

Chapter 7

**Co-operation Between Federal,
Provincial and Territorial
Governments**

Table of Contents

	Page
Main Points	7-5
Introduction	7-7
Focus of the study	7-7
Observations	7-7
Forums for Co-operation Between Federal, Provincial and Territorial Governments	7-7
Conditions for Successful Co-operation Agreements	7-9
Eastern Canada Acid Rain Program	7-11
Canada-Wide Acid Rain Strategy for Post-2000	7-13
National Forest Strategy	7-13
North American Waterfowl Management Plan	7-15
A Statement of Commitment to Complete Canada's Networks of Protected Areas	7-17
Greenhouse Gas Emission Reduction Trading Pilot	7-20
Conclusion	7-22
About the Study	7-23
Exhibits	
7.1 Federal-Provincial-Territorial Issues and the Environment: Our Observations in Previous Reports	7-8
7.2 Intergovernmental Co-operation: Linkages to Our Case Studies	7-10
7.3 Targets for Eastern Canada and Provinces to Reduce Sulphur Dioxide (SO ₂) Emissions	7-11
7.4 North American Waterfowl Management Plan: A Four-Tiered Structure	7-18
7.5 Prairie Habitat Joint Venture: Reporting Against Targets	7-19
Appendix	
Environment and Sustainable Development: Areas of Shared Jurisdiction	7-24



Co-operation Between Federal, Provincial and Territorial Governments

Main Points

7.1 The shared nature of environmental jurisdiction requires close co-operation between federal, provincial and territorial governments. Successful co-operation agreements depend on a mix of subjective and objective considerations. The case studies in this chapter demonstrate the importance of relationships where partners build and maintain trust between them. They show that leadership and commitment from all parties involved are essential as well as public and political support. Finally, they confirm that partners need the discipline to follow all the necessary steps during the life cycle of an agreement. The key to a successful co-operation agreement is meeting all or most of these conditions.

7.2 Before entering into an agreement, prospective partners need to be convinced that the issue is important and that a partnership is likely to be the best way of dealing with it. They need to recognize their respective jurisdictions and take into account the ability of their potential partners to deliver desired results. As well, they need to consult and involve all the organizations whose commitment is essential to achieving the agreement's objectives. If the partners do not meet these conditions, they could still reach an agreement but likely would not accomplish desired results.

7.3 In designing the agreement, accountability issues between the partners become important. Does the agreement specify clear, common or complementary objectives, time frames and expected results as well as clear roles and responsibilities? Are there appropriate provisions for co-ordinating, monitoring and reporting performance as well as evaluating and modifying the agreement, if necessary?

7.4 During the implementation of the agreement, partners have to keep their commitments. Each partner needs to produce an early action plan that defines clear roles and responsibilities within its own organization and that sets targets and time frames. Partners also need to integrate the agreement's objectives into their policies and operations. Finally, partners must co-ordinate activities, monitor results and submit timely and transparent progress reports.

7.5 Our case studies also provide examples of the "tight-loose" working relationship referred to in Chapter 5 of this Report. The relationship is one that is "tight" (or strict) on the results that partners have to achieve based on intergovernmental agreement and "loose" (or lenient) on the way they achieve them in the particular circumstances of each jurisdiction.

Background and other observations

7.6 The environment — and many other aspects of sustainable development — is a matter of shared jurisdiction between the federal and provincial governments. It is not specifically mentioned in the Constitution. Rather, both levels of government have constitutional powers over various matters that permit them to pass legislation to deal with environmental issues. In our previous reports, we recognized the complexity of managing within areas of shared jurisdiction.

7.7 This chapter presents five case studies involving federal, provincial and territorial governments working together on sustainable development issues: the Eastern Canada Acid Rain Program, the National Forest Strategy, the North American Waterfowl Management Plan, the Statement of Commitment to Complete Canada's Networks of Protected Areas, and the Greenhouse Gas Emission Reduction Trading Pilot.

Introduction

7.8 The environment — and many other aspects of sustainable development — is a matter of shared jurisdiction between the federal and provincial governments. It is not specifically mentioned in the Constitution. Rather, both levels of government have constitutional powers over various matters that permit them to pass legislation to deal with environmental issues (see the Appendix). For example:

- the provinces have jurisdiction over the management of provincial Crown lands, resources, property and civil rights as well as local works and undertakings;
- federal powers enact laws concerning fisheries, interprovincial and international trade and commerce, crime, peace, order and good government;
- agriculture is a federal and provincial responsibility;
- about 40 percent of Canada is federal Crown land (located mostly in the territories), and 50 percent is provincial Crown land. Resources generally belong to the owner of the land where they are situated.

7.9 The shared nature of environmental jurisdiction requires close co-operation between federal, provincial and territorial governments. In our previous reports, we recognized the complexity of managing within areas of shared jurisdiction (see Exhibit 7.1). We raised issues, such as the role of the federal government in a partnership and the accountability for overall results. We examined whether particular working relationships were achieving stated objectives.

Focus of the study

7.10 This study is part of a larger effort in this Report to identify key factors in the development and maintenance of

successful partnerships for sustainable development. Chapter 5 introduces the main topic and gives an overview of the three following chapters. Chapter 6 reviews co-ordination between federal departments. Here in Chapter 7, we look at co-operation between federal, provincial and territorial governments. Chapter 8 examines co-operative approaches between the federal government and the private sector. Throughout our work, we have attempted to identify both common factors and factors that apply to a certain type of relationship.

7.11 This study focussed on co-operation agreements between federal, provincial and territorial governments for policy making and program delivery concerning the environment and sustainable development. Through five case studies, we learned how some agreements are achieving their objectives and why others are not. We paid particular attention to each agreement's life cycle: before parties entered into an agreement, the design of the agreement, and its implementation.

7.12 We believe the lessons drawn from the case studies apply to most co-operation agreements between federal, provincial and territorial governments. However, the study cannot be generalized to determine the effectiveness of all these agreements. More details about the study are given at the end of this chapter.

Observations

Forums for Co-operation Between Federal, Provincial and Territorial Governments

7.13 Canada has a range of ministerial councils that serve as forums for co-operation between federal, provincial and territorial governments. The Canadian Council of Ministers of the Environment (CCME) is the main forum for intergovernmental discussion and

We paid particular attention to the life cycle of co-operation agreements.

co-operation on environmental issues of regional, national and global concern.

7.14 The Council comprises environment ministers from the federal government and 13 provincial and

territorial governments. All its members are treated as equals and the chair rotates annually among them. The Council normally meets twice a year to discuss environmental priorities and to determine the work of intergovernmental task forces.

