

2006



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

**Chapter 4**  
**Sustainable Development Strategies**  
Action on Strategy Commitments



Office of the Auditor General of Canada

*The 2006 Report of the Commissioner of the Environment and Sustainable Development comprises five chapters, The Commissioner's Perspective—2006, Climate Change—An Overview, and Main Points. The main table of contents is found at the end of this publication.*

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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  
Hearing impaired only TTY: 1-613-954-8042  
E-mail: [distribution@oag-bvg.gc.ca](mailto:distribution@oag-bvg.gc.ca)

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Chapter

# 4

**Sustainable Development Strategies**

Action on Strategy Commitments

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

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# Sustainable Development Strategies

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## Main Points

### What we examined

We examined the progress made by federal departments and agencies toward meeting the commitments they made in their sustainable development strategies. We looked at 39 commitments published in the strategies of 21 departments.

### Why it's important

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

The sustainable development strategies of its departments and agencies are an important tool by which the federal government can advance sustainable development. The strategies set out goals, objectives, and specific commitments. Effective action to achieve these commitments is fundamental to both the credibility and the impact of the strategies. Our role in independently auditing and reporting on commitments ensures that Parliament and Canadians are kept informed of the government's progress toward sustainable development.

### What we found

- Progress has been satisfactory on 27 of the 39 commitments we examined.
- Departments that have made satisfactory progress toward their commitments generally have well-functioning management systems to plan for achieving the commitment, to implement the plan, and to monitor their progress.
- Departments where progress has been unsatisfactory generally lack such systems and have made minimal efforts toward meeting their commitments. This is of particular concern given the number of years that departments and agencies have had to develop the necessary management systems.
- In some cases, the progress achieved by a department or agency represents an important step toward environmental protection and sustainable development. For example, Indian and Northern Affairs

Canada made good progress in implementing a management framework to promote and track initiatives that reduce greenhouse gas emissions in Aboriginal and northern communities.

- During the course of auditing the commitments, we found other encouraging signs that organizations are moving forward to make sustainable development part of their operational planning. For example, the Government of Canada has fostered co-ordination across federal organizations to ensure sustainability principles are fundamental to planning for the 2010 Olympic and Paralympic Winter Games. Agriculture and Agri-Food Canada has placed the consideration of sustainable development principles as one of the core elements of the Agricultural Policy Framework.

**Environment Canada and the Treasury Board Secretariat have responded.** Environment Canada and the Treasury Board Secretariat agree with our recommendation.



## Introduction

For a detailed description of the climate change issue, please consult **The Commissioner's Perspective**, which includes a section called **Climate Change—An Overview**.

**4.1** The *Auditor General Act* requires the ministers of designated departments and agencies to table a sustainable development strategy in Parliament every three years. Four other departments voluntarily table strategies. At the heart of these strategies are commitments to actions and targets to achieve sustainable development goals.

**4.2** The government has said that these strategies are an important tool for advancing its sustainable development agenda, and that it should be held fully accountable for its progress in sustainable development.

**4.3** The Commissioner of the Environment and Sustainable Development monitors and reports on the federal government's progress toward sustainable development, including the implementation of strategic commitments. In our 2004 Sustainable Development Strategy we committed to an increased focus on departments' performance against their commitments.

### Focus of the audit

Departments and agencies make sustainable development strategy commitments on a variety of social, economic, and environmental issues. For example, some of the commitments selected for this audit deal with contaminated sites, air pollutants, agriculture, invasive species, and investing in sustainable technologies and communities.

**4.4** In this chapter we report on the progress departments have made in meeting their sustainable development strategy commitments. Specifically, we examined the progress of 21 departments and agencies in implementing 39 commitments from their sustainable development strategies. A number (about 12) of the commitments we examined related to climate change.

**4.5** The audit scope is limited to the assessment of progress that each audited entity has made against the selected commitment. The 39 commitments we chose to examine are a small subset of the commitments contained in the full range of departmental sustainability strategies. In some cases, we audited more than one commitment per organization. This was typically where commitments were closely related to a broader strategic objective or were interdependent. We chose commitments based on a number of factors, including the significance of the commitment, the relation to the entity's mandate and risks associated with inadequate achievement, coverage of various themes contained in the strategies, and a completion deadline before or near our audit that allowed us to make a conclusion about progress.

**4.6** We rated progress as either satisfactory or unsatisfactory. Satisfactory progress means that the commitment has been

substantially met, or that it will be met or be reasonably close to being met within the designated time frame. A rating of unsatisfactory does not necessarily mean that the department or agency made no progress.

**4.7** Our assessment considered the difficulty of the commitment. For example, a department received a satisfactory progress rating if it was behind schedule on a particularly challenging commitment but had made demonstrable progress to meet the commitment. More details on the audit objective, scope, approach, and criteria are in **About the Audit** at the end of this chapter.

## Observations and Recommendations

**4.8** We found that satisfactory progress was made on 27 of the 39 commitments we examined. For the remainder, unsatisfactory progress was made. Our detailed findings are shown in Exhibit 4.1.

**4.9** We noted that a number of departments and agencies are still making commitments that are broadly defined. Typically this makes progress difficult to measure or demonstrate. In these cases, departments and agencies could often point to initiatives that address a commitment generally, but had difficulty demonstrating specific results.

**4.10** Some departments could demonstrate taking actions to plan, implement, and monitor achievement of the commitments we examined, and showed satisfactory progress toward meeting these commitments. Departmental commitments in this group included Canada Economic Development for Quebec Regions, Finance Canada, Indian and Northern Affairs Canada, Industry Canada, National Defence, the Treasury Board of Canada Secretariat, and Western Economic Diversification Canada.

**4.11** A number of other departments and agencies had made varying efforts to plan, implement, and monitor their commitments. Some could clearly demonstrate efforts to plan for achieving their commitment, but some difficulties arose in implementation and/or monitoring, such as the reorganization of departments, the complexity of interdepartmental co-ordination, and federal/provincial jurisdictional issues. In most cases, these departments had achieved satisfactory progress. Commitments in this group included those of Agriculture and Agri-Food Canada, the Canada Revenue Agency, Correctional Service Canada, Fisheries and Oceans Canada, Health Canada, Human Resources and Skills Development Canada, and



The Department of National Defence cleaning up a contaminated site at the Distant Early Warning (DEW) line in the Arctic.

Photo: Department of National Defence

The Department of National Defence is one of the federal government's biggest landholders. At the end of 2005–06, the Department reported an estimated \$381 million liability to clean up its confirmed contaminated and higher-risk sites. In its 2004 Sustainable Development Strategy, it committed to reducing this financial liability by four percent per year.



The Greenstone building in Yellowknife—one of the buildings that Public Works and Government Services Canada is working on to ensure that it meets the highest energy efficiency rating.

Photo: Public Works and Government Services Canada

Public Works and Government Services Canada (PWGSC) is responsible for providing office accommodation to some 100 federal departments and agencies. It manages office accommodation in 1,900 locations across Canada. PWGSC committed in its 2004 Sustainable Development Strategy to ensuring that all new and rejuvenated federal government buildings meet rigorous standards for energy efficiency through smart environmental design.

Social Development Canada (the latter two are now called Human Resources and Social Development Canada).

**4.12** We also found departments and agencies where minimal demonstrable effort had been made to plan, implement, and monitor achievement of the commitment. In these cases, departments and agencies had typically either made limited progress or had difficulty demonstrating progress for their commitment. Commitments in this group included those of the Atlantic Canada Opportunities Agency, Canadian Heritage, the former International Trade Canada (now the international trade program of Foreign Affairs and International Trade Canada), and Transport Canada. In one case (Canadian Heritage), we found that while the Secretariat responsible for the relevant area of operations was consulted at an early stage about a potential commitment, the Department did not communicate the formalized commitment to the Secretariat or ensure its implementation.

**4.13** It should be noted that the groupings above relate only to the approach departments and agencies took to meet the commitments we examined. The grouping does not necessarily reflect the approach the organizations may have taken to meet all of their commitments. For example, Environment Canada, Natural Resources Canada, and Public Works and Government Services Canada made satisfactory progress in some, but not all, of their commitments.

**4.14 Good management systems lead to good progress.** These results show that generally the departments and agencies that had made satisfactory progress had well-functioning management systems in place for the commitments we audited. This confirms our conclusions from previous work. We reported in our 2001 chapter on Sustainable Development Management Systems that organizations with well-functioning management systems were far more likely to deliver on their sustainable development commitments.

**4.15** There were a number of examples where the satisfactory progress made by departments on their commitments represented an important step toward environmental protection and sustainable development. For example, Indian and Northern Affairs Canada had made good progress in implementing a management framework to promote and track initiatives to reduce greenhouse gas emissions for Aboriginal and northern communities.

**4.16** During the course of auditing the commitments, we found encouraging signs that organizations are moving forward to make sustainable development part of their operational planning. For

example, the Government of Canada, through the Department of Canadian Heritage, has fostered co-ordination across federal organizations to ensure sustainable development principles are fundamental to planning for the 2010 Olympic and Paralympic Winter Games. Agriculture and Agri-Food Canada has placed the consideration of sustainable development principles as one of the core elements of the Agricultural Policy Framework.

