



National Round Table on the Environment and the Economy

2000-2001
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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The National Round Table on the Environment and the Economy

2000-2001 Estimates

Part III – A Report on Plans and Priorities

The Right Honourable Jean Chrétien
Prime Minister of Canada

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Section I: Messages

A. Chair's Message

Canadians insist on environmental protection but they expect it to be accomplished in ways that take proper account of their economic priorities. There is, therefore, a recognition of the value of a national multistakeholder decision-making process directed at finding solutions to environmental and economic problems.

The National Round Table on the Environment and the Economy (NRTEE) is the multi-stakeholder body that advises the federal government on environment-economy issues. Since 1988 it has offered a balanced venue enabling open discussion by a range of stakeholders on issues that are often contentious and difficult. The goal of the NRTEE is to promote sustainable development, not by forcing consensus, but by providing decision makers and opinion leaders with reliable and current information and objective views on the “state of the debate” surrounding these issues.

In 1999-2000 many NRTEE programs, including Education in Business and Engineering, Sustainable Cities and Trade, Sustainable Transportation, Eco-efficiency (first phase), Greenhouse Gas Emissions Trading, and Greening of the Budget 2000 came to a successful conclusion. In their place several new or expanded programs for this planning period are underway:

- identifying and helping to set Canadian priorities for resolving sustainable development challenges and opportunities to the year 2010;
- creating recommendations, tools and policies that will improve the quality of decision making related to the protection of human health from environmental pollutants;
- identifying essential elements of a process to guide non-renewable resources development in Canada's North, and the impacts of such development on local Aboriginal communities; and
- reviewing options of fiscal reform that better reflect ecological priorities.

In addition, the NRTEE will spend \$4.5 million over the next three years to develop environmental and sustainable development indicators. This is part of the \$9 million that was allocated to the NRTEE and Environment Canada in Budget 2000 for this purpose.

I am pleased to submit the NRTEE's Report on Plans and Priorities for 2000-2001, outlining the major results that will be achieved in each of these areas over the coming year as we try to help Canadians progress toward the goal of sustainable development.

Stuart L. Smith, M.D., Chair
National Round Table on the Environment
and the Economy

B. Management Representation Statement

I submit, for tabling in Parliament, the 2000-2001 Report on Plans and Priorities (RPP) for the National Round Table on the Environment and the Economy.

To the best of my knowledge the information:

- accurately portrays the mandate, plans, priorities, strategies and expected key results of the organization;
- is consistent with the disclosure principles contained in the *Guidelines for the Preparation of the 2000-2001 Report on Plans and Priorities*;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The planning and reporting structure on which this document is based has been approved by Treasury Board ministers and is the basis of accountability for the results achieved with the resources and authorities provided.

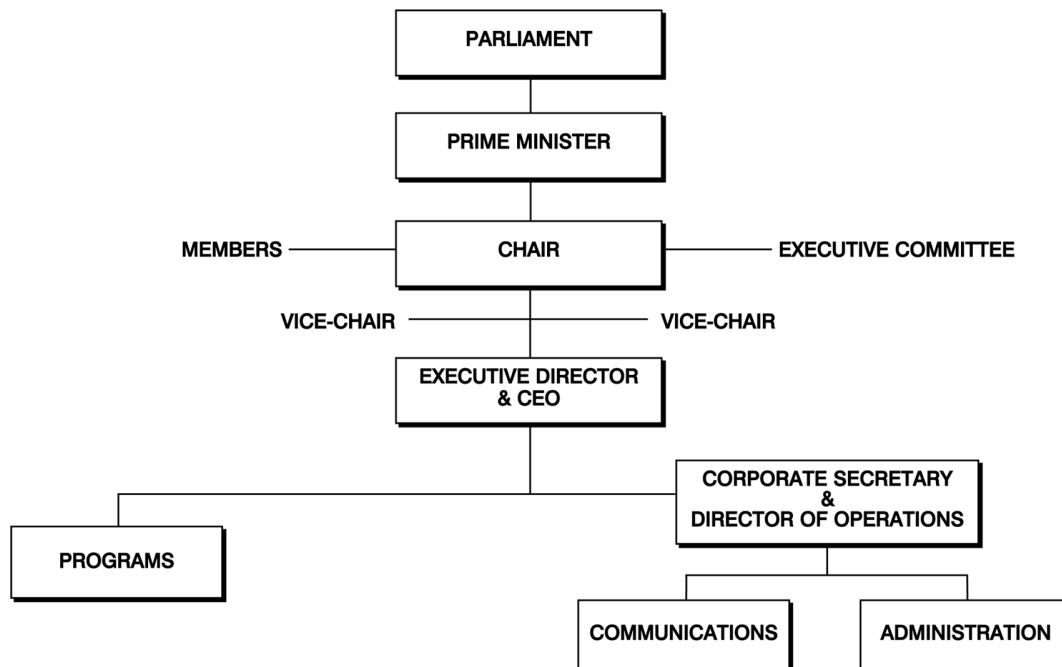
David McGuinty
Executive Director and CEO

