



Sustainable Development Strategies
Making a Difference



Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

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For copies of this document 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
Fax: (613) 954-0696
E-mail: distribution@oag-bvg.gc.ca

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Sustainable Development Strategies Making a Difference

Main Points

1. This document outlines the expectations of the Commissioner of the Environment and Sustainable Development for the third round of sustainable development strategies to be tabled in Parliament in December 2003. The purpose of the expectations is to help make the sustainable development strategies effective strategic planning documents that make a difference to Canadians. In summary, we expect the following for the next round of sustainable development strategies:

- Departments and agencies would clearly indicate the role played by their sustainable development strategy and how the strategy fits with other plans and strategies within the organization.
- The sustainable development strategies would contain a smaller number of significant and essential goals and objectives. These goals and objectives would be written in plain language and clearly express the long-term results that departments and agencies are trying to achieve.
- Targets and actions would be clearly linked to the goals and objectives.
- Targets would be clear, understandable, and measurable.
- Performance reporting would be strengthened.
- Departments and agencies would evaluate their 2001 (second) strategies and highlight the changes between their 2001 and 2003 strategies.
- Goals and objectives related to horizontal issues would be more consistent and better managed across strategies.

2. Our last expectation is directed at the federal government as a whole. It refers to the need for the federal government to create a vision of a sustainable Canada and clarify its priorities for sustainable development.

Introduction

3. Parliament passed amendments to the *Auditor General Act* in 1995 that created a legal requirement for certain ministers and agency heads to prepare sustainable development strategies for their departments and agencies, table them in Parliament, and update them at least every three years. With these amendments, Parliament also created the position of Commissioner of the Environment and Sustainable Development to monitor and report on the progress made toward sustainable development by federal departments and agencies.

4. In total, 25 departments and agencies are required to table a sustainable development strategy, with four other organizations tabling sustainable development strategies on a voluntary basis (see Appendix A). Under this decentralized approach, each minister or agency head is accountable for making progress toward sustainable development under the sphere of his or her mandate. The first strategies were released in December 1997, followed by a second round of strategies in February 2001. The next round of sustainable development strategies is expected to be tabled in Parliament in December 2003.

5. These expectations represent an evolution in guidance aimed at the sustainable development strategies. The expectations build on *A Guide to Green Government*, which was released by the federal government in 1995 and provided guidance on preparing the first round of strategies. The Guide provided initial objectives for departments and agencies to consider in their sustainable development strategies and a common approach to preparing the strategies. In 1999, the Commissioner of the Environment and Sustainable Development released *Moving up the Learning Curve: The Second Generation of Sustainable Development Strategies*, which outlined the Commissioner's expectations for the second round of sustainable development strategies that were tabled in Parliament in 2001 (see Exhibit 1).

6. The expectations in this document reflect the terminology used in *A Guide to Green Government*. However, we also use terms that reflect the terminology currently used by the federal government in the context of results-based management. A glossary is provided at the end of the document to explain selected terms used in these expectations.

Summary of past findings

7. Since 1998, the Commissioner of the Environment and Sustainable Development has produced several reports focussing on the sustainable development strategies. These reports have focussed on the implementation of commitments made in the strategies, the quality of performance reporting, and the question of whether management systems are in place to support the strategies. Past reports have also looked at the sustainable development strategies as change documents and at the nature of the commitments made in the strategies (including the meaningfulness and measurability of the commitments).

Exhibit 1 Expectations contained in *Moving up the Learning Curve: The Second Generation of Sustainable Development Strategies* (1999)

In preparing the second round of sustainable development strategies, the Commissioner expected departments to focus their efforts in the following three areas:

- assessing their first strategies—determining what the first strategy has achieved, what has changed, and what needs to be done differently—and making those assessments available in the consultations leading to the second strategies;
- strengthening the planning of strategies—drawing clear links between the departments' activities, the significant impacts of those activities, and priorities for action; and
- accelerating the development of the management systems needed to turn the strategies from talk into action.

In each of these areas, the support, involvement, and commitment of senior management was viewed as being critical to moving the organization up the learning curve.

The Commissioner also stressed the importance of developing a "Government of Canada" perspective on sustainable development that would enable departments to work together within a coherent, common framework of sustainable development objectives.

Effective co-ordination across these mandates and jurisdictions was also considered essential for meeting Canada's sustainable development objectives. In this regard, the Commissioner expected to see departments working together in areas of shared responsibility.

The complete document can be accessed at <http://www.oag-bvg.gc.ca>.