Exhibit 7.1

Federal-Provincial-Territorial Issues and the Environment: Our Observations in Previous Reports

1990 Report of the Auditor General of Canada, Chapter 18, Department of the Environment

18.58 The consequence of these federal-provincial and interdepartmental divisions in responsibility for environmental matters is a patchwork that makes it almost impossible to assign public accountability for safeguarding Canada's environment. There is no focal point of responsibility or accountability to the Canadian people in respect of this critical issue.

18.59 Canada's governments are still seeking, through such efforts as the creation of the Canadian Council of Ministers of the Environment and the *Canadian Environmental Protection Act*, the means to act together to protect Canada's environment.

1998 Report of the Commissioner of the Environment and Sustainable Development, Chapter 3, Responding to Climate Change — Time to Rethink Canada's Implementation Strategy

3.21 Clearly, in a federation such as Canada, issues that involve different levels of government working together create challenges. But these challenges are in no way unique to climate change. There are many areas in which federal and provincial governments have a shared interest in policy questions.

3.22 In 1995, a federal task force reported on its review of 16 case studies of federal-provincial co-operation in policy work. It found that success depended on a number of factors: building trust, which requires openness and careful attention to the interests of all parties; working within existing mechanisms of co-operation such as standing committees of officials; and developing a shared sense of the need to collaborate.

3.23 The current approach to federal, provincial and territorial co-operation in responding to climate change is not expected to produce the results that the federal government promised to Canadians over seven years ago. All levels of government need to plan and work together much more effectively to meet Canada's climate change commitments. The federal government has a key role to play in leading this national effort.

1999 Report of the Commissioner of the Environment and Sustainable Development, Chapter 5, Streamlining Environmental Protection Through Federal-Provincial Agreements: Are They Working?

5.1 Federal-provincial environmental agreements offer potential for increased protection of the environment and the streamlining of the administration and regulatory activities between the two levels of government. The agreements that we audited are not always working as intended. We found that many activities that are essential to implementing these agreements are not working as well as they could.

5.2 Environment Canada was unable to provide us with documents to indicate that before entering into these agreements the federal government had formally analyzed the associated risks to determine, for example, whether both parties could do what they were agreeing to do. Therefore, we have no evidence that such an analysis was done. Furthermore, the federal government does not have a documented plan in place that indicates how it would reassume its responsibilities should a province be unable to carry out its assigned responsibilities, or should it or a province decide to terminate an agreement.

7.15 Other ministerial councils have been established to consider issues involving wildlife, parks, forests, agriculture, energy and fisheries. These councils operate independently and usually enjoy the support of a secretariat, sub-committees or working groups.

7.16 Joint council meetings are one way to promote intergovernmental co-operation on issues that cut across mandates and jurisdictions. For example, federal, provincial and territorial energy and environment ministers meet to discuss air issues, such as climate change, acid rain and smog.

7.17 Exhibit 7.2 presents the intergovernmental councils involved in the issues that we examined in this study.

Conditions for Successful Co-operation Agreements

7.18 Our interviews indicated a strong interest among federal and provincial officials in practices and attitudes that lead to successful co-operation agreements. Most officials felt that intergovernmental co-operation on the issue that concerned them was the best way for their departments to achieve their objectives. Participants from industry and environmental organizations shared this view.

7.19 We also noted a consensus among practitioners of co-operation agreements that effective co-operation involves a mix of subjective and objective factors that are largely independent of the type of relationship — whether it is within government, between governments or with a non-governmental organization. Openness, transparency as well as a willingness to listen and to make changes are some of the subjective factors that are required to build and maintain trust between partners. Leadership, commitment from staff and senior management as well as public and political support also figure prominently

in the list of key factors identified by practitioners in Chapter 5 of this Report (see Exhibit 5.2).

7.20 In our previous reports, we paid special attention to objective factors, such as accountability in collaborative arrangements. While our interviews of practitioners and the review of case studies confirmed the importance of accountability, they also showed that prospective partners need to meet certain key conditions long before they design an agreement:

- **Before entering into an agreement,** prospective partners need to be convinced that the issue is important and that a partnership is likely to be the best way of dealing with it and to offer clear benefits to the participating organizations. They need to recognize their respective jurisdictions and take into account the ability of their potential partners to deliver desired results. As well, they need to consult and involve all the organizations whose commitment is essential to achieving the agreement's objective. If the partners do not meet these conditions, they could still reach an agreement but likely would not accomplish desired results.

- **In designing the agreement,** accountability issues between the partners become important. Does the agreement specify clear, common or complementary objectives, time frames and expected results as well as clear roles and responsibilities? Are there appropriate provisions for co-ordinating, monitoring and reporting performance as well as evaluating and modifying the agreement, if necessary? Have partners set the stage for a flexible approach to implementation that will take into account differences among jurisdictions?

- **During the implementation of the agreement,** partners have to keep their commitments. Each partner needs to produce an early action plan that defines clear roles and responsibilities within its

There was a strong interest among federal and provincial officials in practices and attitudes that lead to successful co-operation agreements.

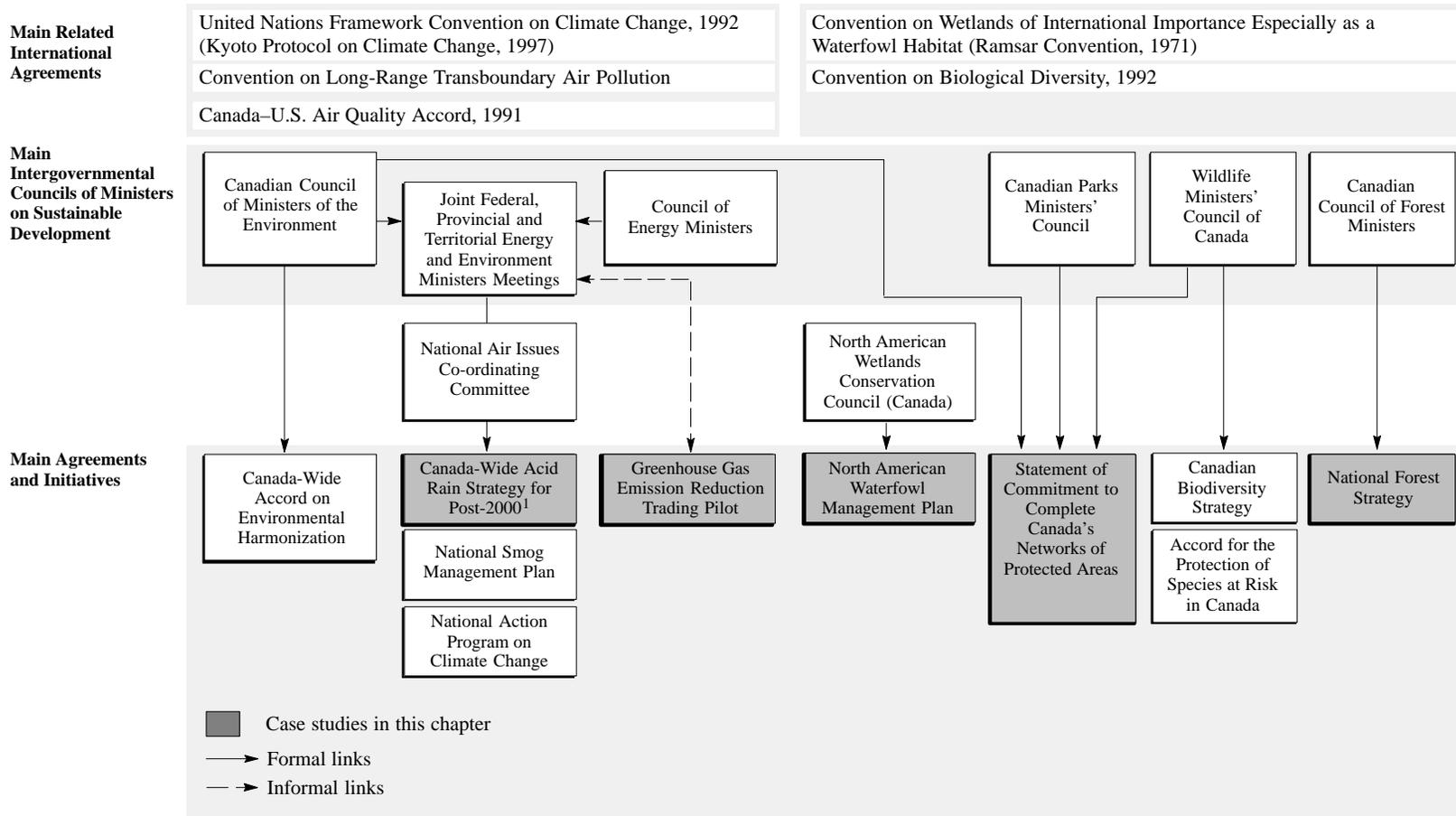
Prospective partners need to meet certain key conditions long before they design a co-operation agreement.

