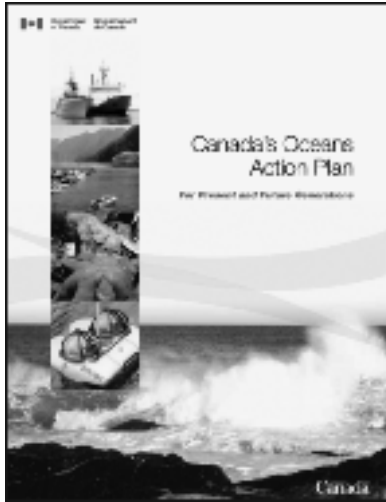
1.23 Oceans governance. The 2002 strategy called for governance arrangements to enhance co-ordinated, collaborative decision making across the federal government and with other levels of government. However, the strategy was not specific about the nature of these arrangements, nor did it provide specific responsibility for leadership on this matter.

1.24 We observed two new oceans governance arrangements. An oceans task group was created in 2001 under the Canadian Council of Fisheries and Aquaculture Ministers as a federal, provincial, and territorial forum contributing to the development and implementation of Canada's Oceans Strategy. In 2004, Canada and British Columbia signed a memorandum of understanding on implementing Canada's Oceans Strategy on the Pacific coast.

1.25 The strategy does not assign a co-ordinating and reporting responsibility to any specific department. However, we noted that the *Oceans Act* does oblige the Minister of Fisheries and Oceans to lead and facilitate the implementation of an oceans-management strategy.

Accountability framework—A blueprint for managers to plan, measure, evaluate, and report on results through the life cycle of a policy, program, or initiative.

Canada's Oceans Action Plan focusses on implementation



Canada's Oceans Action Plan was released in May 2005.

1.26 In April 2003, the Prime Minister appointed an oceans research fellow with responsibilities for promoting the implementation of Canada's Oceans Strategy. In December 2004, the government approved Canada's Oceans Action Plan in principle and, in the February 2005 Budget, provided \$28.4 million over two years for implementing Phase I of the Plan.

1.27 Interdepartmental committees for deputy ministers and assistant deputy ministers, supported by working groups, were established in 2004 to further develop and facilitate collaboration on the plan. Part of this work includes the development of an accountability framework to track and report on Phase I activities and results.

1.28 The plan, released to the public in May 2005, observed that current oceans-governance arrangements are still exceedingly complex, lack transparency, and focus on solving problems after they appear. This assessment is consistent with our audit findings.

Barriers to implementation exist

1.29 It is encouraging to see the government's intention to implement a national oceans strategy. However, we believe that barriers to effective implementation exist.

- The interdepartmental-committee process is a means for participating federal departments and agencies to influence the development of Canada's Oceans Action Plan. It is not clear that the interdepartmental committees will provide the effective governance required for successful implementation. Several such committees with similar oceans mandates have come and gone in the past. The complex nature of these issues calls for leadership, co-ordination, and collaboration, which are difficult for interdepartmental committees alone to provide over the long term.
- The role of Fisheries and Oceans Canada in the implementation of Canada's Oceans Strategy and Canada's Oceans Action Plan has become unclear. The Minister of Fisheries and Oceans has a leadership mandate under the *Oceans Act*. Is the Department, through its Oceans Directorate, properly structured to play this leadership role? Can a department that has historically dedicated most of its resources to managing one of the key ocean-sector industries—the fishery—transform itself to represent and integrate a broader oceans interest? These are difficult questions that must be answered.

- The Department's other major legislation, the *Fisheries Act*, calls for the Minister of Fisheries and Oceans to take an active and direct role in managing this sector. This is quite different from the integrating and collaborative approach of the *Oceans Act*. The Department agrees that these, at times, competing roles are difficult to manage successfully but believes that it is possible to do so.
- The government has established short-term outputs for Canada's Oceans Action Plan, but performance expectations have yet to be established. An accountability framework is in development that will establish the roles and responsibilities of all participating departments and agencies and the means for results to be measured, evaluated, and reported.
- Adequate funding is necessary to achieve results, and the February 2005 Budget is the initial step to address this requirement. However, the current commitments that Fisheries and Oceans Canada made were based on plans that anticipated a higher-level of funding.

Horizontal initiative—One in which partners from two or more organizations have agreed under a formal funding agreement to work toward achieving shared outcomes.

1.30 Recommendation. Fisheries and Oceans Canada should, through its Treasury Board submission on the Oceans Action Plan Phase I, have Canada's Oceans Action Plan recognized and managed as a government **horizontal initiative**. Consistent with the *Oceans Act*, Fisheries and Oceans Canada, in collaboration with participating departments, should lead and facilitate the development and implementation of action plan initiatives. Working with the Treasury Board Secretariat, the Department should also co-ordinate the reporting of results achieved.

Fisheries and Oceans Canada's response. Oceans are inherently complex, technically in the interconnectedness of ecosystems and relationally in managing across jurisdictions. Phase I of the Oceans Action Plan (OAP) represents the first commitment of funds across the government that aligns with the horizontal nature of oceans issues.

The governance structure includes deputy minister- and assistant deputy minister-level committees with representatives from almost 20 federal organizations with oceans responsibilities. A national implementation committee and regional implementation committees will be established by the end of 2005. Through the Oceans Action Plan Secretariat, Fisheries and Oceans Canada will co-ordinate the work of these implementation committees and support the deputy minister and assistant deputy minister committees.

Led and facilitated by Fisheries and Oceans Canada, the seven funded departments and agencies under Phase I of the OAP developed a Treasury Board submission proposing 18 initiatives over a two-year period. They are now working together to implement these initiatives.

Fisheries and Oceans Canada, working closely with the Treasury Board Secretariat, will co-ordinate the development of the Expanded Oceans Information Framework by spring 2006. The framework will measure and report on the progress and results of the 18 initiatives. The framework will contribute to the scoping and planning of Phase II of the OAP by fall 2006.

Fisheries and Oceans Canada has led the development of an interdepartmental results-based management and accountability framework with the co-operation of its Phase I partners and the Treasury Board Secretariat. The OAP results information will be reported in Fisheries and Oceans Canada's annual report on plans and priorities (spring) and performance report (fall).

Integrated management, marine protected areas

Progress on integrated management has been very slow

1.31 By most measures, the progress that Fisheries and Oceans Canada has made to develop plans for the integrated management of coastal and ocean areas has been very slow. The Department's 2001–2003 *Sustainable Development Strategy* planned to have three integrated management plans in place by 2002. The 2005–2006 Strategy and the 2005–2010 Strategic Plan state that the Department will have five plans in place by the end of 2007. To date, there are no plans in place, although one draft plan exists.