8. We have found that commitments in the sustainable development strategies are generally not measurable or "meaningful", management systems supporting the sustainable development strategies are weak, and senior management leadership is often missing. We have also found that there is too much focus on short-term activities and not enough on long-term results, performance reporting has been incomplete and inconsistent, and, overall, the sustainable development strategies are neither strategic nor driving the change necessary to achieve sustainable development.

Expectations for the third round of sustainable development strategies

The role and fit of the sustainable development strategies should be clear

9. The sustainable development strategies outline the sustainable development goals and objectives of departments and agencies. As strategic documents they should provide direction and guidance to department and agency staff as well as external stakeholders. The strategies are intended to make departments and agencies take environmental, economic, and social considerations into account systematically in their decision making and lead to changes in policies, programs, and operations that further sustainable development.

10. Sustainable development strategies are not the only tool available to the federal government for advancing its sustainable development agenda. In fact, there are many different plans and strategies that influence how a department or agency operates, all of which can be related to one or all of the social, economic, or environmental dimensions of sustainable development. These range from departmental strategic plans, annual reports on plans and priorities, and plans for individual sectors or business lines. Various sector-based strategies also relate to sustainable development, including Canada's Oceans Strategy, Canada's Innovation Strategy, the Canadian Biodiversity Strategy, and Canada's Stewardship Agenda. Other tools include legislation, regulations, policies, and programs.

11. This wide range of documents related to sustainable development increases the possibility of overlap and duplication of the respective roles of the various plans and strategies and the sustainable development strategy, which in turn may cause confusion. To ensure that sustainable development strategies are focussed and relevant, departments and agencies should clearly indicate the role played by their sustainable development strategy and how the strategy relates to other plans and strategies that exist within the organization.

Goals and objectives should focus on significant and essential outcomes

12. To make the next round of sustainable development strategies more effective strategic documents, the strategies should contain a smaller number of goals and objectives that focus on the long-term outcomes departments and agencies consider significant and essential. Goals and objectives should focus on key priorities and be related to those areas where departments and agencies can make the biggest difference in making Canada more sustainable. In their sustainable development strategies, departments and agencies should include their vision of sustainable development and the key issues being faced by their organization, both of which should be considered when determining which goals and objectives to pursue.

Objectives need to be clear

13. Objectives allow departments and agencies to translate broader goals into clearer and more concrete images of the results and outcomes they are pursuing. Given their importance, objectives in the sustainable development strategies should be written in plain language and clearly express the results that departments and agencies are trying to achieve. Objectives should not be used to reflect the activities being undertaken or the outputs being produced. Rather the objectives should be used to state the outcomes to which these activities and outputs will contribute.

14. The time frame associated with objectives should be identified in the strategies. For example, does the department or agency expect to achieve the objective within the next five years? Will it take five to ten years? Is the nature of the objective such that it will likely be pursued by the organization on an ongoing or long-term basis (for example, 10 years or more)? Departments and agencies should also indicate whether the objective is a new

initiative or whether it is a continuation of an existing objective. Adding this information would enhance the clarity of the objectives and the strategies.

Targets and actions need to be clearly linked to the goals and objectives

15. The sustainable development strategies are based on a hierarchy of commitments first proposed in *A Guide to Green Government*. This hierarchy consists of goals, objectives, and targets. The Guide proposes that an action plan be used to set out how a department or agency will achieve its goals, objectives, and targets, thereby contributing to making the shift to sustainable development a reality. For clarity and transparency, the targets and actions outlined in the action plans should be clearly and logically linked to achieving higher-level goals and objectives.

16. In our opinion, departments and agencies should link actions, targets, and their longer-term objectives and goals, using results chains or logic models as a means of illustrating these links. In addition to providing clarity and transparency, results chains or logic models would also help demonstrate that the targets being pursued are sufficient to make progress toward the objectives in the strategies. Our October 2002 Report discusses how Natural Resources Canada and Fisheries and Oceans Canada made an effort in their strategies to show how their actions at the operational level are linked to their desired intermediate and long-term outcomes represented by the goals and objectives in their strategies.

Targets need to be measurable

17. From a monitoring and accountability perspective, it is important that progress against the targets included in the sustainable development strategies can be measured. To facilitate measuring progress and as a means of keeping departments and agencies accountable for their commitments, we continue to stress that targets in the sustainable development strategies be clearly stated, understandable and be time-bound, and that they contain a clear deliverable.

18. Chapter 5 of the Commissioner of the Environment and Sustainable Development's October 2002 Report contains examples of clear, understandable, and measurable targets. Additional guidance on developing targets and establishing a clear link from goals to targets can be found in the Commissioner's 1998 Report, Chapter 8, Performance Measurement for Sustainable Development Strategies.