“Why have an agreement? Only when there are more advantages to having it than to living without it.”

Federal and provincial officials

Exhibit 7.2

Intergovernmental Co-operation: Linkages to Our Case Studies



¹ Replaced the Eastern Canada Acid Rain Program.

Note: This chart is selective by design and is not exhaustive. We wanted to show the main structures of intergovernmental co-operation involved in the issues that we examined in our case studies.

own organization and that sets targets and time frames. Partners also need to integrate the agreement’s objectives into their policies and operations. Finally, partners must co-ordinate activities, monitor results and submit timely and transparent progress reports.

7.21 In the following case studies, we examine how the presence (or absence) of these elements affects an agreement’s success.

Eastern Canada Acid Rain Program

7.22 In February 1985 after years of discussing acid rain, the environment ministers of Canada’s seven eastern provinces announced their agreement on national and provincial reduction targets of sulphur dioxide (SO₂) emissions. These emissions are the primary cause of acid rain. The ministers agreed to limit emissions to 2,300 kilotonnes by 1994 —

emissions had reached 3,812 kilotonnes in 1980. By 1994, the seven provinces had reduced their SO₂ emissions to 1,752 kilotonnes, which was well below their 1994 target and 54 percent lower than the level of emissions in 1980 (see Exhibit 7.3). How did they do it?

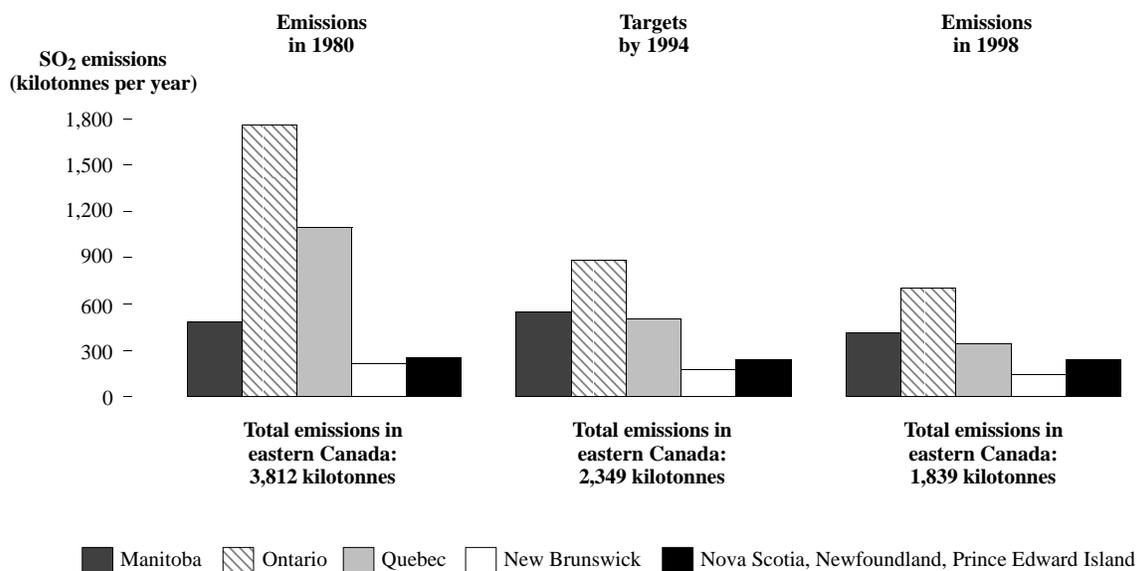
7.23 Agreeing on the issue. Acid rain has often been referred to as the “invisible issue” because evidence of acid rain damage is not easy to detect. The first challenge was to agree on the problem of acid rain. The federal and provincial governments developed the science base to better understand acid rain and to estimate the environmental consequences of reductions in SO₂ emissions. Their models showed that meeting the 1994 target, coupled with parallel action in the United States, would limit wet deposits of sulphate to no more than 20 kilograms per hectare per year in the eastern provinces. This was viewed as the acceptable level for protection of

“You need public buy-in. The level of buy-in depends on how much you included the public in your discussions and how well you clarified issues.”

A provincial official

Exhibit 7.3

Targets for Eastern Canada and Provinces to Reduce Sulphur Dioxide (SO₂) Emissions



Sources: Environment Canada, 1997 Annual Report on the Federal-Provincial Agreements for the Eastern Canada Acid Rain Program; 1999 Annual Progress Report on the Canada-Wide Acid Rain Strategy for Post-2000

moderately sensitive aquatic systems. The governments and environmental organizations made a concerted effort to raise the public's awareness of the impact of acid rain and to sustain its interest by reporting progress annually.

7.24 Agreeing on the need for a formal agreement. Once they had agreed on the importance of the problem of acid rain, the federal and provincial governments recognized the need for an agreement between them rather than independent action by the provinces. Provincial officials felt that a Canadian

agreement would give ammunition to the federal government in its negotiations with the United States on reductions in transboundary flows of SO₂.