**4.17** In general, the organizations that made unsatisfactory progress had poor systems to plan, implement, and monitor their commitments. This is of particular concern, given the number of years that departments and agencies have had to develop these management systems. It is also of concern, given previous recommendations we made on the need for well-functioning management systems.

**4.18** The Treasury Board Secretariat, in response to a recommendation from the Commissioner's 2001 Report, Chapter 2, Sustainable Development Management Systems, made a commitment to "assist departments and agencies by providing advice on establishing or strengthening appropriate management processes to support their activities, including sustainable development."

**4.19** In the Auditor General's March 2004 Report, Chapter 7, Managing Government—A Study of the Role of the Treasury Board and its Secretariat, we noted that, as the government's general manager, the Treasury Board establishes policies and standards for management practices in departments and agencies. The Treasury Board of Canada Secretariat plays the lead role in developing and refining the government's management agenda and overseeing its implementation across departments and agencies.

**4.20** Environment Canada also has an important role. In the fall of 2005, the Department was given the responsibility of leading, guiding, and co-ordinating departmental sustainable development strategies. Environment Canada has an opportunity to give greater guidance and support to departments that lack well-functioning management systems. It also has an opportunity to be proactive in helping ensure departments are effectively implementing and monitoring their commitments.

**4.21 Recommendation.** Environment Canada, in its role of providing leadership and guidance, and co-ordinating the development of departmental sustainable development strategies, should work with departments and agencies to identify ways to improve departmental/agency planning, implementation, and monitoring of commitments.

Where appropriate, Environment Canada should seek advice and support from the Treasury Board Secretariat on establishing or strengthening appropriate management processes for departments and agencies to support their commitments.

**Environment Canada's response.** Environment Canada will work with departments and agencies to review the current status of departmental planning, implementation, and monitoring systems for sustainable development strategy commitments, identifying strengths, gaps, and challenges. Based on this assessment, Environment Canada will work with the Treasury Board Secretariat, where appropriate, to determine how existing tools and mechanisms can be strengthened or better applied within departments to improve management planning and accountability for strategy commitments.

**The Treasury Board Secretariat's response.** The Treasury Board Secretariat supports Environment Canada in its role as the department responsible for leading, guiding, and co-ordinating departmental sustainable development strategies. The Treasury Board Secretariat will work with Environment Canada, where appropriate, to advise and support the establishment or strengthening of management processes for departments and agencies to support their commitments.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies**

| Commitment   | Progress | Comments  |
|--|----------|---|
| <b>Agriculture and Agri-Food Canada</b>  |          |   |
| <p>Develop a performance measure and establish a baseline to measure whether there has been an increase in the trend in the adoption of best practices for water use by the agri-food sector.</p> <p>(2001 Strategy)</p> <p><b>Target:</b> Develop a performance measure and establish a baseline by 2003.</p> | <p>○</p> | <p><b>Context.</b> The agricultural sector is the largest consumer of Canada’s freshwater resources, and irrigation is the greatest use of agricultural water. The Department committed to working with the agriculture and agri-food processing sectors to improve water resource management, including more efficient water use. It committed to developing a measure of more efficient water use and reporting on performance.</p> <p><b>What we found.</b> The Department informed us that the intent of this commitment is to increase the overall trend of improved water use in the sector. For this commitment, Agriculture and Agri-Food Canada (AAFC) is promoting best practices in supply (for example, water supply practices on farms and water supply conservation) and protection (for example, source protection and on-field water conservation). Performance measures in several of these areas have been created as part of the National Agri-Health Analysis and Reporting Program and through the Agricultural Policy Framework (APF). However, the specific indicators for water efficiency are still being developed and the Department has made a commitment to have them ready by 2008. We conclude that the Department took action to achieve the commitment and that difficulties arose in implementation.</p> <p>In particular, under the APF, investment is being made to develop farm plans with Canadian farmers that focus on sustainability issues, including water quality and use. The APF is a federal-provincial-territorial initiative, begun in 2002 and extending over five years, to transform the Canadian agricultural sector into a leader of food safety, innovation, and environmental responsibility. The Department’s sustainable development strategy and its past commitments were integrated into the APF, and the 2004 strategy reflects this integration.</p> |

- **Satisfactory**—Progress is satisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.
- **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments  |
|--|----------|---|
| <b>Atlantic Canada Opportunities Agency</b>  |          |   |
| <p>Work with local, regional, and provincial groups to foster economic development at the community level that considers the environment.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Twenty-five projects that promote eco-efficiency funded per year for three years.</p> | ●        | <p><b>Context.</b> The Atlantic Canada Opportunities Agency (ACOA) invested close to \$116 million through its Community Economic Development program in 2004–05. ACOA believes that promoting eco-efficiency, investing in environmental technologies, and improving regional infrastructure all contribute to a thriving Atlantic Canadian economy and prosperous communities.</p> <p><b>What we found.</b> Our examination showed that while the Agency had met its commitment during 2004–05, it had not actively pursued eco-efficiency projects.</p> <p>The Agency’s definition of eco-efficiency is consistent with generally recognized definitions of the concept. It has tracked progress toward this commitment by searching its database to find projects that fall within the definition.</p> <p>However, promoting eco-efficiency is not considered as one of the criteria for project funding, and there is no explicit requirement for individual projects to promote eco-efficiency.</p> <p>The lack of a clear link between the commitment and project funding criteria makes it difficult for the Agency to accurately track progress. However, when we reviewed the documentation for a sample of projects provided by the Agency, we found that most projects satisfied the Agency’s definition of promoting eco-efficiency.</p> <p>The commitment could be more easily tracked if promoting eco-efficiency was included as a criterion for project funding and incorporated into the Agency’s project evaluation and tracking system.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Canada Economic Development for Quebec Regions</b>   |          |   |
| <p>Enable some 40 enterprises to experiment with new technologies or processes associated with the use of natural resources.</p> <p>The Agency will fund 25 projects to support small and medium-sized enterprises wishing to commercialize their products on international markets.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2003–06</p> | <p>●</p> | <p><b>Context.</b> The Agency targets the development and commercialization of substitute products, new processes, and new technologies to resolve environmental issues and enhance natural resources. To do so, it provides financial support to Quebec enterprises or specialized organizations for carrying out feasibility studies; development, testing, or experimentation work; pre-commercial demonstration; and design or implementation of commercialization plans.</p> <p><b>What we found.</b> The Agency has made some progress on both commitments. It has provided financial support to 22 enterprises to develop new technologies or processes associated with the use of natural resources, and to another 19 enterprises for commercialization projects. As well, the Agency has invested in 20 testing and experimentation projects being carried out by specialized organizations. If the results of these projects are positive, they will, in the medium term, allow a number of enterprises to experiment with or to commercialize new technologies and processes.</p> <p>The Agency has put in place various measures, such as designating “champions” in regional offices, signing partnership agreements with federal departments and agencies, adjusting its programming framework, and developing a guide for identification, analysis, and monitoring of sustainable development projects. We feel that some additional elements could have been added, in particular, training to provide a better understanding of sustainable development objectives and commitments and of the links between the Agency’s programs and potential projects, better integration of sustainable development into regional offices operations, and a more active role by the Agency’s sustainable development committee in monitoring results.</p> |

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- **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.