Section II: Departmental Overview

A. Mandate, Roles and Responsibilities

The formal mandate of the NRTEE is derived from the *National Round Table on the Environment and the Economy Act*. The stated purpose of the Round Table is “... to play the role of catalyst in identifying, explaining and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development.” Sustainable development is all-encompassing and complex. At the broadest level, it is defined as “... a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs” (1987 World Commission on Environment and Development). The concept of sustainable development is based on a recognition of the interdependence of human beings and the global natural environment. Efforts to resolve sustainable development problems rely on co-operation among individuals, industry and governments both within Canada and between nations.

National Round Table on the Environment and the Economy (NRTEE)



B. Agency Objective

To play the role of catalyst in identifying, explaining and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development

At the heart of the NRTEE's work is a commitment to improve the quality of economic and environmental policy development by providing decision makers and opinion leaders with the information necessary to make reasoned choices on an environmentally, economically and socially sustainable future for Canada.

The NRTEE promotes a roundtable and multistakeholder approach to analysing sustainable development issues and acts as a forum in which all points of view can be freely expressed and debated. Round Table members and stakeholders involved in NRTEE programs strive to define the relationship between the environment and the economy, to determine where consensus exists on resolving particular issues, to identify clearly the nature of the issues that remain unresolved, and to make recommendations accordingly.

Having representatives at the Round Table from a variety of regions and sectors — business, labour, academe, First Nations and environmental groups — provides a significant opportunity to investigate sustainable development issues from a national perspective.

C. External Factors Influencing the Agency

The following are the key external factors that, directly or indirectly, influence the NRTEE in the design and delivery of its programs.

Domestic Commitments

The NRTEE is cognizant of the broad policy priorities of the federal government with respect to the environment and economy and shapes its programs and activities accordingly. This entails contributing to current policy development as well as attempting to influence the course of future policy direction. The areas on which the National Round Table has chosen to focus are economic instruments for environmental improvement, health and the environment, environmental technologies, improving the environmental performance of companies, and identifying issues, problems and opportunities that are likely to engage over the next decade.

All federal departments are now required to produce and regularly update sustainable development strategies. These strategies describe each department's responses to specific issues relevant to that department in its support of the goal of sustainable development. The work of the NRTEE is expected to benefit these departments with respect to the commitments contained in their strategies.

The reality confronting the NRTEE in its endeavours is that there are profound conflicts and differences of view among stakeholder groups. Hence, the challenge is to be trusted by all sides and to be seen as providing a neutral and productive meeting ground for the discussion of contentious issues.

International Obligations

The federal government has become increasingly active internationally in responding to issues relevant to the goal of sustainable development. For example, Canada has supported international agreements that address such problems as climate change (1992 Climate Change Convention), ozone depletion (1987 Montreal Protocol on Ozone-Depleting Substances), and resource conservation (1992 United Nations Convention on Biological Diversity). The conception and delivery of NRTEE programs often occur as a consequence of Canada's responses to its international obligations.

Public Expectations and Concerns

The areas in which the NRTEE operates are characterized by growing public concern and activity. The issues are broad, complex, interdependent and immediate; views regarding the nature of sustainable development problems and solutions are diverse; the impacts of these problems, moreover, can be devastating. Policy and decision makers, in determining appropriate action on sustainable development issues, typically are required to make difficult choices and trade-offs in a context of uncertainty.

D. Agency Planned Spending

The NRTEE comprises one business line:

“The provision of objective views and information regarding the state of the debate on the environment and the economy.”

(\$ thousands)	Forecast Spending 1999-2000 ⁽¹⁾	Planned Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003
Gross Program Spending	3,308	3,365	3,365	3,365
Adjustments ⁽²⁾	151	1,500	1,500	1,500
Net Program Spending	3,459	4,865	4,865	4,865
<i>Less:</i> Non-respendable Revenue ⁽³⁾	(15)	(20)	(20)	(20)
<i>Plus:</i> Estimated Costs of Services by Other Departments ⁽⁴⁾	161	182	182	182
Total Plan Spending	3,605	5,027	5,027	5,027
Full Time Equivalents	21	22	22	22

(1) Reflects best forecast of total planned spending to the end of the fiscal year.