Transboundary SO₂ pollution was — and remains — a major problem for Canada, especially in Ontario, Quebec, New Brunswick and Nova Scotia.

7.25 Equally important, the Program had the means to realize its objectives. For example, substantial financial resources made it possible to build a good science base and to support industry's efforts to reduce SO₂ emissions.



Acid rain: the invisible issue. Science has shown that over time acidification reduces the variety of life inhabiting lakes and slows down the growth process of forests. However, these long-term trends are hardly noticeable to the human eye. (See paragraph 7.23.)

Source: Photo courtesy of Images of New Brunswick

The success of the Eastern Canada Acid Rain Program is due in large part to the massive investments in upgrading large power plants that burn fossil fuels as well as smelters of primary metals. For example, at the end of the 1980s, Noranda's Horne operations in Quebec (shown on the right) performed work valued at more than \$150 million to reduce SO₂ emissions. (See paragraph 7.25.)

Source: Photo courtesy of Noranda Inc.



7.26 Clear and agreed targets. The federal and provincial governments agreed on a target and time frame to reduce SO₂ emissions in eastern Canada. They also set targets and time lines for each of the seven provinces from Manitoba eastward. These targets and time frames were included in the seven bilateral agreements signed in 1987–88.

7.27 A flexible approach to implementation. Although the Eastern Canada Acid Rain Program was very specific on the expected results, it let the provinces decide how they intended to achieve them. For example, the Quebec and New Brunswick governments met their respective targets with quite different approaches. Quebec regulated SO₂ emissions. New Brunswick negotiated with each smelter and power plant using fossil fuels and integrated the reduction targets of SO₂ emissions into the companies' annual permits for "approval to operate."

Canada-Wide Acid Rain Strategy for Post-2000

7.28 In 1998, federal, provincial, and territorial energy and environment ministers signed the Canada-Wide Acid Rain Strategy for Post-2000. The Strategy builds on the 1997 report of the Acidifying Emissions Task Group, a multi-stakeholder group. It is based on scientific evidence that acid rain will continue to damage sensitive areas, despite progress.

7.29 The Strategy establishes the way Canada will manage acid rain in the future. It recognizes that Canada has to seek further reductions in SO₂ emissions in the United States; that Ontario, Quebec, New Brunswick and Nova Scotia have to set new reduction targets; and that there is an ongoing need to research and monitor acid rain, prevent pollution, keep clean areas clean and report results annually.

7.30 Struggling to keep the issue alive. However, unlike the 1985 Program,

the main challenge of the Post-2000 Strategy has been to keep the issue alive. In the words of one environmentalist, "Acid rain fell off the political radar screen." With decreasing public and political support, provincial governments could not agree on reduction targets for the Strategy. Rather, Ontario, Quebec, New Brunswick and Nova Scotia committed to report progress to energy and environment ministers by the end of 1999. (It was understood in the spirit of the agreement that these provinces would also submit targets.) By that date, only Quebec had set a target to reduce its SO₂ emissions to 40 percent below current limits by 2002. In the Strategy's November 1999 Progress Report, the three other provinces committed to announcing further emission reductions by the end of 2000. Ontario did so in January 2000, setting a reduction target of 50 percent by 2015.

National Forest Strategy

7.31 Broadening the stakeholder base. In 1987, the Canadian Council of Forest Ministers introduced the first national forest strategy. In 1992, the second strategy broadened its base of participants to 12 governments and 17 organizations, most of which had long-standing links to the forest industry. The third and current National Forest Strategy of 1998 built on the previous strategies and recognized the need for a wider base of participation. A total of 42 participants from governments, forest industry associations and environmental organizations signed on to the Canada Forest Accord and its accompanying Strategy. These 42 partners formed what has been called the "Coalition." Broadening the base provided participants with a chance to better understand each other's interests and ensured wider support for the initiative. The Quebec government did not sign the Accord, but it did endorse the Accord's goal and objectives.

"In the late 1980s, it was very clear that reducing sulphur dioxide emissions was a priority for the government. You could not sit with department officials without having them discuss this priority."

An industry representative

"You can never be totally inclusive but the 'Coalition' has made a real effort to expand the types of members. This has benefited the discussion on sustainable forestry practices and provided a real opportunity for people to talk."

A provincial official

“I hope the National Forest Strategy will work. It’s a very important initiative for our members and for Canada. We really believe that without sustainable practices, we don’t have a future in forestry.”

An industry representative

7.32 The goal of the Accord and the Strategy is to “maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing environmental, economic, social and cultural opportunities for the benefit of present and future generations.”

7.33 Expected benefits for participants. There has been a high level of consensus among participants on the main goal of the Strategy, yet different reasons motivated their participation in a national strategy. For example, each province has full jurisdiction over management of its forests and could act on its own. However, provincial officials recognized the need for a strong, unified response to international market pressures to better integrate environmental, social and economic values into forest management. They saw the National Forest Strategy as a means to that end.

7.34 For their part, Native representatives wanted to increase Aboriginal participation in forest

management. They felt that being involved in the Strategy might enable them to put in place broad principles that would help them pursue their goals. Key to their participation was the fact that the Strategy addressed sustainable development and reflected the full range of forest values and that governments were open to Aboriginal participation.

7.35 The ongoing challenge of developing specific, measurable objectives. The National Forest Strategy is a comprehensive document that presents a vision of sustainable forests nationwide. The Strategy presents 121 action items grouped under nine strategic directions. Yet it does not contain specific targets, performance indicators or time lines for achieving its objectives. Nor does it present priorities or specify the roles and responsibilities of the various organizations that signed the Canada Forest Accord.

7.36 Aware of these deficiencies, the Accord signatories agreed to prepare, before the end of 1998, public and measurable action plans in response to the Strategy commitments. No signatories met the deadline. By January 2000, however, 17 of the 42 organizations (including the federal government and eight out of nine provinces) had submitted their action plan. The Quebec government also had prepared an action plan. These plans are essential for translating the Strategy’s general commitments into concrete action; without them, the Strategy is in danger of losing momentum.

7.37 Lack of early monitoring. Many of the people we talked to suggested that the absence of a clear champion for the first year and a half of the 1998 Strategy contributed to its slow start. As stated in the Accord, the Canadian Council of Forest Ministers acts as “the public trustee of the strategy . . . and will ensure that progress is reviewed at its annual meetings.” The Coalition also meets once a year to “oversee the strategy implementation from planning to



Sustainable forestry practices include a wide range of activities, including reforestation. As stated in the National Forest Strategy’s first strategic direction, different partners with sometimes divergent values have to work together in order to maintain the integrity, productivity, resilience and biodiversity of forest ecosystems. (See paragraph 7.32.)