**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress     | Comments  |
|--|--------------|---|
| <b>Canada Revenue Agency</b>   |              |   |
| Integrate sustainability criteria into negotiations, discussions, partnerships, and decision making with provinces and territories and other government departments and agencies on CRA business.<br><br>(2004 Strategy)<br><br><b>Target:</b> 31 March 2007 |              | <b>Context.</b> The Canada Revenue Agency (CRA) is responsible for administering the federal government's tax programs. It also administers certain provincial and territorial tax programs. In addition, the CRA has the authority to enter into new partnerships with the provinces, territories, and other government bodies to administer non-harmonized taxes and other services, at their request and on a cost recovery basis. The Agency has more than 60 agreements with other departments and agencies for joint program delivery.<br><br>The Agency planned to implement this sustainability commitment in three steps, as outlined in its action plan, which was revised in 2005. |
| Step 1: Establish a definition for sustainability criteria for CRA partnerships, and identify opportunities to include the criteria in negotiations with partners by 31 March 2005.  | ●            | <b>What we found.</b> The Agency drafted criteria that are specific to partnerships. The drafting process included consultations to refine the criteria. There is now a working definition for sustainability criteria that includes social well-being, environmental quality, and good governance. However, these criteria have not yet been formally approved.<br><br>The Agency has identified the documents in which the sustainability criteria are to be included for negotiations with partners.   |
| Step 2: Integrate the sustainability criteria in identified guidelines and documents for partnership agreements by 31 March 2006.  | ○            | <b>What we found.</b> The intention of developing the sustainability criteria is to integrate them into the identified documents for partnership negotiations. However, there was little evidence that the criteria have been included in these documents.  |
| Step 3: Include sustainability criteria in negotiations with partners, as identified in the findings report by 31 March 2007.  | Not assessed | <b>What we found.</b> Step 3 was not evaluated, as it is not due until 31 March 2007, and Step 2 has not yet been completed.  |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments  |
|--|----------|---|
| <b>Canadian Heritage</b>   |          |   |
| <p>Develop a set of sustainable development principles that can be applied to the design and delivery of the Vancouver 2010 Winter Olympic Games.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 31 March 2005</p> | <p>○</p> | <p><b>Context.</b> At the time of our audit, the total commitment of the Government of Canada toward the Vancouver and Whistler 2010 Olympic and Paralympic Winter Games was an investment of \$497 million. The 2010 Olympic and Paralympic Winter Games Federal Secretariat was established within Canadian Heritage to oversee the delivery of federal commitments to the Games, and to ensure that planning and implementation of the Games reflect national public interests and priorities.</p> <p>The organization responsible for planning, organizing, financing, and staging the Games is the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC). The predecessor of this committee, the Vancouver 2010 Bid Corporation, in keeping with requirements set by the International Olympic Committee, developed sustainable development principles and an associated action plan in the fall of 2002. VANOC later endorsed the principles and made sustainability a core element of its business plan.</p> <p><b>What we found.</b> Canadian Heritage did not develop a set of sustainable development principles to be applied to the design and delivery of the 2010 Winter Games. As indicated above, the federal government is one partner in the 2010 Winter Games, and sustainable development principles had already been entrenched by VANOC before Canadian Heritage made this commitment. Thus the relevance of the commitment was questionable. Moreover, while the Secretariat was consulted at an early stage about a potential commitment, the Department did not follow up by communicating the formalized commitment to the Secretariat and ensuring its implementation.</p> <p>We emphasize that our audit focussed on the commitment to develop principles and not on the extent and outcomes of federal contributions to the greening of the Games. During the audit, we saw substantial evidence that the Government of Canada had been taking steps to contribute to the environmental sustainability of the Games, and the Department has been fostering co-ordination and partnerships across federal organizations to help meet sustainable development goals.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments  |
|--|----------|---|
| <b>Correctional Service Canada</b>   |          |   |
| <p>Reduce emissions of the greenhouse gas* group nitrogen oxides (NOx) from CSC facilities in the Quebec City–Windsor corridor and the Fraser Valley by 10 percent from a 2004 baseline.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2007</p> <p>*NOx emissions are not a greenhouse gas.</p> | <p>●</p> | <p><b>Context.</b> Nitrogen oxides form when fuel is burned at high temperatures. The sources of NOx are motor vehicles, electric utilities, and other industrial, commercial, and residential sources that burn fuels. Although nitrogen oxides are not greenhouse gases, NOx emissions do cause a wide variety of serious health and environmental impacts, including smog, acid rain, and respiratory problems. Correctional Service Canada (CSC) committed to establishing a 2004 baseline measurement of the total NOx emissions from its facilities. The baseline would allow the Department to quantify the reduction of emissions for its facilities within the Quebec City–Windsor corridor and in the Fraser Valley, Canada’s two most populated regions.</p> <p>The Department has committed to a 10 percent reduction of its emissions by reducing the generation of emissions or capturing them before they escape, or by replacing or retrofitting emission sources with boilers and furnaces that produce lower emissions.</p> <p><b>What we found.</b> The Department has included a NOx reduction commitment in each of its sustainable development strategies since the first strategy was tabled in 1997. It has taken measures to meet this commitment, including a \$5.15 million retrofit project. A baseline for 2005 was completed in March 2006, and the Department used this to estimate a baseline for 2004.</p> <p>The Department with the exception of Bath Institution in Ontario, has noticeably reduced NOx emissions since 2001. It estimates that it has reduced emissions by 7.2 percent since 2004.</p> <p>The Department has not completed any major projects to reduce emissions at institutions in the Fraser Valley, and there are no major projects planned. The Department has completed a number of minor projects, but has not yet measured their impact on emissions.</p> <p>It is not apparent why the Fraser Valley was included in the commitment, as officials told us that the heating plants in the Fraser Valley were among the best-performing heating plants in the Department and that money could be spent more effectively in other locations.</p> <p>In its 2003 sustainable development plan progress report, the Department stated that it “had collected the information needed to establish baselines” in 2001 and that it would complete a major energy retrofit project in 2003–04, which would allow the Department to meet the target. The Department did install four new boilers in 2003–04 in the Windsor–Quebec corridor. However, it only completed the actual 2004 baseline estimates in 2006.</p> <p>The Department’s sustainable development strategy classifies NOx emissions as greenhouse gases. While this is not an accurate classification, NOx emissions do contribute to smog. Therefore, the commitment would have been better classified under a different objective of the CSC strategy.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments   |
|--|----------|--|
| <b>Environment Canada</b>  |          |  |
| <p>Develop a national research and development approach to help address the science needs associated with high-impact weather and climate events.*<br/>(2004 Strategy)</p> <p><b>Target:</b> In 2005–06, assess human health, environmental, and infrastructure risks and vulnerabilities.</p> <p>* For more information on this commitment, see Chapter 2, Adapting to the Impacts of Climate Change.</p> | <p>●</p> | <p><b>Context.</b> This commitment and the associated target are delivered by Environment Canada’s Adaptation and Impacts Research Division (AIRD). AIRD’s mission is to “provide scientific expertise and leadership to Canadians on the environmental, social, and economic risks, vulnerabilities, impacts, and adaptations associated with atmospheric variability and change.”</p> <p>More extreme and intense weather events, such as extended heat waves and ice storms, pose increased risks to the health and safety of Canadians. Increases in the intensity and frequency of extreme events are consistent with many of the changes expected as a result of global warming.</p> <p><b>What we found.</b> AIRD has conducted, often in partnership with other organizations, various assessments in the areas of health, environment, and infrastructure vulnerabilities. Examples of assessments that were or are being conducted include</p> <ul style="list-style-type: none"> <li>• adaptation of urban areas to atmospheric change,</li> <li>• variations in severe ice storm risks and rainfall extremes for Ontario,</li> <li>• climate change and Canada’s national park system, and</li> <li>• impacts of climate change on the spread of lyme disease.</li> </ul> <p>The quality of the assessments was not examined as part of our audit work.</p>  |
| <p>Refine and use climate models to inform climate change scenarios and policy discussions.*<br/>(2004 Strategy)</p> <p><b>Target:</b> In 2005–06, provide impacts, adaptation, and policy communities with scenarios of climate extremes and variability in changed climate.</p> <p>* For more information on this commitment, see Chapter 2, Adapting to the Impacts of Climate Change.</p>              | <p>○</p> | <p><b>Context.</b> Within Environment Canada, the Canadian Centre for Climate Modelling and Analysis (CCCma) and the Climate Change Scenarios Network (CCSN) within AIRD provide information about probable climate conditions in the future. AIRD also provides scientific expertise and leadership to Canadians on vulnerabilities, impacts, and adaptations associated with atmospheric variability and change.</p> <p><b>What we found.</b> Maps of atmospheric hazards were developed from climate data and peer-reviewed scientific studies. Environment Canada’s AIRD and Ontario Region have developed maps of atmospheric hazards in Ontario. These maps were developed and provided to help municipalities conduct their hazard identification and risk assessments, as required by Ontario’s <i>Emergency Management Act</i>. A Web site containing this information was also developed.</p> <p>Although these atmospheric hazard maps are a step in the right direction, we found that the Department does not provide maps of possible future atmospheric hazards based on possible future conditions.</p> <p>We could not find information about many possible future climate extremes from regional and global models on the CCCma and the CCSN Web sites. Although many scientific articles on extremes in a changing climate have been published by Environment Canada scientists, these would likely not be readily usable outside the research community.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Environment Canada (continued)</b>   |          |   |
| <p>Work in partnership with federal and provincial governments, academia, and the private sector to make regional scale climate change scenario tools available for decision making.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> In 2004, establish a scientific group to provide a strong focus on regional climate modelling and data analysis.</p> <p>* For more information on this commitment, see Chapter 2, Adapting to the Impacts of Climate Change.</p> | ○        | <p><b>Context.</b> Information about future climate change on a regional scale is important for planning adaptation regionally and locally. The two main methods to produce regional scale climate information are using statistical methods to bring the results of a global model down to a regional scale or developing a regional climate model.</p> <p><b>What we found.</b> Although Environment Canada has been an international leader in climate modelling at a global scale, distribution of regional scale information is restricted. Currently, the development of a regional model is led by academia, and it is possible to obtain some information at a regional scale from Environment Canada; however, the information is in a format that is more amenable to use by the scientific community.</p>  |
| <p>Contribute to meeting the Government of Canada's target of purchasing at least 20 percent of its electricity from low and non-emitting sources.*</p> <p>(2001 Strategy)</p> <p><b>Target:</b> 2005</p> <p>* For more information on this commitment, see Chapter 5, Environmental Petitions.</p>   | ○        | <p><b>Context.</b> One of the Government of Canada's initiatives to reduce greenhouse gas emissions from its own operations involves purchasing electricity from green power sources for federal facilities across Canada through the Purchase of Electricity from Renewable Resources (PERR) program. The purpose of this initiative is to show federal leadership on climate change and help develop Canadian markets for green power.</p> <p><b>What we found.</b> The Department stated that its contribution to meeting the federal government's target to purchase 20 percent of its electricity from green power has been met through its agreement to purchase two gigawatt hours per year of green power in Alberta between 1997 and 2007 and through its continuing participation in PERR program committees. However, the total federal government commitment remains unfulfilled. Also, the Department stated that the 2005 target date from its 2001 sustainable development strategy was a misprint and should have read "completed by 2006."</p> <p>In our view, the Department made limited progress on this commitment. The Department did not develop clear indicators of what it expected to achieve toward the federal government's target of 20 percent electricity from green power, nor did it demonstrate or communicate clearly what progress had been achieved. For example, in its February 2002–March 2003 progress report on 2001 sustainable development strategy commitments, the Department reported that progress toward the target was delayed until 2006. Yet, in its April 2003–December 2003 progress report on those commitments, the Department reported it had met the target, even though no new agreements had been put in place.</p> |