1.32 We examined three of the five integrated management planning processes, one from each ocean, where the Department is now focussing its efforts and funding (Exhibit 1.3). The three were

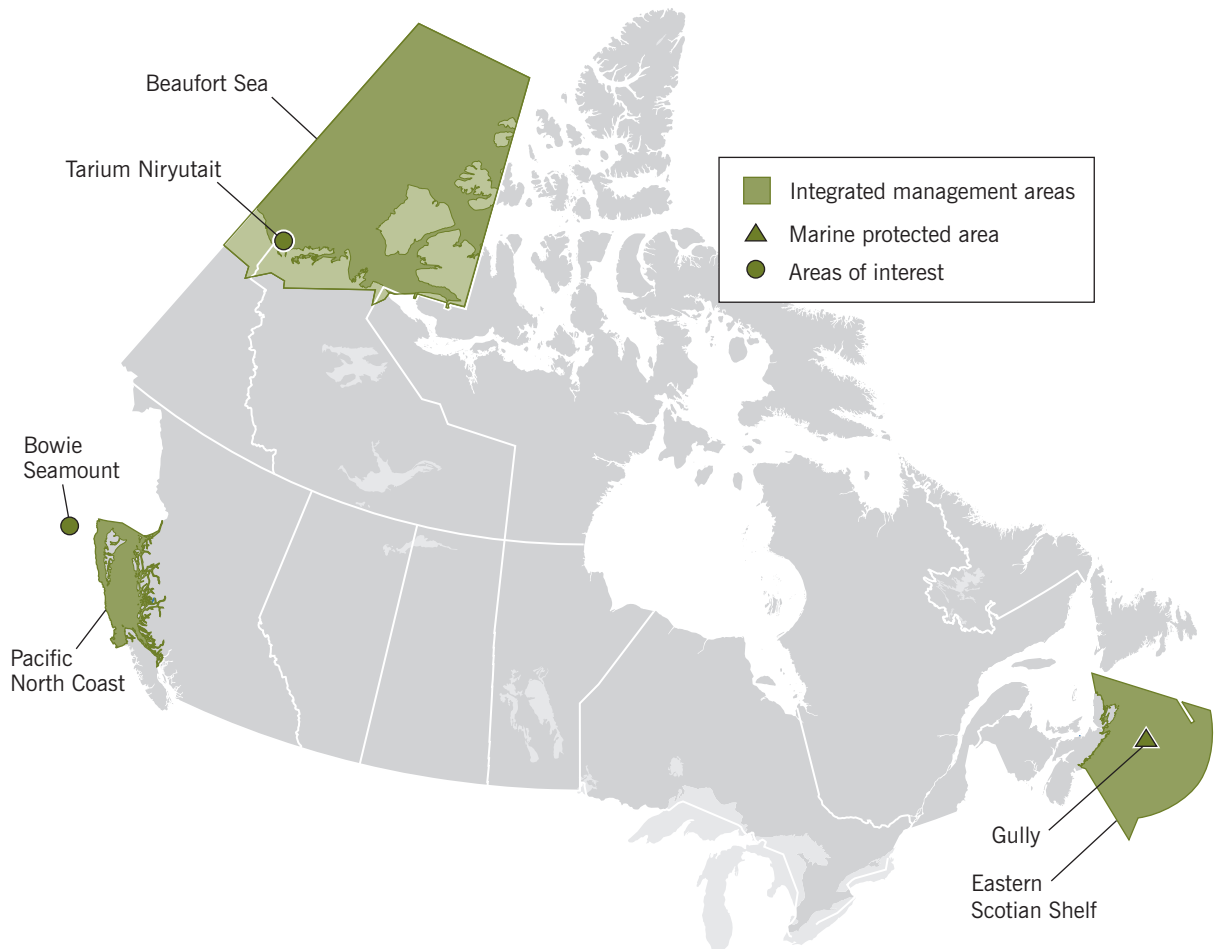
- the Eastern Scotian Shelf Integrated Management Initiative (Eastern Scotian Shelf, Atlantic Ocean);
- the Beaufort Sea Integrated Management Planning Initiative (Beaufort Sea, Arctic Ocean); and
- the Pacific North Coast Integrated Management Area (Pacific North Coast, Pacific Ocean).

Exhibit 1.4 shows our assessment of the progress that the Department has made in the three areas that we examined, using the six stages in the Policy and Operational Framework for Integrated Management of Estuarine, Coastal and Marine Environments in Canada as criteria.

1.33 Since 1997, the Department has supported many integrated management projects in all three oceans, taking a pilot-based approach with the intention of using lessons learned to develop guidance on integrated management planning. The Department has informed us that the early stages of these projects have yielded positive results, such as promoting stewardship, building local capacity, building relationships, and implementing specific conservation measures. In the two integrated management planning processes for the Eastern Scotian Shelf and the Pacific North Coast, we have reported on certain benefits that we observed (see our case studies on page 18).

1.34 Although some early results have been achieved, overall progress has been slow. Of the three planning processes that we examined, only the Eastern Scotian Shelf has progressed in a meaningful manner.

Exhibit 1.3 Integrated management areas, marine protected areas, and areas of interest that we looked at



Source: Fisheries and Ocean Canada

1.35 We found that the lack of operational guidance on the Department's overall approach to integrated management planning affected its ability to deliver on earlier optimistic commitments. We are concerned that until this guidance is finalized, the Department's ability to meet its commitments will continue to be affected.

1.36 Need for national guidance. Given the complex and innovative nature of integrated management planning, clear guidance is important for effective implementation. The Policy and Operational Framework for Integrated Management of Estuarine, Coastal and Marine Environments in Canada, issued in 2002, provided conceptual guidance on the approach. The Department recognized that more detailed operational guidance was also required.

1.37 Integrated management planning incorporates an ecosystem-based approach, and the Department's Oceans Directorate and its Science Sector have been working jointly to develop an ecosystem-based management framework over the last five years. Guidance is being developed for preparing ecological overviews, including identifying ecologically sensitive areas, and developing

Exhibit 1.4 Progress in implementing three integrated management planning initiatives

Criteria	Eastern Scotian Shelf	Beaufort Sea	Pacific North Coast	Comments
Define and assess an area.				Eastern Scotian Shelf—the area is being redefined to full Scotian Shelf. Beaufort Sea—the area has recently been defined. Pacific North Coast—the area has recently been redefined, and the assessment has begun.
Engage affected interests.				Eastern Scotian Shelf—extensive consultations have been conducted. Beaufort Sea—engagement mostly for the purpose of establishing a marine protected area. Pacific North Coast—consultations with specific groups are ongoing.
Develop an integrated management plan.				Eastern Scotian Shelf—a draft plan has been developed, and consultations are ongoing.
Endorse the plan.				No plans exist.
Implement the plan.				No plans exist.
Monitor, evaluate, report, and revise the plan.				No progress.