Source: Photo courtesy of Industrial, Wood & Allied Workers of Canada (I. W. A. Canada)

evaluation.” Furthermore, there is an Evaluation Committee. However, most of the daily monitoring is left to the Coalition’s secretariat, composed of staff from Natural Resources Canada. There was no systematic follow-up of missing action plans before the end of 1999, other than correspondence relating to the Coalition’s annual meeting. One Coalition partner commented, “Who is doing the follow-up on the Accord? I wouldn’t have minded if somebody had ‘nudged us’, then we would probably have done the action plan.”

7.38 Mid-term evaluation and reporting. Based on the action plans it has received so far and as instructed by the Evaluation Committee, the secretariat is analyzing gaps in the Strategy’s objectives and the contribution of each signatory. The Coalition plans to release a highlights report in the spring of 2000 to provide a national overview on progress and key achievements. An independent panel of experts will conduct a formal mid-term evaluation. The Coalition will make its results public by the winter of 2001.

North American Waterfowl Management Plan

7.39 By 1985, the number of North American waterfowl (ducks, geese and swans) had fallen to a low of 55 million — a significant drop from the 100 million in the 1970s. In 1986, Canada and the United States signed the North American Waterfowl Management Plan, a 15-year agreement, to address the problem. The Plan aimed to restore waterfowl populations in North America to 1970s levels by securing, enhancing, and managing their habitat across the continent. In 1994, the Plan was updated to expand the commitment of Canada and the United States and to include Mexico, making it the largest habitat conservation effort in the world.

7.40 Canada has been implementing the Plan through partnerships called “joint ventures,” of which three focus on habitat: the Prairie Habitat Joint Venture, by far the largest; the Pacific Coast Joint Venture; and the Eastern Habitat Joint Venture. Three other joint ventures concern species — black ducks, arctic geese and sea ducks — rather than habitats.

7.41 Reasons for a North American agreement. Waterfowl migrate annually across North America. Although waterfowl breed mainly in Canada, most hunters and bird watchers are in the United States. Plan funding reflects these facts. In March 1999, Environment Canada estimated that slightly more than half of the \$480 million contributed by the Plan in Canada since its inception in 1986 had come from sources in the United States. As these contributions were linked to the level of Canadian contributions, there was an additional incentive for ongoing involvement of Canadian federal and provincial governments and other Canadian partners.

7.42 Agreeing on complementary objectives. The Plan brought together people with different but complementary objectives. Hunters had an interest in maintaining waterfowl populations for sport and food; other groups wanted to protect wildlife species. Both sides realized, however, that conserving habitats, which provide breeding, staging and wintering grounds for waterfowl, was an essential part of the solution.

7.43 Government and environmental organizations also recognized that although they had a very ambitious goal to conserve wetland and upland habitats, they could not do it on their own. For example, the agricultural community in the Prairies, an important partner in the Plan, took part in some Plan initiatives such as flatland dams and rotational

“You need a champion for the National Forest Strategy.”

A provincial official

“You need shared objectives or compatible objectives.”

A federal official

“The North American Waterfowl Management Plan is a transparent partnership, open and honest, so participants trust each other.”

Federal and provincial officials

grazing that proved to be beneficial to both farmers and wildlife.

7.44 Clear and measurable targets.

When the Plan was launched in 1986, partners set targets for North America, Canada and the joint ventures to restore waterfowl populations and to secure, enhance and manage key habitats. The information available on waterfowl populations helped partners to agree on these targets. Monitoring during decades before 1986 had made it possible to determine that the average duck population levels in the 1970s generally met the needs of all users. Consequently,

that decade was used as a benchmark for all the population targets of the Plan.

7.45 An appropriate management structure.

Developing a management structure for the Plan was a challenge. The structure had to adequately represent the different levels of government and allow meaningful stakeholder participation. It also had to include a rigorous yet simple approval process for programs and projects, accommodate different implementation approaches of the joint ventures and provinces, and provide for timely and transparent reporting of progress and updating of the Plan.



The “Prairie Potholes” provides breeding habitat for half of North America’s waterfowl. Most of the area is privately owned and dedicated to farming. One of the programs funded through the North American Waterfowl Management Plan is the Potholes Plus Program, also known as the Adopt-a-Pothole Program. This initiative offers incentives to landowners who conserve wetland and upland habitats for the long-term. (See paragraph 7.43.)

Sources:

Manitoba Habitat Heritage Corporation, Annual Report 1998–99

North American Waterfowl Management Plan, *Taking Flight* 1986 to 1996: 10th Anniversary Report – Canada, 1996

Photo courtesy of Ducks Unlimited Canada

In the 1970s, average mallard populations were estimated at 8.2 million in the Canadian and American Prairie Region (Mid-Continent Region). By 1985, their numbers had plummeted to less than five million. In 1998, 12 years into the North American Waterfowl Management Plan, numbers had soared back to 9.6 million. (See paragraph 7.44.)

Sources:

North American Waterfowl Management Plan, *Expanding the Vision*, 1998 Update
North American Waterfowl Management Plan, *Taking Flight*, 1986 to 1996: 10th Anniversary Report – Canada, 1996

Photo courtesy of Ducks Unlimited Canada



7.46 Exhibit 7.4 presents the Plan's management structure. Although the structure comprises many layers, it relays information effectively to all partners and ensures their continued commitment. In the Prairie Habitat Joint Venture, for example, despite the large number of government agencies and environmental organizations involved in the Plan, each party's role and responsibilities are clear.

7.47 Continuity of relationships.

Many key government officials have been involved in the Plan from the beginning and have enjoyed good, long-standing relationships with their partners. Many participants consider that this factor helped to sustain commitment to meeting the Plan's objectives.

7.48 Transparent progress reporting.

The Plan has been able to maintain private and government financial support as well as commitment from staff and leaders for the past 14 years, in part because progress reporting has been transparent and comprehensive (see Exhibit 7.5). The North American Plan Committee and the Joint Venture Management Boards draft plan updates, the North American Wetlands Conservation Council (Canada) receives annual accomplishment reports, and the provincial corporations involved in the joint ventures prepare annual reports.

7.49 The Plan updates are produced every four years for Plan partners and the general public. They clearly link the objectives to achieved results and use findings from evaluation studies. They also acknowledge where plans have fallen short. For example, pintail populations are not recovering as hoped, and total secured habitats are well below the initial targets.

A Statement of Commitment to Complete Canada's Networks of Protected Areas

7.50 Bringing together a range of interests. In 1992, the chairs of

three federal-provincial councils signed a Statement of Commitment to "make every effort to complete Canada's networks of protected areas representative of Canada's land-based natural regions by the year 2000 ... and to adopt frameworks, strategies and time frames" to meet this goal. The three councils were the Canadian Council of Ministers of the Environment, the Canadian Parks Ministers' Council and the Wildlife Ministers' Council of Canada. The Canadian Council of Forest Ministers was not asked to sign the agreement but supported it publicly. The breadth of commitment — from ministers across Canada responsible for many aspects of protected areas — was as unusual at the time as it is today.