● **Satisfactory**—Progress is satisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments   |
|---|----------|--|
| <b>Finance Canada</b>   |          |  |
| <p>Continue to conduct economic research and analysis, including through the use of one of the economic models the Department maintains, to assess the potential costs of a major economic instrument, such as emissions trading, and other policy or program options to reduce emissions of greenhouse gases.*</p> <p>(2001 strategy)</p> <p><b>Target:</b> No date</p> <p>* Our assessment of this commitment was limited to Finance Canada's analysis of the emissions trading instrument.</p> | ●        | <p><b>Context.</b> Emissions trading involves the purchase and sale of emission reduction credits by regulated emitters. Canada's proposed domestic emissions trading system is a policy instrument that could have a significant fiscal and economic impact. For this reason, Finance Canada has been involved in the analysis of domestic emissions trading options since 1998.</p> <p><b>What we found.</b> While Finance Canada's performance expectation for this commitment was not documented, it indicated that it expected its analysts to develop and apply a model that examines the economic impact of using an emissions trading system to reduce greenhouse gas emissions in Canada. Work on this model was completed in 2003, and the resulting working paper is posted on Finance Canada's Web site.</p> <p>The application and use of the model results, however, has been limited. While the model results were presented to senior officials within and outside Finance Canada, the analysis was not directly used in the federal climate change process. The model has not been updated and did not take into account key policy concerns related to emissions trading (for example, a cap on costs to industry or a possible higher-than-predicted growth in greenhouse gas emissions).</p> <p>Additional details on emissions trading and our key observations and recommendations on this issue are in Chapter 1, Managing the Federal Approach to Climate Change, paragraphs 1.61 to 1.87.</p> |
| <p>Continue to maintain awareness of the Department's process for implementing the 1999 Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals (Strategic Environmental Assessment).</p> <p>(2004 Strategy)</p> <p><b>Target:</b> The number of strategic environmental assessments conducted by the Department will be tracked and monitored.</p>   | ●        | <p><b>Context.</b> Strategic Environmental Assessment (SEA) is the examination of policies and programs at the planning stage to carefully consider their potential effects on the environment before they are approved. SEA is a critically important planning tool, given the potential for serious and irreversible damage that can result from some human activity.</p> <p>Finance Canada has developed a questionnaire to conduct a preliminary assessment of proposals. If the results reveal the proposal is likely to have an important environmental impact, a full SEA is required.</p> <p>Our examination focussed on the commitment to maintain awareness of the Strategic Environmental Assessment and on the number of assessments conducted, rather than on the rigour or quality of the SEA process.</p> <p><b>What we found.</b> The Department has made satisfactory progress toward this commitment. The Canadian Environmental Assessment Agency and selected staff in the Department provide training to other staff. Information on the SEA process is provided to new staff as part of their orientation material.</p> <p>A schedule of assessments that branches expect to bring forward is updated quarterly. The Department uses a registry to track and monitor the assessments it conducts. The number of SEA screenings has increased from 3 in 2003 to 41 in 2004 and 79 in 2005.</p>  |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Fisheries and Oceans Canada</b>  |          |   |
| <p>Work with provinces and territories to develop an implementation plan, with costed options, for a National Strategy on Aquatic Invasive Species.</p> <p>(2005 Strategy)</p> <p><b>Target:</b> 2005</p> | ●        | <p><b>Context.</b> Aquatic invasive species pose a major threat to Canada's multimillion dollar fishing industry. They can also cause significant harm to the environment, infrastructure, and human health.</p> <p>We reported on the threat posed by invasive species and lack of action to address this threat in our 2002 and 2005 reports.</p> <p>In September 2004, the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM) approved the Canadian action plan for aquatic invasive species. It also directed the Aquatic Invasive Species Task Group, which is co-chaired by Fisheries and Oceans Canada, to develop an implementation plan that outlines the resources and structures necessary to fully implement the action plan.</p> <p><b>What we found.</b> The Department has made satisfactory progress toward this commitment despite challenges faced with multiple jurisdictions. In October 2005, CCFAM approved the Implementation Strategy 2005–07 prepared by the task group. The implementation strategy identifies three scenarios and the associated costs. The task group has also developed a work plan for 2005–07, which identifies activities toward implementing the action plan. However, at the time of the audit there was no recommendation on the preferred scenario for implementation. It is also not clear what level of resources will be needed to fully implement the action plan.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Health Canada</b>  |          |   |
| <p>Develop the structure for a national database on annual pesticide sales in Canada.</p> <p>(2001 Strategy)</p> <p><b>Target:</b> March 2004</p> | <p>●</p> | <p><b>Context.</b> Data on pesticide sales can contribute important information for a variety of monitoring and research needs, such as investigating the relationship between pesticide use and their persistence in the environment.</p> <p>The federal government created the Pest Management Regulatory Agency within Health Canada in 1995. The Agency subsequently committed to developing a national pesticide sales database.</p> <p>In 1999, we reported that Canada was one of few member countries of the Organisation for Economic Co-operation and Development that did not have a national database on annual pesticide sales. In 2002, we reported that Canada still did not have such a database.</p> <p><b>What we found.</b> The Agency has made satisfactory progress in developing the structure for a national database on annual pesticide sales. By March 2004, the Agency had created an electronic data entry system to capture national sales information from pesticide manufacturers. It developed a draft of the database by conducting two pilot projects where selected pesticide manufacturers voluntarily submitted pesticide sales data.</p> <p>Although the Agency met its sustainable development strategy commitment in 2004, Canada does not yet have a national pesticide sales database. The database will be fully implemented once regulations, under the new <i>Pest Control Products Act</i> requiring pesticide manufacturers to report annual sales information for their products, come into effect.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Human Resources and Skills Development Canada*</b>   |          |   |
| <p>Develop a departmental sustainable development policy that provides guidance on department-wide sustainable development priorities, and clearly situates it within the Department's Integrated Management Framework.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Senior management approval of the policy by March 2006</p> <p>* Human Resources and Skills Development Canada and Social Development Canada were formed in December 2003 when Human Resources Development Canada (HRDC) was split into two separate departments. HRDC's third sustainable development strategy was jointly tabled by the ministers of both departments in February 2004. Nearing the end of our examination work, in February 2006, the two departments remerged into one department called Human Resources and Social Development Canada. From February 2004 to February 2006, the two departments individually worked toward meeting this commitment in the context of their individual mandates. Consequently, progress has been assessed individually.</p> | <p>●</p> | <p><b>Context.</b> A department's policy on sustainable development helps it integrate sustainability principles into programs and operations. A policy should provide a more strategic approach to sustainable development and clarify roles and responsibilities in applying sustainable development principles. For Human Resources and Skills Development Canada, how the human capital aspect of sustainable development is defined and applied is particularly relevant.</p> <p><b>What we found.</b> The Department has made some progress in developing elements of a sustainable development policy. Prior to its re-organization in February 2006, the Department had plans to complete the process within a reasonable time.</p> <p>The Department hired a contractor to finalize an issues scan with senior management to include in a draft vision and policy on sustainable development for March 2006. This work builds upon previous work completed in early 2005 that defined options for a sustainable development policy, vision, and performance framework, given the human capital aspect of the Department's mandate. The Department informed us that progress in developing a policy was affected by the creation of Service Canada in May 2005. A decision was made to re-think what sustainable development means in light of the Department focussing on its new policy role. Efforts have focussed on the development of a vision of sustainable development as a foundation for its next sustainable development strategy in December 2006. As of February 2006, the Department expected to further refine the draft policy as part of this process.</p> <p>Human Resources and Social Development Canada expects to continue the policy development work of both Human Resources and Skills Development Canada and Social Development Canada for inclusion in its next, remerged sustainable development strategy.</p> |