Satisfactory progress Some progress Limited or no progress

ecosystem objectives and marine environmental quality objectives. The guidance that exists is being tested in the Eastern Scotian Shelf initiative. Completion and approval of a comprehensive ecosystem-based management framework and supporting guidance would be a major advance.

1.38 Canada's Oceans Strategy also emphasizes social and economic development opportunities arising from our ocean resources. However, the Department has not developed guidance on how socio-economic factors are to be incorporated into the integrated management planning process.

1.39 The development of the Department's integrated management planning approach has been supported through a series of workshops and meetings by the Oceans Directorate and Science Sector staff. The status of conclusions reached at these meetings is often unclear—that is, whether the results are to be incorporated into the integrated management planning process and how this would be done.

1.40 Consultation. For the most part, the Department has been proactive and diligent in engaging stakeholders and communities. This engagement is important to achieve participation and buy in for integrated management planning and the plans and decisions that arise from that process. However, it is difficult to achieve full and meaningful involvement of stakeholders and communities until they are provided with a draft plan for their area. The Eastern Scotian Shelf draft plan was released for public comment in June 2005.

Lack of progress on a national system of marine protected areas

1.41 Marine protected areas (MPAs) are seen internationally and in Canada as one of the primary means for marine biodiversity and habitat to be protected. However, restrictions on the use of ocean resources in protected areas can raise concerns with stakeholders. Under the *Oceans Act*, the Minister of Fisheries and Oceans is to lead and co-ordinate the development and implementation of a national system of MPAs.

1.42 There are two other federal organizations with responsibilities for marine protected areas. The 2002 *Canada National Marine Conservation Areas Act* clarified Parks Canada's authority to protect places representative of Canada's marine heritage as marine conservation areas. Environment Canada's Canadian Wildlife Service has the authority to designate national wildlife areas, marine wildlife



Canada's Federal Marine Protected Areas Strategy was released in June 2005.

areas, and migratory bird sanctuaries with a focus on protecting marine migratory birds and species at risk.

1.43 Each organization is considering proposals to establish protected areas under its respective legislation, and Fisheries and Oceans Canada has recently designated two MPAs under the *Oceans Act*. The Canadian Wildlife Service manages 69 national wildlife areas and migratory bird sanctuaries with marine components that protect 31,000 square kilometres of marine habitat.

1.44 Development of a national strategy. In 1998, the government published *Working Together for Marine Protected Areas—A National Approach*. The next year, the Department issued the Marine Protected Areas Policy and the National Framework for Establishing and Managing Marine Protected Areas. In 2002, in Canada's Oceans Strategy, the government committed to develop a strategy for a national network of MPAs.

1.45 In June 2005, the government released Canada's Federal Marine Protected Areas Strategy. The three federal organizations involved had recognized that communication and collaboration between them have not always been consistent and tended to evolve opportunistically. The strategy is also a key deliverable of Canada's Oceans Action Plan and represents the first step to getting the federal house in order.

1.46 Designating *Oceans Act* marine protected areas. Marine protected areas can be designated under the *Oceans Act* for the purposes of conserving and protecting commercial and non-commercial fishery resources, endangered and threatened species and their habitats, unique habitats, and areas of high biodiversity or biological productivity.

1.47 Between 1998 and 2000, Fisheries and Oceans Canada identified 13 areas of interest as potential MPAs. Fisheries and Oceans Canada's 2001–2003 *Sustainable Development Strategy* made a commitment to have five MPAs in place by the end of 2002. That commitment was not met. Since then the Department designated Endeavour Hot Vents (2003) and Gully (2004) as marine protected areas.

1.48 The Department's 2005–2006 *Sustainable Development Strategy* makes no specific commitment about MPAs. However, the Department's 2005–2010 Strategic Plan targets the designation of up to five MPAs by March 2008, and up to four more by March 2010. The Oceans Directorate has recently requested the scientific information necessary to identify potential MPAs through an integrated management planning process. In March 2005, the Science Sector

published criteria for identifying ecologically and biologically sensitive areas and is now organizing itself to provide the ecosystem science necessary to support this type of planning.

1.49 Of the two existing MPAs and eleven areas of interest, we selected one from each ocean for examination (see Exhibit 1.3). The case studies selected were the Gully Marine Protected Area, the Bowie Seamount area of interest, and the Tarium Niryutait area of interest. Our findings are presented on pages 19 and 20. Exhibit 1.5 shows our assessment of the Department's progress toward designating the three cases MPAs. We used the six stages in the Department's National Framework for Establishing and Managing Marine Protected Areas as criteria.

1.50 For the three cases examined, we found that the evaluation process took five to seven years. At this rate, it will take many years to put in place a national system of marine protected areas. The length of time being taken to designate MPAs brings into question whether the Department's commitments and targets can be met.

Exhibit 1.5 Progress in designating three marine protected areas

Criteria	Gully Marine Protected Area	Tarium Niryutait area of interest	Bowie Seamount area of interest	Comments
Identify area of interest.	○	○	○	None were initially identified through integrated management planning.
Screen area of interest.	●	●	○	Bowie Seamount—concerns exist about the lack of interim measures to protect the biodiversity of sablefish stocks.
Evaluate and recommend area of interest.	●	○	○	Tarium Niryutait—evaluation did not establish whether protection from two key environmental risks would be provided. Bowie Seamount—assessment work is not complete.
Develop management plan.	●	●	○	Gully—a plan is being prepared for discussion with stakeholders. Tarium Niryutait—a plan is being finalized after discussion with stakeholders. Bowie Seamount—planning process ended in 2003 and is only now starting again.
Designate marine protected area.	●	○	○	Tarium Niryutait—a draft regulatory intent document has been prepared for discussion with stakeholders.
Manage marine protected area.	●	○	○	Gully—a management plan is being developed, monitoring and enforcement are being conducted.

● Satisfactory progress ○ Some progress ○ Limited or no progress

Case studies—Integrated management areas

The Eastern Scotian Shelf Integrated Management Initiative (Eastern Scotian Shelf)

Background. The Eastern Scotian Shelf area is about 325,000 square kilometers in size. It is situated south-east of Nova Scotia and focusses on activities beyond 12 nautical miles from shore. It was announced in December 1998.

Development of an integrated management approach. Before the issuance of the 2002 Policy and Operational Framework for Integrated Management of Estuarine, Coastal and Marine Environments in Canada, the Department's Maritime Region focussed its efforts on establishing an oceans office and defining the process to be undertaken.

The Region carried out activities necessary to gain an understanding of the existing oceans-related governance structures, ecosystems, and human uses of the area.

The Eastern Scotian Shelf is a multi-stakeholder, collaborative, planning process with the aim to develop and implement an integrated oceans-management plan. Extensive consultations have been carried out with

stakeholders and at the federal and provincial levels of government. The intention is to have the plan accepted by all stakeholders, endorsed by legislative and regulatory authorities, and approved by the Minister of Fisheries and Oceans under the *Oceans Act*.