7.51 The Statement allowed governments to set their own agendas and timetables for protected areas. In 1989, World Wildlife Fund Canada, a major environmental organization, had launched its Endangered Spaces Campaign. It proposed that Canada declare at least 12 percent of its land as protected area, representing all of its land-based national regions, and free from logging, mining, oil and gas and hydro-electric development. It subsequently started to report annually on how the federal government and the provinces were meeting this target.

7.52 In signing the Statement, the three councils did not commit to the 12 percent target. They believed that adequate representation of the different natural regions was more important than the total area protected. Each jurisdiction was left to define the actions required to achieve the Statement's goal.

7.53 Developing commitment. The federal government initiated the Statement. The federal Minister of the Environment (also responsible for wildlife and parks) asked the Minister of State (Environment) to meet provincial and territorial environment, parks and wildlife ministers to secure their support for the Statement. This mission was made easier because

"Continuity of the main players is a key success factor."

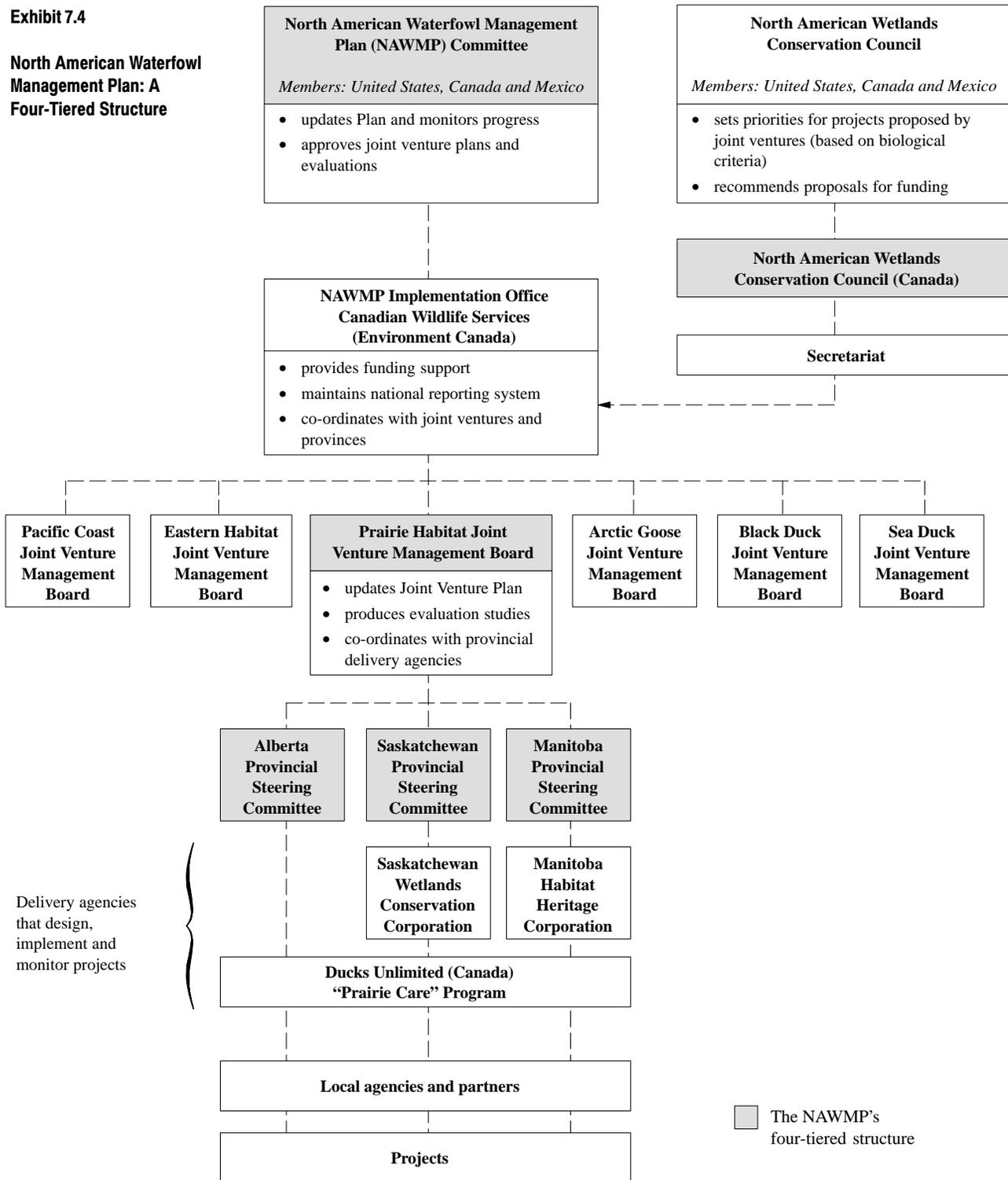
A federal official

"One strength of the Statement is that it was a tri-council commitment. It reflected the fact that expanding the networks of protected areas would require contributions from more than one agency. It recognized that many programs are complementary."

A representative from an environmental organization

Exhibit 7.4

North American Waterfowl Management Plan: A Four-Tiered Structure



Source: North American Waterfowl Management Plan, *Expanding The Vision*, 1998 Update

some provinces had already embarked on ambitious initiatives for protected areas with the support of their highest officials.

7.54 Limited monitoring of implementation.

The Statement did not specify a procedure for monitoring or reporting progress toward meeting its goal. Nor did it give one of the three councils the responsibility to co-ordinate monitoring and reporting activities. Starting in 1996, parks ministers directed that progress on the Statement of Commitment be a permanent item on the agenda of their council meetings. The two other councils (environment and wildlife)

did not do any regular follow-up of the Statement's progress.