Performance reporting needs to be strengthened

19. In Chapter 5 of the Commissioner of the Environment and Sustainable Development's October 2002 Report, we noted that measuring and reporting on progress related to the sustainable development strategies continues to be a challenge. In response to weaknesses we have identified in the past, we continue to believe that future reporting should be comprehensive and indicate the extent to which progress is being made on goals and objectives and the extent to which targets are being achieved.

20. In order to improve reporting on the achievement of targets, we recommend that departments and agencies use the inventory of sustainable development strategy commitments as the basis for reporting on progress achieved. The inventory contains the commitments each department and agency made in the second round of strategies. It would supplement information in departmental performance reports. We believe that reporting on progress toward goals and objectives, combined with complete reporting against the targets contained in the inventories, will help provide a more complete, consistent, and meaningful picture of progress toward sustainable development. Reporting on barriers to progress would also contribute to more complete reporting. Appendix B provides additional guidance on using the inventory.

21. In addition to improved reporting at the departmental level, reporting on progress related to horizontal sustainable development issues also needs to be improved. These are issues that are being addressed by more than one department or agency. Existing government-wide performance reports could be considered a vehicle for reporting on these horizontal issues, including those that would be contained in a federal sustainable development strategy.

Departments and agencies should evaluate their second strategies and identify areas for improvement

22. We believe it is important that departments and agencies evaluate their second strategies and identify areas for improvement. In particular, departments and agencies should review the following:

- progress made regarding the goals, objectives, and targets in their strategy;
- how the sustainable development strategy has influenced other planning documents and strategies;
- findings from departmental audits and reviews and/or self-assessments, and from our reports; and
- changing circumstances, including policy direction, legislation, activities, advances in science and technology, and stakeholder interests.

23. Departments and agencies should also challenge themselves and ask whether the goals, objectives, and targets in their strategies go far enough in furthering sustainable development and whether the 2001 strategy is suitable as a basis for the 2003 strategy. The results of this assessment should be included in the 2003 sustainable development strategy.

Each organization should decide on how best to undertake consultations

24. The context of each department and agency differs; therefore each organization should decide how best to undertake consultations, including joint consultations. For additional information on good practices and lessons learned regarding consultations, departments and agencies may wish to consult the Commissioner of the Environment and Sustainable Development's 1999 Report, Chapter 2, Sustainable Development Strategy Consultations.

Changes between strategies should be identified

25. We recognize that the sustainable development strategies are relatively new, lessons are being learned, and adjustments are being made to them. Given the evolving nature of the strategies, it is important that departments and agencies account for changes in their commitments between their 2001 and 2003 strategies. For example, how was the strategy improved? Which goals, objectives, and targets are new? Which ones have been achieved, terminated, or modified? Have certain goals or objectives been integrated into departmental business plans? Accounting for changes between strategies will improve transparency, help employees and stakeholders see the relationship between the old and new strategy, and facilitate efforts to monitor progress.

26. Given the long-term nature of sustainable development, we expect that the goals and objectives in the sustainable development strategies would become relatively stable between current and future strategies. Therefore, as the strategies mature and become more focussed on significant objectives and as priorities are better identified and goals are more consistent across strategies, we would expect to see a certain amount of stability between strategies, particularly at the level of goals and objectives.

Goals and objectives related to horizontal issues should be more consistent and better managed across strategies

27. When preparing their strategies for the next round (as well as future rounds), departments and agencies should attempt to make goals and objectives related to horizontal issues more consistent across strategies. This would facilitate horizontal reporting as well as comparisons between strategies. It would also improve accountability by providing a better understanding of which departments and agencies are pursuing similar or shared goals.

The federal government needs to create a vision of a sustainable Canada and clarify its priorities

28. To make sustainable development more understandable and more meaningful for Canadians, the federal government needs to establish a vision of what Canada will look like in 20 years in the context of sustainable development. This vision should provide a clear and concrete picture of the results the federal government wants to achieve in areas such as sustainable fisheries and communities. The federal government also needs to clearly identify its sustainable development priorities. This call for a “Government of Canada” perspective on sustainable development is not new; it was originally stressed in the 1999 Moving up the Learning Curve document and again in our October 2002 Report.