Development of a draft management plan. In February 2005, the Department released the draft Eastern Scotian Shelf Management Plan (2006–11) for input from stakeholders. The draft plan sets out a detailed process for future oceans planning and management. Ecosystem and human-use objectives have been identified through the collaborative planning approach, and operational objectives are being reviewed by stakeholders. It is yet to be determined whether stakeholders and the federal and provincial governments will accept the Eastern Scotian Shelf approach to integrated management planning.

Benefits from the planning process. The Eastern Scotian Shelf has provided an opportunity for stakeholders representing different interests to meet. The Eastern Scotian Shelf consultations



Source: Fisheries and Oceans Canada

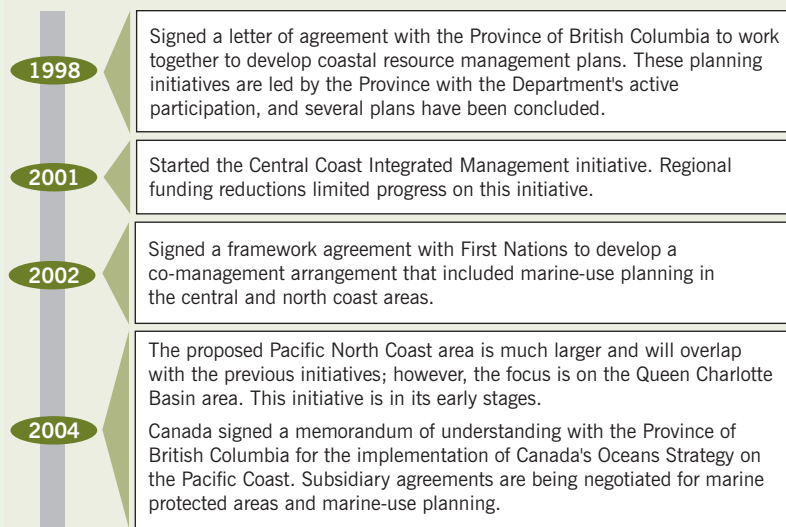
identified concerns about deep sea corals. A working group on the Eastern Scotian Shelf Initiative assisted the Department in developing a draft Coral Conservation Plan in February 2005. Also, the working group played a role in the Department protecting, through fisheries regulations, the Lophelia Coral Conservation Area. The Gully Marine Protected Area also provides protection to the deep sea corals within its boundaries.

Pacific North Coast Integrated Management Area

Background. The Pacific North Coast Integrated Management Area (Pacific North Coast) is 88,000 square kilometres stretching from the northwest coast of Vancouver Island to the Canada-Alaska border. The Department's Pacific Coast integrated management efforts have explored different approaches over time, in different coastal areas.

Concern. Stakeholders are being engaged, but the overall slow progress raises concern about the timely achievement of intended results, that is, improved planning and decision making that incorporates ecosystem considerations.

Key integrated management initiatives since 1998



Case studies—Marine protected areas and areas of interest

Gully Marine Protected Area

Background. The Gully is the largest submarine canyon in the western North Atlantic and is located approximately 200 kilometers off the coast of Nova Scotia, near Sable Island. The Gully has long been the focus of conservation interest, largely due to the presence of endangered northern bottlenose whales and the Gully's unique habitat. Concerns about the Gully increased with oil and gas exploration and production in the surrounding area. Given its depth and the relative inaccessibility to human use, the Department had acquired little knowledge about the Gully.

Designating the Marine Protected Area (MPA). Beginning in 1999, Fisheries and Oceans Canada undertook a three-year assessment of the environmental and human-use factors affecting the proposed Gully MPA. The Department conducted a science review, including seabed mapping, which revealed more about the uniqueness of the Gully habitat, including identifying the highest known diversity of deep sea coral species in Atlantic Canada. The Department's assessment recommended designation of the Gully as an MPA.



Photographing an endangered northern bottlenose whale in the Gully

Source: Fisheries and Oceans Canada

The Department proposed boundaries for the Gully to include:

- Zone 1—a no-activity area,
- Zone 2—a fishing-only area with some restrictions, and
- Zone 3—an area where fishing is allowed with fewer restrictions and other activities are allowed with permission.

The Department also added a clause in the regulation stating that no one will carry out an activity in the vicinity of, or in an area adjacent to, the Gully that will negatively impact the Gully.

The Gully Marine Protected Area Regulations came into force in May 2004.

Need for a management plan. The Department is now finalizing the management plan for the Gully MPA. The plan will include the MPA's goals and objectives, how they will be reached, and how success will be measured. According to the Department, the Gully management plan will address conservation and management strategies and provide stakeholders with greater certainty about the conduct of activities within and in the areas adjacent to the MPA.

Bowie Seamount area of interest

Background. The Bowie Seamount is located 180 kilometres west of Queen Charlotte Island. It is an inactive volcano that ranges in depth from 25 to 3,100 meters below the sea surface. Seamounts are often associated with areas of high productivity and have been recognized internationally as needing protection.

In December 1998, Bowie Seamount was identified as an area of interest to be designated as a marine protected area. It was selected due to its high biodiversity and unique habitat.

Department's initial assessment. The Department's 1999 initial ecosystem assessment of the area of interest noted the threat of overfishing to resident sablefish stocks. It noted the uncertainties associated with the health of the Bowie Seamount sablefish stocks

and the impact of the fishery on these stocks. The Department's policies provide for interim measures to protect the resources and habitat of an area of interest should they appear to be threatened.

No interim protective measures. Despite the initial assessment and ongoing concerns about the Bowie Seamount sablefish stocks, interim protective measures have not been put in place.

Concern. The Department may not be acting in a precautionary manner by failing to implement interim protective measures for Bowie Seamount sablefish stocks and is only now identifying the information needed to determine the risks to the Bowie Seamount sablefish stocks arising from the fishery. Seven

years after its identification as an area of interest, Bowie Seamount is not receiving the protection possible through designation as a marine protected area.



Source: Fisheries and Oceans Canada

Case studies—Marine protected areas and areas of interest

Tarium Niryutait area of interest

Background. The Report of the Mackenzie Valley Pipeline Inquiry recognized the need to protect beluga whales and their summer habitat in and around the Mackenzie Delta as early as 1977. The Department established the Beaufort Sea Integrated Management Planning Initiative in 2000. Its planning forum decided that the designation of a marine protected area (MPA), Tarium Niryutait, was the highest priority.

Planning accomplishments. Our review of the proposed MPA showed that the Department had done the following:

- established a planning forum that included the Inuvialuit and respected existing co-management arrangements;

- captured traditional knowledge that was used in the planning process, including how it will be used for monitoring purposes; and
- proposed regulatory protection for the beluga whales and their summer habitat that had previously been protected through guidelines.