● **Satisfactory**—Progress is satisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Social Development Canada*</b>   |          |   |
| <p>Develop a departmental sustainable development policy that provides guidance on department-wide sustainable development priorities, and clearly situates it within the Department's Integrated Management Framework.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Senior management approval of the policy by March 2006</p> <p>* Social Development Canada and Human Resources and Skills Development Canada were formed in December 2003 when Human Resources Development Canada (HRDC) was split into two separate departments. HRDC's third sustainable development strategy was jointly tabled by the ministers of both departments in February 2004. Nearing the end of our examination work, in February 2006, the two departments remerged into one department called Human Resources and Social Development Canada. From February 2004 to February 2006, the two departments individually worked toward meeting this commitment in the context of their individual mandates. Consequently, progress has been assessed individually.</p> | <p>●</p> | <p><b>Context.</b> A department's policy on sustainable development helps it integrate sustainability principles into programs and operations. A policy should provide a more strategic approach to sustainable development and clarify roles and responsibilities in applying sustainable development principles. For Social Development Canada, how the social dimension of sustainable development is defined and applied is particularly relevant.</p> <p><b>What we found.</b> The Department has made progress in developing key elements of a sustainable development policy. Prior to its re-organization in February 2006, the Department was on track to complete this process within a reasonable time.</p> <p>The Department had developed a social development policy framework that included the principle of sustainability. Additionally, it had completed a draft vision and proposed definition of social sustainable development as well as an analysis of policy options for integrating the social dimension of sustainable development into its programs. As of February 2006, Social Development Canada expected to transform this work into a draft policy for review by senior management before the end of March 2006. The Department expected to elaborate on the social dimensions of sustainable development as part of its next sustainable development strategy for tabling in December 2006.</p> <p>Human Resources and Social Development Canada expects to continue the policy development work of both Social Development Canada and Human Resources and Skills Development Canada for inclusion in its next, remerged sustainable development strategy.</p> |

- **Satisfactory**—Progress is satisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.
- **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Indian and Northern Affairs Canada</b>   |          |   |
|   |          | <p><b>Context.</b> Many believe that climate change is one of the most significant environmental challenges facing the world today. Within the federal government, climate change is co-managed by Environment Canada and Natural Resources Canada. Many other departments also have significant contributions to make, including Indian and Northern Affairs Canada (INAC). Scientific evidence increasingly suggests that climate change will disproportionately affect Aboriginal and northern peoples due to geography, reliance on the land, the speed of climate change, and a limited capacity to adapt. The Department believes that a long-term strategy and management framework will allow it to address climate change issues in Aboriginal and northern communities and to help meet Canada's Kyoto Protocol commitments.</p>  |
| <p>Develop and implement a management framework to reduce greenhouse gas (GHG) emissions for Aboriginal and northern communities.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> March 2004</p> | <p>●</p> | <p><b>What we found.</b> A management framework to achieve the desired results is being implemented. In August 2003, the federal government created the Aboriginal and Northern Community Action Program (ANCAP), and approved new funding totalling approximately \$30.7 million over four years for energy-related initiatives in Aboriginal and northern communities. The program's main goal is to reduce greenhouse gas emissions in these communities by 1.2 megatonnes per year by 2008. The program's management framework is detailed in an Operational Management Guide, approved in March 2004. According to INAC, this framework is reviewed and updated annually to reflect community experiences and lessons learned. The program's success in meeting its intended goal to reduce GHG emissions will be measured in 2008.</p>  |
| <p>Design and implement a system to measure reduction in GHG emissions for Aboriginal and northern communities.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> December 2005</p>                | <p>●</p> | <p><b>What we found.</b> The Department has completed the development of a prototype database system to document GHG emissions in Aboriginal and northern communities and measure changes in these emissions that result from energy efficiency and renewable energy initiatives.</p> <p>However, according to the Department, more work is required to improve the accuracy of calculating reductions of GHG emissions. The Department is currently working with a private organization that is considered to be an expert in the area of greenhouse gases, to establish how these complex calculations will be done. At the same time, the Department is undertaking an in-depth analysis and systems design exercise to add increased rigour to all GHG calculations and to document data in a way that is more transparent and user-friendly. The Department expects that this additional work will continue well into 2006–07.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments   |
|---|----------|--|
| <b>Indian and Northern Affairs Canada (continued)</b>   |          |  |
| <p>Develop a long-term strategy to assist Aboriginal and northern communities to adapt to the impacts of climate change.* (2004 Strategy)</p> <p><b>Target:</b> In December 2006, define adaptation issues for Aboriginal and northern communities due to the impacts of climate change.</p> <p>* For more information on this commitment, please see Chapter 2, Adapting to the Impacts of Climate Change.</p> | <p>●</p> | <p><b>Context.</b> Major changes are affecting Aboriginal and northern communities: There are changes in animal migration; winter roads are available for shorter periods; and melting permafrost puts buildings, roads, and other infrastructure at risk. Aboriginal people and northerners need the knowledge and tools to respond effectively to the effects of climate change.</p> <p><b>What we found.</b> Since 2000, Indian and Northern Affairs Canada has worked at identifying the risks related to climate change in the North through a series of workshops.</p> <p>In 2004, the Department created the Northern Climate Change Coordinating Committee (NC4), which is a forum of partners on climate change impacts and adaptation.</p> <p>Priorities for action in the North were identified in the summer of 2004 as well as through the work on the Northern Impacts and Adaptation Strategy. A number of federal departments were part of the process, as well as northern Aboriginal organizations, territorial governments, and research institutes.</p> <p>The Department is currently working with a consultant to complete the strategy. A draft strategy was provided to us, and the Department is making good progress toward its completion by the end of 2006. In southern Canada, priorities still have to be defined. The Department plans to create a committee during 2006. Regional priorities will be identified partly through a risk assessment process conducted with regional offices and Aboriginal partners.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Industry Canada</b>  |          |   |
| <p>Identify, for annual review by senior managers, sustainable development opportunities across Industry Canada's strategic objectives that the Department could pursue as part of its policy and program proposals, to further integrate sustainable development into corporate decision-making procedures and reporting documents.</p> <p>(2001 Strategy)</p> <p><b>Target:</b> Ongoing</p> | <p>●</p> | <p><b>Context.</b> This commitment refers to the sustainable development strategy's overarching theme of expanding sustainable development considerations in corporate planning. This is an important commitment because it affects the Industry Canada's culture.</p> <p><b>What we found.</b> To signal that sustainable development needs to be more actively considered during the development of policies, plans, and program proposals, the Department added sustainable development to the top of its priorities, beginning with the <i>2002–2003 Estimates—Report on Plans and Priorities</i>.</p> <p>The Department appointed the Assistant Deputy Minister of the Policy Sector as its sustainable development champion. The champion's roles and responsibilities are shared within the Policy Sector and include the following:</p> <ul style="list-style-type: none"> <li>• to oversee the implementation and monitoring of the sustainable development strategy;</li> <li>• to lead the integration of sustainable development in decision making, planning, and policy development, and programs and services for the Department; and</li> <li>• to provide departmental advice on sustainable development to the Minister, Deputy Minister, and senior staff.</li> </ul> <p>The sustainable development champion is the chair of the Senior Policy Committee, which is composed of 14 members, mainly at the assistant deputy minister level, and which meets on a weekly basis. This committee is the forum for senior departmental officials to review and advise the Deputy Minister on the Department's policy agenda and ensure that a more corporate view is built into new policy proposals. The champion can regularly identify sustainable development opportunities across the Department during the development of policy and program proposals.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>International Trade Canada*</b>  |          |   |
| <p>Support the development and marketing of innovative pollution-reducing technologies by 2005.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Late 2005</p> <p>*International Trade Canada (ITCan) was formed in December 2003 from portions of the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada. ITCan remerged with DFAIT during our audit.</p> | <p>○</p> | <p><b>Context.</b> International Trade Canada has a unique role to play in promoting opportunities for sustainable development internationally.</p> <p>By supporting the development and marketing of sustainable development technologies, the Department can assist in important opportunities for Canadian-based firms.</p> <p>As well, the Canadian government believes that liberalized trade and protection of the environment are key components of sustainable development. The Department helps support the inclusion of trade-related environmental issues into trade negotiations.</p> <p>The Department states in its strategy that the outcomes of meeting this commitment will be the identification of partners for international research and development collaboration, attraction of capital investment needed to complete development, and increased trade in innovative, pollution-reducing and energy-efficient Canadian products and services.</p> <p><b>What we found.</b> The Department had not defined “innovative pollution-reducing technologies” for the purposes of tracking this commitment. It was also unable to provide a plan that showed deliberate efforts were made to meet this specific commitment or track progress toward meeting its outcomes.</p> <p>Despite a lack of evidence that showed deliberate efforts made to meet this particular commitment, the Department believes it met the commitment.</p> <p>The Department provided examples of some relevant environmental initiatives, such as organizing trade and research missions that deal with fuel cells and other non-conventional energy technologies that have pollution-reducing benefits. It also mentioned its ongoing GATS (General Agreement on Trade in Services) negotiations, which it believes will increase environmental protection and economic development through trade liberalization in environmental services.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>National Defence</b>   |          |   |
| <p>Reduce the Department's contaminated sites' liability by four percent per year.</p> <p>(2003 Strategy)</p> <p><b>Target:</b> Ongoing</p> | <p>●</p> | <p><b>Context.</b> National Defence describes contamination on Department property as a legacy of past releases of hydrocarbons and other chemicals that resulted from industrial and military activities conducted according to the accepted practices of the time.</p> <p>National Defence stated it would reduce its contaminated site liability by four percent per year, aiming to reduce the liability over a reasonable time, keeping in mind the time required to address some major projects and the availability of funds to do the work.</p> <p>National Defence reported a contaminated site liability of about \$381.2 million at the end of fiscal year 2004–05. This liability represents National Defence's estimate of future costs to remediate and manage its confirmed, higher-risk contaminated sites. It does not include lower-risk sites or sites that have not yet been assessed.</p> <p>In its 2004–05 <i>Departmental Performance Report</i>, National Defence reported that it had achieved an 11.4 percent reduction in its contaminated site liability.</p> <p><b>What we found.</b> We found that National Defence exceeded its 4 percent target in 2004–05. Based on our audit of the Department's expenditures on remediation, we estimate that National Defence reduced its 2004–05 contaminated sites' liability by about 11 percent. This is materially consistent with the reduction National Defence reported to Parliament in its 2004–05 <i>Departmental Performance Report</i>.</p> <p>National Defence recognizes that its liability for contaminated sites is likely to increase in the future. New sites may be identified and liability for some sites will only become known in the future, after studies, technology, and work at the site are taken into account.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress          | Comments  |
|---|-------------------|---|
| <b>Natural Resources Canada</b>   |                   |   |
| <p>Undertake science and technology to improve Canada's ability to further mitigate and adapt to climate change impacts.*<br/>(2004 Strategy)</p> <p><b>Target:</b> By 2005, complete a quantitative assessment of terrestrial and coastal response to climate change in key physiographic zones (permafrost, coastal and near-shore environments, forests).</p> <p>* For more information on this commitment, see Chapter 2, Adapting to the Impacts of Climate Change.</p> <p><b>Target:</b> By 2006, prepare a national assessment of landscape and forest ecosystem response to climate change (two synthesis reports).</p> | <p>●</p> <p>●</p> | <p><b>Context.</b> This commitment and the associated target are delivered by Natural Resources Canada's Reducing Canada's Vulnerability to Climate Change (RCVCC) program. The program's goal "is to lessen the vulnerability of Canadians, their infrastructure and communities to climate change via research."</p> <p><b>What we found.</b> Many assessments have been conducted under the RCVCC program with a focus on permafrost, coastal environments, and forests. These include studies on the sensitivity of permafrost to climate warming in the Canadian North, assessments of sea-level rise on the east and west coasts, and development of a model providing outputs for forest ecosystem response to climate change that can be applied in forest ecosystems across Canada. We did not examine the quality of these assessments.</p> <p><b>Context.</b> This commitment and the associated target are also delivered by Natural Resources Canada's RCVCC program.</p> <p><b>What we found.</b> These two assessments have been completed. We did not assess their quality.</p> |
| <p>Increase understanding of water resource supply and minimize impacts of natural resource sector activities on aquatic ecosystems.*<br/>(2004 Strategy)</p> <p><b>Target:</b> By 2006, produce an assessment of climate change and water resource impacts to Prairie agriculture and economy.</p> <p>* For more information on this commitment, see Chapter 2, Adapting to the Impacts of Climate Change.</p>   | <p>●</p>          | <p><b>Context.</b> This commitment and the associated target are also delivered by Natural Resources Canada's RCVCC program with partners.</p> <p><b>What we found.</b> Work in the RCVCC program in collaboration with Environment Canada's National Water Research Institute has involved studies of changing water supply to the eastern slopes and western Prairies from glacier sources located in the Rocky Mountains. Several studies have been completed while others are near completion.</p> <p>Research to assess the risk of climate change to Prairie agriculture and potential adaptation options is conducted in collaboration with Agriculture and Agri-Food Canada. The first component of the project consists of an assessment of the impacts of climate change without adaptation, and is near completion.</p>  |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.