29. In addition to clarifying priorities, the federal government also needs to clarify the roles that individual departments and agencies (and their sustainable development strategies) are expected to play in achieving the federal government’s horizontal sustainable development priorities. This

would facilitate co-ordination between departments and agencies and allow them to align their strategies with the priorities of the federal government as a whole. This would also help departments and agencies, as well as other stakeholders, understand how their organization is expected to contribute to the federal government's overall sustainable development agenda. Clarifying the roles of departments and agencies and their sustainable development strategies is particularly important given the emergence of sector-based strategies related to one or all three dimensions of sustainable development that involve many of the same federal players required to prepare sustainable development strategies.

30. The need for a “Government of Canada” perspective is not based on a lack of goals and objectives for guiding the federal government's activities. Rather, it is a matter of clearly establishing which objectives are priorities given the many that exist. For example, common objectives were first identified in the 1995 Guide to Green Government, which contained five objectives for departments and agencies to consider when preparing their strategies. These objectives included the following:

- sustaining our natural resources,
- protecting the health of Canadians and ecosystems,
- fulfilling our international obligations,
- promoting equity, and
- improving the quality of life and well-being.

31. In 2000, the Leaders' Forum on Sustainable Development identified an additional eight cross-cutting themes that would benefit from increased co-ordination. These themes were the following:

- sustainable development in government operations;
- international aspects of sustainable development;
- a federal sustainable development strategy for the North;
- sustainable development and healthy Canadians;
- social and cultural aspects of sustainable development;
- productivity through eco-efficiency;
- sustainable development knowledge and information/indicators/reporting; and
- sustainability in communities.

32. Other objectives and commitments regarding sustainable development can be found in the federal government's Speeches from the Throne, federal budgets, and the World Summits on Sustainable Development held in Rio de Janeiro and Johannesburg.

The Commissioner's future approach to monitoring the sustainable development strategies

33. The Commissioner's 2003 Report will represent a shift in the way the sustainable development strategies are monitored. The approach will focus more on the objectives in the strategies and the results being achieved in relation to these objectives. In particular, we will be monitoring the strategies in an attempt to answer questions such as the following:

- Have departments and agencies established sustainable development objectives that represent a clear statement of the results to be accomplished?
- Have departments and agencies established clear and sufficient performance expectations (including targets) and indicators for their sustainable development objectives?
- To what extent are departments and agencies meeting their performance expectations?
- Are departments and agencies measuring the results they are achieving with respect to their sustainable development objectives (including the achievement of targets, short-term outcomes, and intermediate and longer-term outcomes)?
- Are departments and agencies using results information to improve performance?
- Are departments and agencies effectively reporting performance related to their sustainable development objectives?

34. Moreover, we will monitor the effectiveness of interdepartmental committees on sustainable development, including the Environment and Sustainable Development Coordinating Committee.

35. For horizontal sustainable development objectives, we will be addressing whether the objectives have been defined and agreed to by the various organizations involved and whether these objectives are being pursued in a co-ordinated manner.

Conclusion: Focussing on making a difference

36. This document outlines the expectations of the Commissioner of the Environment and Sustainable Development for the third round of sustainable development strategies to be tabled in Parliament in December 2003. We believe that if departments and agencies are clear on the role and fit of their sustainable development strategy, if goals and objectives are clear, long-term, and focussed on outcomes, if targets and actions are measurable and clearly linked to goals and objectives, and if reporting is complete and balanced, the sustainable development strategies will be effective strategic planning documents and will make a difference to Canadians.

Glossary

These expectations reflect the terminology proposed in the 1995 *A Guide to Green Government*: goals, objectives, targets, and actions. However, we recognize that terminology used by the federal government has evolved, especially in the context of results-based management. For example, results-based management often uses the terms activities, outputs, and outcomes. We have provided the following glossary to indicate our interpretation of the terms used in *A Guide to Green Government* and how these relate to results-based management terminology. When preparing their sustainable development strategies, departments and agencies may wish to use terms that are more consistent with current results-based management terminology.

- Actions are equivalent to activities. Activities represent operations or work processes conducted by an organization, intended to produce specific outputs (for example, products or services). Activities are the primary link in the chain through which results are achieved.
- Goals represent the final outcomes departments and agencies are pursuing.
- Objectives represent the immediate, intermediate-term, and long-term outcomes that departments and agencies are pursuing. Objectives contribute to goals.
- Outcomes are external consequences attributed to an organization or program that are considered to be significant in relation to its commitments. Outcomes may be described as immediate, intermediate, or final. Outcomes may also be direct or indirect, intended or unintended.
- Outputs are the direct products or services produced through program activities.
- Results are the ends or purpose for which a program or activity is performed. Result is a general term that often includes both outputs produced and outcomes achieved by a given organization or program.
- Targets are clear and concrete statements of results related to outputs and outcomes to be achieved within a given time frame. Targets form the basis for comparing planned and actual results.