Planning issue. The Department's evaluation did not establish whether the proposed MPA would protect the beluga whales and their habitat from two key environmental quality issues, oil and gas development in the adjacent area and potential changes in the amount and quality of water in the Mackenzie River drainage area.



Source: Fisheries and Oceans Canada

Concern. We are concerned that, five years after the Beaufort Initiative began, the Department's evaluation of two key environmental risks did not conclude whether designating an MPA would achieve the desired protection for belugas.



A pod of beluga whales swims near Tarium Niryutait in the Beaufort Sea.

Source: Fisheries and Oceans Canada

Sustainable development strategy commitments not met

1.51 The 2001–2003 *Sustainable Development Strategy*, tabled in February 2001, contained five specific oceans commitments; we assessed the progress Fisheries and Oceans Canada has made in meeting these oceans commitments. In Exhibit 1.6, we present the commitment progress made up to the end of 2002, the target date, with further assessment of the status in 2005.

1.52 The Department fully met only one of its five commitments—establishing the Minister's Advisory Council on Oceans. Subsequently, however, the term for the council was not renewed. There is now no national forum where stakeholders can have input into Canada's Oceans Strategy.

1.53 With respect to the 2001–2003 Strategy, we found that the Department had not prepared plans in support of its oceans commitments.

1.54 The Department issued its 2005–2006 Strategy in March 2005. The new oceans commitments are as follows:

- a national strategy for, and designation of, marine protected areas;
- ecosystem overview reports completed for five high-priority large ocean-management areas by the end of 2006;

- integrated management plans in place for five high-priority large ocean-management areas by 2007; and
- collaborative arrangements with the provinces and territories by 2006.

Delivering on Canada’s international oceans commitments

1.55 Canada has made a number of oceans-related commitments in recent years (see Exhibit 1.2, which includes a chronology of international oceans events). We found that the oceans commitments made through the 2002 World Summit on Sustainable Development, for the most part, encapsulated those made by Canada in other international agreements. Therefore, we examined whether the Department was delivering on the World Summit commitments on oceans management (see Exhibit 1.7 for the specific World Summit commitments that we examined and what we found).

Exhibit 1.6 Progress in meeting sustainable development strategy commitments

Commitment	Progress 2002	Progress 2005	Comments
Develop and implement integrated management plans and complete demonstration projects in three coastal regions: Eastern Scotian Shelf, Western Arctic*, and Gulf of St. Lawrence. Target. Three plans by end 2002			The Department is now focussing on five large ocean-management areas. Three of these are still in the early stages of development. The Eastern Scotian Shelf initiative is at the draft management plan stage.
Establish Minister’s Advisory Council on Oceans. Target. None specified			The Minister’s Advisory Council was not renewed when its term expired.
Develop an operational framework for incorporating ecosystem considerations within oceans management. Target. End 2002			The Department is still developing key elements of its ecosystem-based management framework.
Develop and implement a national system of marine protected areas including designation of five marine protected areas (MPAs). Target. Five by end 2002			Canada’s Federal Marine Protected Areas Strategy was released in June 2005. Two MPAs have been designated under the <i>Oceans Act</i> .
Establish marine environmental quality guidelines, objectives, and criteria. Target. None specified			Guidelines for preparing ecosystem objectives have been developed. Seismic regulations are being developed.

* The Western Arctic project is now called the Beaufort Sea Integrated Management Planning Initiative.





Satisfactory progress Some progress Limited or no progress




1.56 The government's 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. Fisheries and Oceans Canada reviewed its oceans responsibilities and determined that its ongoing policies and activities were well aligned to meet the oceans commitments made at the World Summit. However, the Department does not monitor its progress against specific commitments and has not reported publicly on its progress.

1.57 Recommendation. Fisheries and Oceans Canada should

- finalize and implement its operational guidance for integrated management planning, including marine protected areas, in the five priority ocean areas; and

Exhibit 1.7 Progress in meeting 2002 World Summit commitments on oceans management

Commitment	Progress	Comments
Encourage the application, by 2010, of the ecosystem approach to the management of oceans.		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.
Establish marine protected areas consistent with international law and based on science, including representative networks by 2012.		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: <ul style="list-style-type: none"> • delays in developing a federal marine protected areas strategy, • no plan for how the commitment will be met, and • uncertainties about funding.
Promote integrated, multidisciplinary and multisectoral coastal and oceans management at the national level.		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.
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.		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.

 Satisfactory progress  Some progress  Limited or no progress

- plan and manage its resources to ensure that the oceans commitments and targets in the annual report on plans and priorities, the 2005–2006 *Sustainable Development Strategy*, and the 2005–2010 Strategic Plan will be met. This should also include oceans commitments specific to the Department that were made at the 2002 World Summit on Sustainable Development.

Fisheries and Oceans Canada's response. Fisheries and Oceans Canada is implementing operational guidance and supporting documentation in each of the five priority large ocean management areas. Structures are in place to support processes and provide the necessary guidance so that the development of the Oceans Action Plan (OAP) Phase I deliverables can proceed and evolve, with the involvement of partners and stakeholders.

Service level agreements between the Assistant Deputy Minister, Oceans and each region responsible for OAP Phase I deliverables are the basis by which semi-annual and annual progress against commitment and targets in line with the funding received will be monitored.

Commitments will be reported to Parliament annually through the report on plans and priorities and performance report using the Department's new program activity architecture, which for the first time, breaks out budget and performance information for oceans. In addition, reporting on commitments will be guided by the OAP Phase I results-based management accountability framework with a formative evaluation to be completed in 2006.

Accountability for implementation

Standing Committee reviewed the *Oceans Act*

1.58 The *Oceans Act* stipulated that the Standing Committee on Fisheries and Oceans review the administration of the Act within three years after it came into force. The Standing Committee reported in October 2001 and concluded that the Act was fundamentally sound. It observed that certain principles and programs had not been fully implemented and made 12 oceans recommendations. The government responded to the Standing Committee report in March 2002. The response stated that implementation of the *Oceans Act* would be measured through an accountability framework, and that this performance would be reported through the Department's annual performance report and sustainable development strategy, both of which are tabled in Parliament.

1.59 Fisheries and Oceans Canada has yet to finalize and implement an accountability framework although one was drafted in 2002 and subsequently updated during 2004. The proposed performance measurement strategy and the measurement and evaluation schedule have not been implemented. As a result, performance indicators are not in place, and annual performance reporting is not taking place.

1.60 The government agreed with the Standing Committee's recommendation to prepare a state-of-the-oceans report to document the health of Canada's oceans resources. The response said that a periodic report to highlight the state of the oceans would be developed to include information on the health of our oceans ecosystems, oceans communities, and related oceans industries and would be prepared every three to five years.