**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Natural Resources Canada (continued)</b>   |          |   |
| The following commitments relate to energy production and consumption.  |          | <p>Energy production and consumption represents a major sustainable development challenge for Canada because it accounts for more than 80 percent of Canada's greenhouse gas emissions. Natural Resources Canada (NRCan) is the federal department with primary responsibility for energy.</p> <p>At the time of our audit work, the Department had received the majority of funds allocated to federal government departments for programs to address climate change. The Department was responsible for more than 30 programs aimed at reducing greenhouse gas emissions.</p> <p>The Department uses a range of tools to support the reduction of emissions, including providing grants and contributions, giving out information, and regulating industry. The following sustainable development strategy commitments are only a small sample of the Department's programs in this area.</p>   |
| <p>Expand fuel ethanol production and use in Canada, contributing significantly to Canada's target of having at least 35 percent of the gasoline supply contain 10 percent ethanol.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2010</p> <p>* For more information on this commitment, see Chapter 3, Reducing Greenhouse Gases Emitted During Energy Production and Consumption.</p> | ●        | <p><b>Context.</b> Motor vehicles are one of the biggest contributors to greenhouse gas emissions in Canada, and changing vehicle fuel mix by blending in ethanol is one of several ways to reduce these emissions. According to the Department, gasoline blended with 10 percent ethanol reduces greenhouse gas emissions by about 4 percent, compared with normal gasoline.</p> <p>One of the initiatives funded under Budget 2003 was the Ethanol Expansion Program. Launched in October 2003 to increase the production and use of ethanol in Canada, the program provides financial contributions for the construction or expansion of fuel ethanol plants. The implied target for the program is the production of 1.2 billion litres of ethanol by 2010.</p> <p><b>What we found.</b> The Department has announced its intention to support 11 projects under the Ethanol Expansion Program. Based on the proposed production capacity of each plant, the program is expected to deliver the volume of ethanol needed to meet this sustainable development strategy commitment. Therefore progress is deemed satisfactory.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments   |
|---|----------|--|
| <b>Natural Resources Canada (continued)</b>   |          |  |
| <p>Install 1,000 megawatts (MW) of new wind energy capacity in Canada.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2007</p> <p>* For more information on this commitment, see Chapter 3, Reducing Greenhouse Gases Emitted During Energy Production and Consumption.</p>  | <p>●</p> | <p><b>Context.</b> Wind power is a renewable form of energy that does not emit greenhouse gases while it produces electricity.</p> <p>To encourage increased production of wind power, Natural Resources Canada introduced the Wind Power Production Incentive (WPPI) in 2002. This began as a multi-year, \$260-million program that aims to install 1,000 MW of wind energy capacity by 2007.</p> <p><b>What we found.</b> By 2005, the program had committed all of its funding initially allocated for projects. The contribution agreements signed for this initial funding represented a total capacity of 729 MW. An additional \$69.9 million was made available to the program in 2005, and by March 2006, additional agreements had been signed to bring the total to 924 MW.</p> <p>Although National Resources Canada had to draw on extra funds to achieve this target, progress is considered satisfactory.</p>    |
| <p>Achieve a 20 percent average energy savings for homes that undertake a second, post-renovation EnerGuide for Houses audit.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2007</p> <p>* For more information on this commitment, see Chapter 3, Reducing Greenhouse Gases Emitted During Energy Production and Consumption.</p> | <p>●</p> | <p><b>Context.</b> In 2001, there were 11.6 million dwellings in Canada, which were home to almost 30 million people. Canadian households use energy primarily for space and water heating, appliances, lighting, and space cooling—all of which contribute to greenhouse gas emissions.</p> <p>The EnerGuide for Existing Houses program was introduced in 1998 and aimed to improve the energy efficiency of existing houses and reduce residential consumption of heating fuel and electricity. Before it was cancelled in spring 2006, the program had two components: home evaluations and grants for renovations.</p> <p><b>What we found.</b> Natural Resources Canada surpassed this target. In its <i>Report to Parliament under the Energy Efficiency Act for the Fiscal Year 2004–2005</i>, Natural Resources Canada reported that energy consumption was reduced by an average of 27 percent in renovated homes.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments   |
|--|----------|--|
| <b>Natural Resources Canada (continued)</b>  |          |  |
| <p>Establish five new agreements under the Market Incentive Program to support the marketing efforts of distributors of electricity from emerging renewable sources.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2006</p> <p>* For more information on this commitment, see Chapter 3, Reducing Greenhouse Gases Emitted During Energy Production and Consumption.</p> | ○        | <p><b>Context.</b> Emerging renewable sources of electricity using wind, sun, water, biomass, and geothermy can displace high-carbon electricity generation and reduce greenhouse gas emissions.</p> <p>The Market Incentive Program (MIP) was introduced as part of the federal government's Action Plan 2000 to stimulate markets for renewable electricity (for example, encouraging the use of wind power by providing incentives to electricity distributors to encourage their residential and small business customers to buy renewable electricity). Funding for this \$25-million program is available until 31 March 2007.</p> <p><b>What we found.</b> Although this commitment specifically mentions the establishment of new agreements, its intent was to provide support to distributors of electricity from renewable sources.</p> <p>As of March 2006, a total of eight contribution agreements had been signed, representing \$3.2 million in committed funds, or 13 percent of the program's budget. Only \$0.5 million, or 2 percent of the budget, had actually been invoiced against these agreements.</p> <p>Based on these results, the federal government will not be renewing the program and will be shutting it down by March 2007.</p> <p>Thus, although the agreements were signed, our view is that because the intent of the commitment was not met, progress is deemed to be unsatisfactory.</p>                |
| <p>Complete agreements to purchase 450 gigawatt hours of electricity from renewable sources.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> 2006</p> <p>* For more information on this commitment, see Chapter 5, Environmental Petitions.</p>  | ○        | <p><b>Context.</b> One of the Government of Canada's initiatives to reduce greenhouse gas emissions from its own operations involves purchasing electricity from green power sources for federal facilities across Canada, through the Purchase of Electricity from Renewable Resources (PERR) program. The purpose of the initiative is to show federal leadership action on climate change and help develop Canadian markets for green power.</p> <p><b>What we found.</b> Natural Resources Canada's 2004 sustainable development strategy commitment underlines the Government of Canada's commitment to purchase 450 gigawatt hours of its electricity from green power sources by 2006. The Department has made limited progress on meeting its commitment. We expected the Department to have met its target by 31 March 2006, as the federal government had clearly identified this target date in its program objective. However, the PERR program has to date achieved only one third of its goal to purchase 450 gigawatt hours of green power. Furthermore, the Department determined that the target date "by 2006" should be interpreted as "by 31 March 2007," the end of the 2006–07 fiscal year—a detail not communicated as part of its 2004 sustainable development strategy. In our view, the Department should be more transparent about its target dates for meeting its sustainable development strategy commitments.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Public Works and Government Services Canada</b>  |          |   |
| <p>Ensure that the PWGSC real property inventory is at least 39 percent more energy and greenhouse gas efficient than it was in 1990. This will require a further 16 percent reduction from 31 March 2002 levels.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> March 2008</p> | <p>●</p> | <p><b>Context.</b> Public Works and Government Services Canada (PWGSC) is the government’s primary landlord, custodian, and property agent and manages approximately \$6.8 billion worth of real property holdings. This represents 31 million square metres of floor space in a variety of types of buildings across the country. In 2002, building energy use through either electricity consumption or the combustion of fossil fuels represented 81 percent of greenhouse gas emissions from federal government operations. The federal government has committed to ensuring that all new office buildings meet the Canada Green Building Council’s Leadership in Energy and Environmental Design (LEED—Canada) Gold level. LEED is a green building rating system and provides a list of standards for environmentally sustainable construction.</p>   |
| <p>Require that from April 2004, each new or rejuvenated building be at least 35 percent more energy efficient than that which it replaced, and/or at least 25 percent more energy efficient than the Model National Energy Code for Buildings—1997 (MNECB–1997).</p>         |          | <p><b>What we found.</b> The Department is on track to meet this commitment for the sample of buildings we reviewed.</p>  |
| <p>All PWGSC renovation projects (including the outside envelope and heating, ventilation, and air conditioning) for existing buildings will be a minimum of 15 percent more energy efficient than the MNECB–1997.</p>  |          | <p>Although only one of the four buildings we sampled was complete at the time of this audit, in all cases we found LEED and other green building design and energy performance criteria had been included in building plans. If the design criteria are adhered to during construction, renovation, or rejuvenation, the buildings should meet the improved energy efficiency targets stated in the commitments. However, this audit did not entail any detailed engineering analysis of the efficiency claims made by the Department or their consultants. Because the commitment is still in the early stages of implementation, the actual greenhouse gas reductions and energy efficiency gains have yet to be evaluated by the Department.</p>  |
|   |          | <p>We found some inconsistencies in how the Department identifies buildings that should be subject to this commitment. To determine which buildings are available for renovations or rejuvenation, the Department’s Real Property National Investment inventory is updated twice a year with input from regional offices. This includes identification of properties that should be subject to the commitment. However, we found that regions were using different criteria to identify projects that should be considered. There is a risk that opportunities for energy efficiency improvements for some buildings may be overlooked.</p> <p>Regions monitor and report total building energy consumption annually. However, we found there was confusion in the regions on the baseline energy measurements they are expected to report against. This may lead to inaccurate reporting of energy efficiency gains. Regions would benefit from clearer communication and guidance on how to report against this commitment.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments   |
|--|----------|--|
| <b>Public Works and Government Services Canada (continued)</b>   |          |  |
| <p>Provide services to other federal departments and agencies to help meet the greenhouse gas reduction target of the Federal House in Order initiative.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> By April 2006, purchase an annual amount of green power of 450 gigawatt hours and sustain it through to March 2008.</p> <p>* For more information on this commitment, see Chapter 5, Environmental Petitions.</p> | ○        | <p><b>Context.</b> One of the Government of Canada's initiatives to reduce greenhouse gas emissions from its own operations involves purchasing electricity from green power sources for federal facilities across Canada through the Purchase of Electricity from Renewable Resources (PERR) program. The purpose of the initiative is to show federal leadership action on climate change and help develop Canadian markets for green power.</p> <p><b>What we found.</b> The Department's 2004 sustainable development strategy commitment also underlines the federal government's commitment to purchase 450 gigawatt hours of its electricity from renewable resources by 2006. The Department measures progress on this commitment in terms of the government's overall progress in meeting this target and has therefore made limited progress in meeting its commitment. At the time of our audit, one third of this target had been met through purchases of 147.4 gigawatt hours of green power. Progress has been slow and no new contracts have been put in place since 2004.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments   |
|--|----------|--|
| <b>Transport Canada</b>  |          |  |
| <p>Continue to maintain the environmental emergency plans that are in place for all Transport Canada owned and operated facilities.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Annual</p>  | ○        | <p><b>Context.</b> Transport Canada owns and operates 112 facilities across Canada: 15 airports, 93 ports, and 4 other facilities. These sites often store, or facilitate the transport of, substances that can cause environmental harm in the event of an accidental release or explosion. It is important that environmental emergency plans (EEPs) are in place and staff are trained to respond appropriately. As part of its 2004–2006 Sustainable Development Strategy, Transport Canada made a commitment to implement its Environmental Management System (EMS) on an ongoing basis. The commitment audited here is one of eight EMS objectives.</p> <p><b>What we found.</b> Transport Canada does not have environmental emergency plans in place at all of its owned and operated facilities. Specifically, Transport Canada last reviewed the requirement for EEPs at its facilities in December 2004 and determined that 59 of 112 facilities required the plans. The Department was not able to provide evidence of a clear, documented, and consistently applied set of criteria to support the need for plans at these 59 facilities versus the others. From a request for a sample of 20 EEPs, Transport Canada was able to provide us with 18 plans. Of these 18 plans, only 2 met Transport Canada’s target of being updated every 12 months. Overall, we noted a large variation in content and level of detail of the plans.</p> <p>Transport Canada would benefit from developing national guidelines and standards that establish environmental emergency planning requirements and ensure consistency across the Department’s facilities.</p> |
| <p>Develop a Transport Canada training plan, by 2004–05, and deliver one training session per fiscal year or as deemed required, through to 2006–07.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> December 2004 for training plan. Training delivered as required to 2007.</p> | ○        | <p><b>What we found.</b> Transport Canada has not completed a training plan. A draft outline for a training course was developed in 2004 and included some course objectives. However, due to minimal interest within the Department, a Transport Canada-specific course was never finalized.</p>  |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment   | Progress | Comments  |
|--|----------|---|
| <b>Treasury Board of Canada Secretariat</b>  |          |   |
| <p>Administer funds for the Federal Contaminated Sites Accelerated Action Plan (FCSAAP) and monitor compliance with the <i>Treasury Board Contaminated Sites Management Policy</i> among federal departments.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Ongoing</p> | <p>●</p> | <p><b>Context.</b> In keeping with the government's commitment to identify, assess, and remediate federal contaminated sites, in 2000 and 2002, the Treasury Board approved a collection of policies and best practices for the management of federal contaminated sites—including the <i>Treasury Board Contaminated Sites Management Policy</i>. One of the Treasury Board Secretariat's roles is to monitor departmental compliance with these policies.</p> <p>In its 2003 Budget, the government committed funding of \$175 million over two years to address the highest-risk federal contaminated sites. This funding commitment, combined with the policies and best practices, enabled the Treasury Board Secretariat, Environment Canada, and custodian departments to develop and implement the Federal Contaminated Sites Accelerated Action Plan (FCSAAP). As a result of this work, many site assessments have been completed and 57 contaminated site projects received funding approval to undertake remediation or care and maintenance activities.</p> <p>In its 2004 Budget, the government provided an additional \$3.5 billion over 10 years to continue the ongoing cleanup of federal contaminated sites. This enhanced program has been renamed the Federal Contaminated Sites Action Plan (FCSAP).</p> <p><b>What we found.</b> As part of its responsibilities to oversee financial processes and provide oversight as a budget office, the Treasury Board Secretariat administers the funds for FCSAAP and FCSAP at a global level and monitors compliance with the <i>Treasury Board Contaminated Sites Management Policy</i>.</p> <p>With respect to administering the funds, the day-to-day management of FCSAAP and FCSAP is the responsibility of Environment Canada. The Secretariat, however, played a role in ensuring that the entire \$175 million was approved and allocated to deal with contaminated sites, and it continues to review the allocation of the \$3.5 billion. The Secretariat also receives ongoing updates from Environment Canada, participates as an active member of the Contaminated Sites Management Working Group, and acts as co-chair of the Assistant Deputy Ministers Federal Contaminated Sites Steering Committee.</p> |