References

Past reports of the Office of the Auditor General can provide guidance on results-based management, including developing results-based objectives. See, for example, Chapter 11 — Moving toward Managing for Results (1997), Chapter 20 — Managing for Results and Managing Horizontal Issues for Results (2000), and Chapter 19 — Reporting Performance to Parliament: Progress Too Slow (2000). All of these reports can be accessed through the Office of the Auditor General's Web site (<http://www.oag-bvg.gc.ca>).

The Treasury Board Secretariat's *Guide for the Development of Results-based Management and Accountability Frameworks* can provide guidance on developing logic models. The Guide can be obtained through the Treasury Board Secretariat's Web site (<http://www.tbs-sct.gc.ca>).

Appendix A Organizations required by legislation to prepare a sustainable development strategy

Twenty-five departments and agencies are presently required by legislation to prepare a sustainable development strategy and table it in the House of Commons.

- Agriculture and Agri-Food Canada
- Atlantic Canada Opportunities Agency
- Canada Customs and Revenue Agency
- Canada Economic Development for Quebec Regions
- Canadian International Development Agency
- Citizenship and Immigration Canada
- Department of Canadian Heritage
- Department of Finance Canada
- Department of Foreign Affairs and International Trade
- Department of Justice Canada
- Environment Canada
- Fisheries and Oceans Canada
- Health Canada
- Human Resources Development Canada
- Indian and Northern Affairs Canada
- Industry Canada
- National Defence
- Natural Resources Canada
- Parks Canada Agency
- Public Works and Government Services Canada
- Solicitor General Canada
- Transport Canada
- Treasury Board Secretariat
- Veterans Affairs Canada
- Western Economic Diversification Canada

In 1997, four organizations voluntarily prepared a sustainable development strategy and tabled it in the House of Commons.

- Canadian Environmental Assessment Agency
- Correctional Service Canada
- Office of the Auditor General of Canada
- Royal Canadian Mounted Police

Departmental and agency strategies can be accessed at: <http://www.oag-bvg.gc.ca>.

Appendix B Guidelines on using the inventory of sustainable development commitments

In our October 2002 Report, we recommended that beginning with the 2002-03 departmental performance reports, departments and agencies use the Treasury Board Secretariat's guidelines for preparing performance reports to report comprehensively and explicitly on progress they have made on their sustainable development strategies. We further recommend that they use a complete inventory of the commitments in their sustainable development strategies as part of their more detailed progress reports as suggested in the Treasury Board Secretariat's guidelines. We believe that the Secretariat's reporting guidelines, combined with the inventories, will help provide a more complete, comprehensive, consistent, and meaningful picture of progress toward sustainable development.

The attached guidelines on using the inventory are designed to encourage consistency in reporting on sustainable development strategies across departments and agencies. Although the guidelines focus on how to report against targets outlined in individual strategies, departments and agencies are encouraged to report on

- the extent to which goals and objectives are being achieved;
- barriers to progress that are being encountered, and
- the extent to which other organizations are contributing to achieving the goals and objectives outlined in their strategies.

Information on goals and objectives can be reported either in the departmental performance report or as accompanying text to the inventory itself.

Description of progress toward targets set in the sustainable development strategy	Comments
Target has been achieved.	The target identified in the sustainable development strategy has been achieved. Departments and agencies may wish to include a discussion of the results associated with achieving their targets.
Progress toward target is on schedule.	Progress toward the target identified in the sustainable development strategy is ongoing and on schedule. Departments and agencies may wish to include a discussion of the results associated with progressing toward their targets.
Target has not been met, or progress toward target has been delayed.	Progress on the target in the sustainable development strategy has been delayed. A brief explanation of why progress has been delayed and the barriers and challenges being encountered should be provided. Corrective actions for bringing the target back on track should also be outlined (if applicable).
Target has been revised.	The target has been revised. A brief explanation of why and how the target was revised should be included.
Target is no longer valid.	The target is no longer valid. An explanation of why this is the case should be provided.

Notes:

1. To avoid duplication, if a department has a monitoring system in place for its sustainable development strategy that provides a clear and explicit indication of progress against all commitments, it can use this system instead of the inventory.
2. Reporting on progress should correspond with the time period covered by the departmental performance report.
3. If targets have not been set, progress on actions set out in the sustainable development strategy should be indicated.
4. Performance information may be requested by the Commissioner of the Environment and Sustainable Development to verify progress reported in the departmental performance report and related inventory.

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