Promise to report on state of the oceans not kept

1.61 In addition to the Committee recommendation, the National Round Table on the Environment and the Economy recommended in its 2003 *Securing Canada's Natural Capital: A Vision for Nature Conservation in the 21st Century* report that Fisheries and Oceans Canada take the lead in producing a state-of-the-oceans report for Canada every five years. The report noted that consolidated information from a variety of sources in a regular national report on ocean trends would give decision makers, at all levels, much needed information about whether the health of the country's marine ecosystems is improving or declining.

1.62 A July 2002 Fisheries and Oceans Canada discussion document on state-of-the-oceans reporting indicated that such reporting would be a mechanism to follow the results of Canada's Oceans Strategy to see how well the government lived up to its responsibilities under the *Oceans Act*. The proposed national state-of-the-oceans report was to keep the public informed, not just on the health of the oceans, but also on how we are managing marine resources, fostering sustainable oceans industries, engaging coastal communities, protecting species-at-risk and biodiversity, and resolving potential conflicts.

1.63 We found that Fisheries and Oceans Canada has not provided Parliament and the public with the promised information on the state of Canada's oceans. The Department does produce state-of-the-oceans regional reports that are available to the public, but these scientific reports only describe the physical, chemical, and biological oceanographic state of the marine environment. Eight years after the *Oceans Act* came into force, it remains difficult to assess the condition

Did you know?

Australia has a legislative requirement that state-of-the-environment reports be prepared every five years. The 2001 report included information on coasts and oceans.

of our oceans ecosystems, communities, and industries. The Department has not set a date for producing a first national state-of-the-oceans report.

Poor reporting to Parliament and the public

1.64 Reporting to Parliament. We reviewed Fisheries and Oceans Canada's annual report on plans and priorities and performance report for the past five years. We found that the Department's reporting on *Oceans Act* responsibilities to Parliament has been generally poor. The annual reports on plans and priorities contained few plans for oceans activities and no related performance expectations and targets. The annual performance reports presented very little performance information. It was also difficult to follow the spending for oceans activities, and the presentation of oceans activity information was inconsistent from year to year.

1.65 We found some improvement in the *2003–04 Performance Report*, and more progress was noted in the *2005–06 Report on Plans and Priorities*. It presented information in accordance with the new program activity architecture with budgets, plans, and expected results for integrated management; marine protected areas; and other sub-activities. With this new structure and information, there is now an opportunity for further improvement in the performance reporting of oceans management activities.

1.66 Other public reporting. One of the Standing Committee on Fisheries and Oceans' recommendations was that Fisheries and Oceans Canada publish, in a proactive manner to the public, information on suggested marine protected area sites through its Oceans Program Activity Tracking Web site, as well as other media. The March 2002 government response to the Standing Committee agreed. The oceans tracking system was described as an efficient, user-friendly approach to information sharing that provided geographic information and facts on activities under the Department's oceans programs and was an important tool in the implementation of *Oceans Act* programs and policies, including marine protected areas.

1.67 We found that much of the information on the oceans tracking system had not been updated for more than two years. Some of it is now out of date and misleading.

1.68 Recommendation. Fisheries and Oceans Canada should

- finalize and implement an accountability framework for its oceans management activities;

- provide sufficient relevant and reliable financial and other performance information in its annual report on plans and priorities and annual performance report to allow Parliament to hold the Department to account for its oceans-management activities; and
- improve communications to the public, including periodic information on the state of the oceans.

Fisheries and Oceans Canada's response. A results-based management and accountability framework for Canada's Oceans Action Plan (OAP) Phase I is complete but, due to its two-year timeframe, it focusses on outputs not outcomes. A formative evaluation of the OAP will take place in 2006. Longer-term outcomes to achieve healthy oceans will be developed over time, and the framework will be revised as necessary for future phases of the OAP in 2006 and beyond.

The new program activity architecture introduced in 2005 will provide transparent financial reporting of oceans activities. In addition, management tools for tracking OAP resources will be developed by fall 2005.

Fisheries and Oceans Canada will identify tools for effective communication of oceans programming and elaborate products to implement Canada's Oceans Action Plan Phase I communications strategy (fall 2005 through April 2007). The Department will lead proactive communication of OAP deliverables, including working with other federal organizations, as well as provinces and territories, aboriginal organizations, and stakeholders. There will be a series of ministerial announcements beginning in May 2005.

Annual state-of-the-oceans regional science reports will provide the baseline for understanding oceans and ecosystems. Fisheries and Oceans Canada recognizes the value of broader and national level reports; however, given resource limitations, the focus in Phase I will be on knowledge development and communication in the targeted context of the development of integrated management plans in priority areas. Ecosystem overviews and the identification of sensitive areas will be completed for each of the five priority large ocean management areas by 2007.

Conclusion

1.69 We concluded that Fisheries and Oceans Canada has made some progress on the three audit objectives that follow:

- Is meeting its responsibilities as set out in the *Oceans Act*, Part II, Oceans Management Strategy
- Is meeting national and international oceans commitments
- Has implemented oceans-management recommendations of the Standing Committee on Fisheries and Oceans from its review of the administration of the Act

1.70 The Department has made less progress on our fourth objective: Has appropriately measured and reported the performance and results of its oceans-management activities.

1.71 Canada aspires to be a world leader in modern approaches to oceans management. The 1996 *Oceans Act* and the 2002 Canada's Oceans Strategy established heightened expectations for action. Eight years after the passage of the Act, only modest progress has been made, and expectations have not been met.

1.72 The government and Fisheries and Oceans Canada have not established the governance and accountability frameworks necessary for effective implementation of the *Oceans Act* and Canada's Oceans Strategy. The 1996 *Oceans Act* was not supported by a complete program structure, results were not defined, and implementation funding was not provided.

1.73 The Department is developing operational guidance on the ecosystem elements of integrated management planning. But little progress has been made on developing the socio-economic elements. There is no assurance that the new guidance will be available to be used in the five large ocean-management areas where the Department is now focussing its efforts.

1.74 Fisheries and Oceans Canada's development and implementation of integrated management and marine protected areas have lacked focus and fallen far short of meeting commitments and targets. These commitments were contained in the 2001–2003 *Sustainable Development Strategy* and in the government response to the report of the Standing Committee on Fisheries and Oceans.

1.75 The Department's 2005–2010 Strategic Plan contains targets for five integrated management plans by March 2008 and up to nine marine protected areas by March 2010. These may be more realistic than previous commitments. However, Canada's international commitment to create a representative network of marine protected areas by 2012 will be difficult to achieve. The immediate challenge for Fisheries and Oceans Canada is to narrow the gap between its commitments and the results it delivers.