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**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments   |
|---|----------|--|
| <b>Treasury Board of Canada Secretariat (continued)</b>   |          |  |
|   |          | <p>With respect to compliance monitoring, the <i>Treasury Board Contaminated Sites Management Policy</i> required federal entities to develop a one-time Contaminated Sites Management Plan. The Secretariat conducted a review of all the plans to ensure compliance with the policy. In addition, as one of the eligibility requirements under FCSAP, departments requesting funding are required to prepare three-year management plans for contaminated sites, which are to be updated annually. The Secretariat reviews these plans to stay informed on the progress of departmental projects and recommend changes as required.</p> <p>When reviewing the Secretariat's role, we did not assess the quality of the monitoring completed.</p>   |
| <p>Work with other departments to develop an approach to the climate change agenda that assures accurate reporting on expenditures and results, measurement and reporting frameworks, management systems, and a governance structure.*</p> <p>(2004 Strategy)</p> <p><b>Target:</b> March 2004</p> <p>* Our assessment of this commitment was limited to the Treasury Board of Canada Secretariat's collaboration with other departments in developing a climate change approach. It is not an evaluation of the overall governance and accountability with respect to climate change, which is addressed in Chapter 1, <i>Managing the Federal Approach to Climate Change</i>.</p> | <p>●</p> | <p><b>Context.</b> Managing issues that cut across departmental mandates is a fundamental problem for governments, and climate change is one of the largest issues of this type for the federal government. The Treasury Board Secretariat froze Budget 2003 funding for climate change, pending the completion of a management and accountability framework for climate change programs.</p> <p><b>What we found.</b> From June 2003 to June 2005, the Treasury Board Secretariat worked closely with all departments that have climate change programming to develop a management and accountability framework. The Secretariat does not normally play such an active role in horizontal initiatives and expects that the responsibility for managing the framework will be assigned to one or more line departments.</p> <p>The frozen funding was released to departments (some in March 2004 and the remainder in June 2005) even though two components of the framework remained outstanding: governance and the implementation of the processes developed for monitoring and reporting on financial and non-financial performance. The Secretariat has indicated that it intends to update the performance management framework in 2006–07.</p> <p>Developing the comprehensive management framework for this government-wide initiative was pioneering work. The process has been more complex than foreseen because of the need to collaborate extensively across departments and to develop new approaches and mechanisms. With regard to this commitment, we are satisfied with the Secretariat's collaboration with other departments to date.</p> <p>Key observations and recommendations related to the governance and the implementation of the processes developed for the monitoring and reporting of financial and non-financial performance are in Chapter 1, <i>Managing the Federal Approach to Climate Change</i>.</p> |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.