7.55 Lack of clear accountability within the federal government.

While Environment Canada took the lead in initiating the Statement of Commitment, it is now unclear who has responsibility for co-ordinating the federal effort. In 1994, Parks Canada, the organization that would make the most direct contribution to the federal effort, moved from Environment Canada to the Department of Canadian Heritage. When we recently talked with Parks Canada officials, they did not think they were responsible for co-ordinating the federal effort, although they had

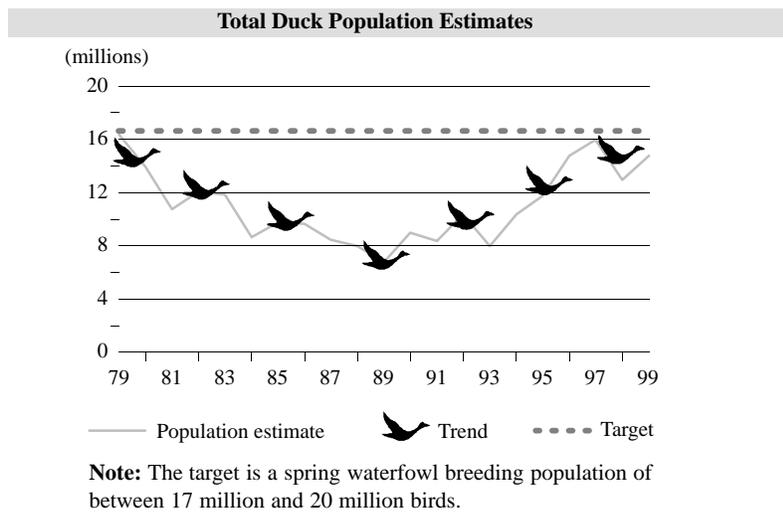
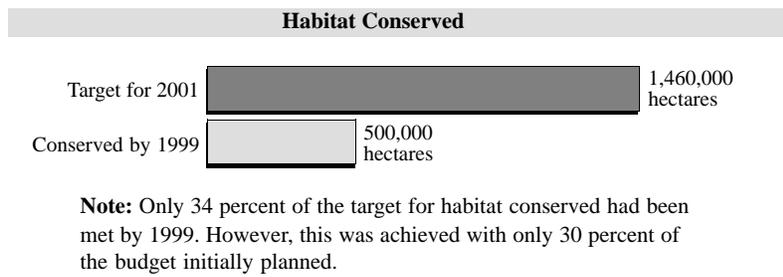


Exhibit 7.5

Prairie Habitat Joint Venture: Reporting Against Targets



Sources:

- Prairie Habitat Joint Venture, *Conserving an International Resource*, 1986–1994
- North American Waterfowl Management Plan, *Taking Flight*, 1986 to 1996: 10th Anniversary Report – Canada
- NAWCC (Canada) Meeting, *Canadian NAWMP Accomplishment Report*, 1986–87 to 1998–99, 29 September 1999
- Canadian Wildlife Service, *Estimated Spring Populations of Total Ducks: Southern Prairie*, (Strata 26–40), 1979–99

“All the provinces that expanded their networks of protected areas had action plans produced early on. Their plans identified structures involved in implementation and resources needed, and indicated to other partners where they could take complementary action.”

A representative from an environmental organization

assumed the role of federal-provincial co-ordinator for the Canadian Parks Ministers’ Council.

7.56 Making it happen. The provinces that progressed in expanding their networks of protected areas took key implementation steps. British Columbia and Manitoba, for example, consulted stakeholders early, developed action plans specifying roles and responsibilities as well as targets and time frames, updated their plans regularly and reported their progress. To integrate the Statement’s objectives into its departments’ planning and operations, British Columbia identified protected areas through its regional land-use planning.

7.57 Among the three federal-provincial councils, only the Canadian Parks Ministers’ Council has been reporting annually to its members on

the progress of federal and provincial park agencies in completing Canada’s networks of protected areas. Furthermore, it will submit an “end of commitment” progress report in the summer of 2000. However, the three councils have not publicly reported the progress made by all environment, park and wildlife government agencies, nor do they plan to do so before the Statement expires in 2000.

7.58 Reporting by a third party. For now, interested parties are monitoring Canada’s progress based on information contained in World Wildlife Fund Canada’s progress reports on its Endangered Spaces Campaign. In its summary of the 1998–99 Progress Report, the Fund concluded, “Some exciting things have been accomplished, but, as the end of the campaign draws near, decisive government leadership will be critical to seeing significant progress made on those commitments. We no longer have the luxury of years in which to make progress; we are down to months.”

Greenhouse Gas Emission Reduction Trading Pilot

7.59 The Pilot, formally launched in 1998, brought together federal and provincial officials as well as industry and environmental representatives who were interested in learning more about the trading of reductions in emissions of greenhouse gases. These emissions — mainly carbon dioxide, methane and nitrous oxide — can lead to climate change. Emission-reduction trading represents one tool that Canada could use to meet its commitment under the 1997 Kyoto Protocol, which is to reduce its greenhouse gas emissions to six percent below 1990 levels by 2008–2012.

7.60 Emission-reduction trading would allow companies that achieve substantial emission reductions to sell them to other companies that may find it more expensive to reduce their own emissions. While Canada is still developing a strategy for meeting its



The Kitlope Heritage Conservancy Park is located on the central coast of British Columbia (B.C.). Old-growth trees over 800 years old stand in this unique temperate rain forest. The establishment of this protected area was announced in 1994 after a timber company relinquished all rights to harvesting in the area without consideration or compensation from the B.C. government. The Kitlope Valley lies within the traditional territory of a First Nation that has been co-operating with BC Parks in the management of this protected area. (See paragraph 7.56.)

Sources: British Columbia Ministry of Environment, Lands and Parks

Photo courtesy of the Government of British Columbia

Kyoto commitment, participating companies hope that emission-reduction trading will be part of the strategy and that they will receive a credit for their voluntary early actions.

7.61 Federal and provincial officials initially met industry and environmental representatives to learn more about emission-reduction trading.

A 1998 Memorandum of Understanding (MOU), drafted by all participants but signed only by governments, formalized these discussions and contained rules for the operation and evaluation of the Pilot.

7.62 Changing expectations. While federal and provincial officials continued to view the Pilot as a learning experience, their partners' expectations had grown since the initial meetings. Industry representatives pressed for formal recognition that companies would receive "credits for early action" if Canada ever chose to regulate greenhouse gas emissions. However, the governments that signed the MOU were unable to make that commitment because the issue was being discussed in other intergovernmental forums. Environmental organizations hoped that the projects submitted for evaluation under the Pilot would provide real environmental gains. Yet they realized that the lack of real incentives for industry made that outcome very unlikely. Nevertheless, most participants recognize that the MOU's main objective — learning — is being achieved.

7.63 Building and maintaining a productive working relationship. Participants in the Pilot had to deal with highly technical issues, such as evaluating what a company would have done in the absence of a trading pilot. The productive relationship they enjoyed helped them to reach consensus. Clauses on the decision-making process in the initiative's operating rules also facilitated discussions.

7.64 A provincial lead. The Pilot is an example of an intergovernmental

agreement where the federal government is a participant rather than the lead.

In 1996, the British Columbia government began to study emission-reduction trading as part of its Greenhouse Gas Action Plan. It has been the recognized leader of the Pilot since its inception. The other government participants are Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia and the federal government. Ontario, for its part, is involved in a different pilot dealing with emission reductions of carbon dioxide.

7.65 A bottom-up initiative. Another novel characteristic of the Pilot is that it was conceived by senior economists who had to work through the ranks to eventually gather enough support from senior management. The economists won this support because they showed that the Pilot was helping to better understand a tool capable of reducing greenhouse gases. They also explained that departments could influence the design of this tool, which made it important for them to participate.