1.76 Parliament has not been provided with the financial and other performance information necessary to hold the Department to account for the implementation of the Act and Canada's Oceans Strategy. This lack of accountability may have contributed to the slow progress that has been made.

1.77 Fisheries and Oceans Canada has not communicated a clear and compelling oceans story to develop parliamentary and public support for its activities. The Department has not delivered promised reporting on the state of the oceans and has not kept information on its Web site up to date. Opportunities to build momentum for upcoming challenges are being missed.

1.78 Fisheries and Oceans Canada should address existing barriers and move forward with the implementation of Canada's Oceans Action Plan. Unless good progress is made, the Department and the government risk criticism and loss of credibility both at home and abroad.

About the Audit

Objectives

Our audit objectives were to determine whether Fisheries and Oceans Canada

- is meeting its responsibilities as set out in the *Oceans Act*, Part II, Oceans Management Strategy,
- is meeting its national and Canada's international oceans commitments,
- has implemented oceans-management recommendations of the Standing Committee on Fisheries and Oceans from its review of the administration of the Act, and
- has appropriately measured and reported the performance and results of its oceans-management activities.

Scope and approach

The *Oceans Act* establishes Fisheries and Oceans Canada's lead role in oceans management. The audit examined the progress made in implementing the *Oceans Act*, specifically the Department's role in the development and implementation of a national oceans strategy and integrated management plans. We examined integrated management plans and marine protected areas, in light of the specific requirements set out in the Act, and commitments made in the government response to the Standing Committee report.

Criteria

We expected that the Department would do the following:

- Have clear plans and results expectations—including reasonable timetables, deadlines, and costs—for its responsibilities under the *Oceans Act*, Part II, Oceans Management Strategy; its responsibilities related to oceans management in Canada's Oceans Strategy; its oceans commitments in its Sustainable Development Strategy; and Canada's international oceans commitments for which the Department has responsibility, in particular, the World Summit on Sustainable Development commitments.
- Lead and facilitate the development and implementation of a national oceans strategy, based on the ecosystem approach and the principles of sustainable development, integrated management, and the precautionary approach.
- Lead and facilitate the development and implementation of policy and plans for the integrated management of Canada's oceans, including a national system of marine protected areas.
- Have reliable and timely information on the key environmental, social, economic, and institutional risks associated with the oceans and their use; and use this information in setting priorities and allocating resources for its integrated oceans-management, science, monitoring, and enforcement activities.

- Implement, as appropriate and in a reasonable time, the oceans-management recommendations made by the Standing Committee on Fisheries and Oceans.
- Measure, report, and account for its performance and the results achieved from its oceans-management responsibilities and commitments; and provide this information to management and Parliament on a timely basis.

Audit team

Principal: Bill Rafuse

Director: Kevin Potter

Hélène Charest

Glenn Doucette

Don MacNeill

Sandy Manels

Ryan Young

For information, please contact Communications at (613) 995-3708 or 1-888-761-5953 (toll-free).

Appendix A Lessons learned from international experiences

The following are lessons learned from our review of modern oceans-management approaches being applied in several jurisdictions. We concentrated most of our effort on the Australian experience because of similarities with Canada. As well, Australia is viewed as the world leader in the development and implementation of a modern oceans-management approach.

Building a strong foundation

1. **Political leadership**—A recurring theme is that significant progress in oceans management can potentially be achieved under the leadership of committed and influential political leaders.
2. **Legislative framework**—Although specific oceans legislation may not be required, other legislation that supports the envisaged oceans-management approach should already be in place. In Canada we have the *Oceans Act*; in Australia the major components of oceans environmental protection are brought together under the *Environment Protection and Biodiversity Conservation Act*.
3. **Clarity of vision**—There needs to be a focus on what is to be achieved and how. What are the specific outcomes expected from the policy? Is the approach to use the “best intentions” of the parties, or does it involve formal commitments?
4. **Clarity of policy**—There should be movement toward policy specificity. Those involved in delivery of the policy must know where they fit and what is expected at specific stages. The oceans policy vision should be stated publicly.
5. **Machinery of government**—There is no one model that captures where oceans policy should rest within government. However, it should be located where it can have influence across government and be independent from industry sectors and interest groups. Advisory bodies and senior officials’ boards can provide strength, visibility, and formality to enhance the potential for successful implementation.
6. **Accountability framework**—The approach should clearly set out what is to be achieved, how it will be achieved, the resources to be engaged, and the delegation of responsibility. The means of measurement, evaluation, and reporting should be known.
7. **Cultural change**—There is a fundamental expectation that sector industries and government departments will behave differently; that is, they should make decisions that consider the impact on other oceans resource users and the health of the oceans.

Delivering on expectations

8. **Implementation plan**—A plan to guide the implementation of an oceans policy is necessary. The plan should incorporate objectives, goals, resource requirements, and timeframes. It should be realistic and achievable.
9. **Risk-based approach**—Oceans management is fraught with scientific and management uncertainty. Risk management approaches are necessary to guide where management and scientific resources and effort are best engaged and to what extent.
10. **Best available science**—The extent of knowledge that is available will vary from area to area. Knowledge can rest in different institutions and with stakeholders. Mechanisms must be developed to ensure that the best available knowledge, including traditional knowledge, is incorporated into the approach.

- 11. Consultation/partnership/engagement**—The involvement of communities and stakeholders is vital, but it must be meaningful. Those engaged must understand what the process is designed to achieve and what their role should be. Consultation processes should be open, transparent, and inclusive. Industry sector-based consultation also has a role in gathering specific information.
- 12. Spatial selection**—Selection of the planning or management area is important. If possible, the area should reflect how the ecosystem functions, while taking into account how social and economic interests relate to it. The appropriate spatial scale for ecosystem planning will often require the inclusion of areas that cross multiple jurisdictions. For example, estuarial, coastal zone, and offshore ocean areas can be interconnected from an ecosystem perspective, but management can be complex due to jurisdictional issues.
- 13. Engagement of sector-based departments**—Sector-based (for example, fisheries, oil and gas, shipping) departments are not likely to be replaced under modern oceans-management approaches. They hold significant experience and knowledge about specific industries and their stakeholders. They should be drawn into the development and ownership of the oceans policy and the ongoing implementation if the policy is to succeed. Processes to achieve this engagement have to be meaningful without requiring inordinate amounts of time.