**Exhibit 4.1 Progress made by departments and agencies in meeting commitments from their sustainable development strategies (continued)**

| Commitment  | Progress | Comments  |
|---|----------|---|
| <b>Western Economic Diversification Canada</b>  |          |   |
| <p>Invest in projects that enable western Canadian communities to improve their social, environmental, and economic sustainability.</p> <p>(2004 Strategy)</p> <p><b>Target:</b> Increase leveraged money by 10 percent over a three-year period.</p> | ●        | <p><b>Context.</b> Western Economic Diversification Canada's (WD) mandate is to promote the development and diversification of Western Canada's economy and advance the interests of the West in national economic policy. Its programs and services support three strategic directions: innovation, entrepreneurship, and sustainable communities.</p> <p>The Department invests millions of dollars to promote sustainable development in the West. It invests money through non-profit organizations or partnership projects among governments, the private sector, local residents, and organizations.</p> <p><b>What we found.</b> The Department has exceeded its target for this commitment. Using 2003–04 as a base year, the target was to increase the \$7.5 million of contributions from other partners by 10 percent over three years (to \$8.3 million). The Department met its target in the first year, 2004–05. Preliminary data for the first nine months of 2005–06, as of 31 December 2005, indicates that it will receive \$12.5 million of funding in 2005–06 from other partners.</p> <p>The Department has a project approval and tracking system. Through enhancements to the system, it identifies and then tracks projects related to its sustainable development commitments. The Department has recognized that determining whether a project contributes toward sustainable development is problematic. This is addressed in its second target below.</p> <p>The Department has also set up a Sustainable Development Strategy Team to provide inter-regional co-ordination of sustainable development-related initiatives.</p> |
| <p><b>Target:</b> The number of projects with communities that contribute to social, environmental, and economic sustainability</p>   | ●        | <p><b>What we found.</b> The Department funded 42 projects with communities in 2004–05 that have contributed to social, environmental, and economic sustainability.</p> <p>However, the Department has recognized that easily measured criteria, such as dollars invested and leveraged, do not indicate whether projects have been successful in meeting goals related to environment sustainability.</p> <p>The Department plans to use a combination of case studies and project evaluations to better measure progress in meeting this target. It has set April 2007 as the date to complete these initiatives.</p>   |

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○ **Unsatisfactory**—Progress is unsatisfactory, given the significance and complexity of the issue, and the time that has elapsed since the commitment was made.

## About the Audit

### Objectives

Our objective was to assess the actions of 21 departments and agencies in implementing 39 commitments in their sustainable development strategies.

### Scope and approach

As part of our annual monitoring of strategy commitments, we audited the following 21 organizations: Agriculture and Agri-Food Canada, the Atlantic Canada Opportunities Agency, Canada Economic Development for Quebec Regions, the Canada Revenue Agency, Canadian Heritage, Correctional Service Canada, Environment Canada, Finance Canada, Fisheries and Oceans Canada, Health Canada, Human Resources and Skills Development Canada, Social Development Canada (the latter two are now called Human Resources and Social Development Canada), Indian and Northern Affairs Canada, Industry Canada, International Trade Canada (now the international trade program of Foreign Affairs and International Trade Canada), National Defence, Natural Resources Canada, Public Works and Government Services Canada, Transport Canada, the Treasury Board of Canada Secretariat, and Western Economic Diversification Canada.

We looked at a total of 39 commitments, which were chosen based on a number of criteria, including significance and timeliness. The results apply only to the 39 commitments and not to each organization's overall performance.

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

### Criteria

To assess the progress made by the departments and agencies, we expected that they were effectively managing the implementation of their commitments and meeting their commitments—that is, they were doing what they said they would.

Based on our assessment, we assigned one of two ratings: satisfactory progress or unsatisfactory progress. In determining the grade, we considered the following elements:

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

Our assessment considered the difficulty of the commitment, the time since the commitment was made, and the specific efforts that the department could show had been made to plan, implement, and monitor achievement of the commitment. For example, a department received a satisfactory progress rating if it was behind schedule on a particularly challenging commitment but had made demonstrable progress to meet the commitment. We also took account of changing circumstances such as the reorganization (splitting or merging) of departments that may have occurred since departments had made their commitments.

### **Audit work completed**

Audit work for this chapter was substantially completed on 14 June 2006.

### **Audit team**

Principal: Neil Maxwell

Director: Colin Campbell

Rebecca Aird

Jay Storfer

Sylvie Thompson

Auditors involved in examining progress on implementation of strategy commitments

|                    |                     |
|--------------------|---------------------|
| Karla Antoniazzi   | France Marleau      |
| Sophie Boudreau    | Johanne McDuff      |
| Sébastien Bureau   | Jennifer McLeod     |
| Ian Campbell       | Kathryn Nelson      |
| Hélène Charest     | David Normand       |
| Gerry Chu          | Rose Pelletier      |
| Liliane Cotnoir    | Sirintorn Phankasem |
| Véronique Dupuis   | Carolyn Pharand     |
| Louise Grandmaison | Patrick Polan       |
| Kathleen Hobbs     | Isabelle Proulx     |
| Stephanie Kalt     | Arnaud Schantz      |
| Kimberley Leach    | Eimer Sim           |
| Mathieu Lefèvre    | Marc Tessier        |
| Yan Lehoux         | Annie Thériault     |
| Anthony Levita     | Erin Windatt        |
| Tracey Lue         | Peter Yeh           |
| Dale MacMillan     |                     |
| Donald MacNeill    |                     |
| Steve Mariani      |                     |

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

## Appendix List of recommendations

The following is a list of recommendations found in Chapter 4. The number in front of the recommendation indicates the paragraph number where it appears in the chapter. The numbers in parentheses indicate the paragraph numbers where the topic is discussed.

| Recommendation  | Departments' response   |
|---|---|
| <p><b>4.21</b> Environment Canada, in its role of providing leadership and guidance, and co-ordinating the development of departmental sustainable development strategies, should work with departments and agencies to identify ways to improve departmental/agency planning, implementation, and monitoring of commitments. Where appropriate, Environment Canada should seek advice and support from the Treasury Board Secretariat on establishing or strengthening appropriate management processes for departments and agencies to support their commitments.</p> <p>(4.20)</p> | <p><b>Environment Canada's response.</b> Environment Canada will work with departments and agencies to review the current status of departmental planning, implementation, and monitoring systems for sustainable development strategy commitments, identifying strengths, gaps, and challenges. Based on this assessment, Environment Canada will work with the Treasury Board Secretariat, where appropriate, to determine how existing tools and mechanisms can be strengthened or better applied within departments to improve management planning and accountability for strategy commitments.</p> <p><b>The Treasury Board Secretariat's response.</b> The Treasury Board Secretariat supports Environment Canada in its role as the department responsible for leading, guiding, and co-ordinating departmental sustainable development strategies. The Treasury Board Secretariat will work with Environment Canada, where appropriate, to advise and support the establishment or strengthening of management processes for departments and agencies to support their commitments.</p> |

# Report of the Commissioner of the Environment and Sustainable Development to the House of Commons—2006

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