7.66 Learning from experience. Learning is the main objective of the Pilot, and evaluation is built into its operating procedures. For example, the main company involved in the first project of emission-reduction trading to be evaluated now sits on a technical committee to help it correct problems experienced with the project. A consultant conducted a formal interim evaluation of the Pilot in 1999.

7.67 The Pilot was extended for two years in December 1999. In March 2000, the Joint Committee of Environment and Energy Ministers met to discuss "credit for early action" proposals from federal and provincial officials. The Pilot participants recognized that decisions from that meeting would play a key role in determining the Pilot's future, particularly its pertinence for industry and environmental organizations. However, the Joint Committee did not make any decision on the issue other than to "ask

“When participants express their interests, in a transparent way — rather than take a position — it is easier to understand each other and to find a common ground.”

A representative from an environmental organization

“Agreements are about relationships.”

A federal official

“You want to give flexibility to the provinces on how to achieve objectives. Agreements should focus on results, not on the process.”

Provincial and federal officials and industry representatives

officials to consider a system to credit verifiable early action.”

Conclusion

7.68 Successful co-operation agreements depend on a mix of subjective and objective considerations. The five case studies in this chapter demonstrated the importance of relationships where partners build and maintain trust between them. They showed that leadership and commitment from all parties involved are essential as well as public and political support. Finally, they confirmed that partners need the discipline to follow all the necessary steps during the life cycle of an agreement. The key to a successful co-operation agreement is to meet all or most of these conditions.

7.69 The case studies illustrated how the presence (or absence) of these elements affects an agreement’s success. They also provided examples of the “tight-loose” working relationship referred to in Chapter 5 of this Report. The relationship is one that is “tight” (or strict) on the results that partners have to achieve based on intergovernmental agreement and “loose” (or lenient) on the way they achieve them in the particular circumstances of each jurisdiction.

7.70 Entering into an agreement between federal, provincial and territorial governments is not an end in itself. However, when governments agree on a common issue and on the need for concerted action and when they meet certain conditions, working together can help them achieve their objectives.



About the Study

Objective

The objective of this study was to examine key factors in the development and maintenance of successful intergovernmental co-operation on sustainable development issues.

Scope and Approach

To carry out this study, we drew upon related audits and studies carried out by our Office, reviewed academic papers and conducted selected casework relating to federal involvement with other levels of government.

We selected five case studies to illustrate a range of federal, provincial and territorial co-operation agreements, both Canada-wide and with selected provinces. Each agreement involved, to different degrees, partners from industry and environmental organizations. For each of them, we did not try to present an exhaustive evaluation. Rather, we focussed on the key factors that ensured or impeded the success of the agreement.

To identify good practices or problems, we conducted 78 interviews with 120 people, including federal and provincial public servants, industry officials and representatives of environmental organizations. The majority of these people were directly involved in one or more of the five case studies. We held most of our interviews in Ottawa, British Columbia, Manitoba, Quebec and New Brunswick. We also reviewed documentation related to each agreement.

As much as possible, we tried to discuss how the presence (or absence) of a key factor could affect the success of an agreement. In defining this success, we referred to the intended outcomes stated in the agreement and focussed on the objectives for which specific targets and time frames had been proposed. However, we did not conduct a full evaluation of the agreement's effectiveness (the extent to which the agreement's objectives were achieved). Nor did we evaluate their efficiency (whether they could have achieved the same objectives with less money or done more with the same amount of money).

We believe the lessons drawn from the case studies apply to most co-operation agreements between federal, provincial and territorial governments. However, the study cannot be generalized to determine the effectiveness of all these agreements.

Study Team

Acting Commissioner: Richard Smith
Director: Gisèle Grandbois

Jean-François Tremblay
Erika Szenasy-Boch
Alain Sansregret

For information, please contact Richard Smith.

Appendix

Environment and Sustainable Development: Areas of Shared Jurisdiction

When the *British North America Act*, Canada's original constitution, was enacted in 1867, the concept of environment did not exist as we know it today. The constitution did not stipulate who, between the provincial and the federal governments, was responsible for maintaining a healthy environment for Canadians. Rather, both levels of government were given powers that permitted them to pass legislation to deal with environmental issues.

Until the end of the 1960s, provincial governments assumed the leadership on environmental issues and the federal government had limited involvement. Because the constitution gave provinces power over the management and sale of provincial public lands, they were the custodians of a large share of natural resources. The provinces allocated rights to forests, minerals, and oil and gas and regulated the production and conservation of those resources within their boundaries. Other early environmental legislation responded to local health concerns and, thus, reinforced municipal and provincial pre-eminence in the environment. Fisheries, a federal jurisdiction, was then one of the primary environmental matters where intergovernmental co-ordination was an issue with the federal government responsible for inland and seacoast fisheries management.

Partly in response to public calls for stronger action against water and air pollution, the federal government became more proactive in the protection of the environment in the early 1970s. It created Environment Canada in 1972 then enacted a series of federal environmental laws. In the 1970s, 1980s and 1990s, the federal government remained active in the environment, sometimes playing a prominent role, sometimes keeping a lower profile and leaving the leadership to the provinces.

The shared legislative jurisdiction has contributed to questions over the division of roles between the federal government and the provinces. The constitutional basis for provincial involvement rests firmly on provincial jurisdiction over municipal affairs, property and civil rights, and local or private matters. Likewise, the federal power to enact laws on crime, interprovincial and international trade and commerce and the "residual" power to make laws for peace, order and good government provide a solid basis for federal intervention on environmental issues.

Overall, federal legislation relevant to environmental management includes enactments for:

- monitoring of the state of the environment and assessment of the environmental impact of projects that involve the federal government;
- controls over water pollution and international air pollution;
- notification, registration and regulation of chemicals, including ozone-depleting substances;
- marine pollution;
- interprovincial and international trade in energy resources;
- nuclear energy;
- exploitation of offshore petroleum resources;
- management of hazardous materials and dangerous goods;
- fisheries;
- wildlife protection;
- international rivers and migratory birds;

- use of fiscal measures of taxation and decisions on federal spending; and
- management of the Arctic and its resources.

Many environmental issues subject to federal enactments are also subject to provincial laws and regulations. For instance, air quality, the protection of endangered species and climate change concern federal and provincial governments. Therefore, co-ordination between governments is key to an array of environmental initiatives.

Sources:

Gardner, Alex, *Federal Intergovernmental Cooperation on Environmental Management: A Comparison of Developments in Australia and Canada*, 1994

Maclellan, Duncan, *Shifting From the Traditional to the New Political Agenda: The Changing Nature of Federal-Provincial Environmental Relations*, 1995

Morton, F.L., *The Constitutional Division of Powers With Respect to the Environment in Canada*, 1996

Standing Committee on Environment, *Environment and the Constitution*, March 1992