Learning from doing

- 14. Adaptive learning**—As integrated oceans-management approaches are just being developed, government must adapt and change as it finds out what works and what does not. However, adaptation must be done within an overall agreed approach and should be, as much as possible, informed and information-based. This requires ongoing monitoring and lessons-learned processes.
- 15. Public reporting**—Public reporting should be a part of the accountability framework. State-of-the-oceans reporting should provide a periodic (for example, five to ten years) assessment of the health of ocean ecosystems, communities, and industries that decision makers and the public can use.
- 16. Review/reflection**—Periodic reviews of the oceans policy and its implementation can be beneficial. For example, the 2002 independent review of the Australian policy played a role in recent changes and improvements in the implementation of the policy.
- 17. Public education and engagement**—Taking ownership of the oceans policy and the need to inspire stewardship by communities, citizens, and stakeholders is paramount to its success.
- 18. Demonstrable benefits**—To gain the involvement of stakeholders, governments, and others there should be demonstrable benefits. For example, we observed that visual communication of information (for example, oceans-use information displayed on multi-dimensional, sea-bed maps) is useful to begin the engagement of government departments and stakeholders.
- 19. Conception to maturity takes time**—The best example is the Great Barrier Reef ecosystem in Australian waters, managed by the Australian Great Barrier Reef Marine Park Authority, which has developed a mature plan for the integrated management of this large coastal/ocean area. It has taken over 30 years to reach this point.

Appendix B List of recommendations

The following is a list of recommendations found in Chapter 1. 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>A national oceans strategy</p> <p>1.30 Fisheries and Oceans Canada should, through its Treasury Board submission on the Oceans Action Plan Phase I, have Canada's Oceans Action Plan recognized and managed as a government horizontal initiative. Consistent with the <i>Oceans Act</i>, Fisheries and Oceans Canada, in collaboration with participating departments, should lead and facilitate the development and implementation of action plan initiatives. Working with the Treasury Board Secretariat, the Department should also co-ordinate the reporting of results achieved. (1.19–1.29)</p>	<p>Oceans are inherently complex, technically in the interconnectedness of ecosystems and relationally in managing across jurisdictions. Phase I of the Oceans Action Plan (OAP) represents the first commitment of funds across the government that aligns with the horizontal nature of oceans issues.</p> <p>The governance structure includes deputy minister- and assistant deputy minister-level committees with representatives from almost 20 federal organizations with oceans responsibilities. A national implementation committee and regional implementation committees will be established by the end of 2005. Through the Oceans Action Plan Secretariat, Fisheries and Oceans Canada will co-ordinate the work of these implementation committees and support the deputy minister and assistant deputy minister committees.</p> <p>Led and facilitated by Fisheries and Oceans Canada, the seven funded departments and agencies under Phase I of the OAP developed a Treasury Board submission proposing 18 initiatives over a two-year period. They are now working together to implement these initiatives.</p> <p>Fisheries and Oceans Canada, working closely with the Treasury Board Secretariat, will co-ordinate the development of the Expanded Oceans Information Framework by spring 2006. The framework will measure and report on the progress and results of the 18 initiatives. The framework will contribute to the scoping and planning of Phase II of the OAP by fall 2006.</p> <p>Fisheries and Oceans Canada has led the development of an interdepartmental results-based management and accountability framework with the co-operation of its Phase I partners and the Treasury Board Secretariat. The OAP results information will be reported in Fisheries and Oceans Canada's annual report on plans and priorities (spring) and performance report (fall).</p>

Recommendation	Department's response
Integrated management, marine protected areas	
<p>1.57 Fisheries and Oceans Canada should</p> <ul style="list-style-type: none"> • finalize and implement its operational guidance for integrated management planning, including marine protected areas, in the five priority ocean areas; and • plan and manage its resources to ensure that the oceans commitments and targets in the annual report on plans and priorities, the 2005–2006 <i>Sustainable Development Strategy</i>, and the 2005–2010 Strategic Plan will be met. This should also include oceans commitments specific to the Department that were made at the 2002 World Summit on Sustainable Development. <p>(1.31–1.56)</p> 	<p>Fisheries and Oceans Canada is implementing operational guidance and supporting documentation in each of the five priority large ocean management areas. Structures are in place to support processes and provide the necessary guidance so that the development of the Oceans Action Plan (OAP) Phase I deliverables can proceed and evolve, with the involvement of partners and stakeholders.</p> <p>Service level agreements between the Assistant Deputy Minister, Oceans and each region responsible for OAP Phase I deliverables are the basis by which semi-annual and annual progress against commitment and targets in line with the funding received will be monitored.</p> <p>Commitments will be reported to Parliament annually through the report on plans and priorities and performance report using the Department's new program activity architecture, which for the first time, breaks out budget and performance information for oceans. In addition, reporting on commitments will be guided by the OAP Phase I results-based management accountability framework with a formative evaluation to be completed in 2006.</p>

Recommendation	Department's response
<p>Accountability for implementation</p> <p>1.68 Fisheries and Oceans Canada should</p> <ul style="list-style-type: none"> • finalize and implement an accountability framework for its oceans management activities; • provide sufficient relevant and reliable financial and other performance information in its annual report on plans and priorities and annual performance report to allow Parliament to hold the Department to account for its oceans-management activities; and • improve communications to the public, including periodic information on the state of the oceans. <p>(1.58–1.67)</p>	<p>A results-based management and accountability framework for Canada's Oceans Action Plan (OAP) Phase I is complete but, due to its two-year timeframe, it focusses on outputs not outcomes. A formative evaluation of the OAP will take place in 2006. Longer-term outcomes to achieve healthy oceans will be developed over time, and the framework will be revised as necessary for future phases of the OAP in 2006 and beyond.</p> <p>The new program activity architecture introduced in 2005 will provide transparent financial reporting of oceans activities. In addition, management tools for tracking OAP resources will be developed by fall 2005.</p> <p>Fisheries and Oceans Canada will identify tools for effective communication of oceans programming and elaborate products to implement Canada's Oceans Action Plan Phase I communications strategy (fall 2005 through April 2007). The Department will lead proactive communication of OAP deliverables, including working with other federal organizations, as well as provinces and territories, aboriginal organizations, and stakeholders. There will be a series of ministerial announcements beginning in May 2005.</p> <p>Annual state-of-the-oceans regional science reports will provide the baseline for understanding oceans and ecosystems. Fisheries and Oceans Canada recognizes the value of broader and national level reports; however, given resource limitations, the focus in Phase I will be on knowledge development and communication in the targeted context of the development of integrated management plans in priority areas. Ecosystem overviews and the identification of sensitive areas will be completed for each of the five priority large ocean management areas by 2007.</p>

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

Main Table of Contents

The Commissioner's Perspective—2005

- Chapter 1** Fisheries and Oceans Canada—Canada's Oceans Management Strategy
- Chapter 2** Ecological Integrity in Canada's National Parks
- Chapter 3** Canadian Biodiversity Strategy: A Follow-Up Audit
- Chapter 4** Safety of Drinking Water: Federal Responsibilities
- Chapter 5** Drinking Water in First Nations Communities
- Chapter 6** Green Procurement
- Chapter 7** Sustainable Development Strategies
- Chapter 8** Environmental Petitions