(2) Adjustments are to accommodate approvals obtained since the Annual Reference Level Update (ARLU) exercise and to include Budget initiatives.

(3) During 1996-97, the NRTEE commenced cost recovery for the organization's publications. Under the *NRTEE Act*, and Section 29.1 of the *Financial Administration Act*, the NRTEE has authority to spend any revenues received.

(4) The estimated costs of services provided by other departments consist of:

	(\$000)
• accommodation received without charge from Public Works and Government Services Canada	180
• pay and benefit services received without charge from Environment Canada	2

Section III: Plans, Results and Resources

A. Business Line Objective

The business line objective is the same as the Agency objective, which is *to play the role of catalyst in identifying, explaining and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development.*

B. Business Line Descriptions

The provision of objective views and information regarding the state of the debate on the environment and the economy. The NRTEE is a multistakeholder body comprising a Chair and a maximum of 24 members who are opinion leaders from a variety of regions and sectors of Canadian society including business, labour, academe, environmental organizations and First Nations. The NRTEE actively promotes a round table and multistakeholder approach to analysing sustainable development issues and acts as a forum in which all points of view can be freely expressed and debated. The NRTEE members and stakeholders involved in its programs strive to define the relationship between the environment and the economy, to determine where consensus exists on particular issues, and to identify any barriers that prevent consensus. This information is consolidated, assessed and communicated to stakeholders, relevant decision makers, and the media.

Within the NRTEE business line, activities are organized according to a number of program areas. Each potential program area is scoped and defined, and a task force is assigned to oversee the associated activities. Emerging issues are continually explored, and if determined to be a priority, are established as new program areas as funds become available.

C. Key Results, Commitments, Planned Results, Related Activities and Resources

Following investigations into a number of different issue areas and consultations with various stakeholders and experts involved in these areas, the NRTEE has decided to focus its efforts on the following programs:

- (i) Millennium;
- (ii) Health, Environment and the Economy;
- (iii) Aboriginal Communities and Non-renewable Resource Development;
- (iv) Economic Instruments; and
- (v) Eco-efficiency Measurement in the Private Sector.

D. The Millennium Program

Key Results Commitments

The purpose of the Millennium Program is to define and prioritize the major sustainable development trends, issues, challenges and opportunities for Canada for the first decade of the new millennium.

Related Activities

The core of the program consists of five plenaries which have been or will be held across the country between August 1999 and August 2000. Each plenary is structured around four themes: Health and the Environment; Environment, Economy and Jobs; Preservation of Nature; and Urban Liveability. The fifth plenary will synthesize the final results. Each plenary has three elements: presentation by experts, deliberation by members, and a public citizen engagement session aimed at building the profile of the issue and participation by the local community.

Planned Results

- An issue scan that will be of use to governments as they establish their policy agendas and priorities, as well as to industry associations and other groups as they attempt to develop strategies for the future.
- A description and assessment of attempts made so far to translate sustainable development into action and provision of direction about where intellectual efforts should be invested for the next 10 years.
- A balanced statement from the NRTEE members on the sustainable development priorities for the new millennium.
- Through the provision of advice on priorities for the future, better policies and decisions for the environment and economy.
- Heightened awareness of, and more citizen engagement in, environment and economy linkages.
- Increased recognition of the NRTEE as a source of useful and credible information on issues relevant to sustainable development that are important to Canadians.

Resources

The estimated budget for FY 2000-2001 is \$324,600, not including staff costs.

E. Health, Environment and the Economy

Key Results Commitments

The goal of this program is to create recommendations, tools and policies that improve the quality of decision making related to the protection of human health from environmental pollutants.

Related Activities

The NRTEE has completed four case studies to illustrate different types of decision-making processes and to ground the program in actual experiences. All four case studies illustrate the process issues that the NRTEE is examining, including transparency and scientific capacity for policy and decision making. A multistakeholder workshop was held in January 2000 to examine and develop appropriate policy tools and recommendations. The results of this workshop will lead to the final report, scheduled for the fall of 2000, containing the findings, conclusions and recommendations.

Planned Results

- Advice to the federal government on the redesign of policies and procedures in this area.
- Input to several governmental initiatives that are currently attempting to reform decision-making processes in the area of health protection:
 - the Health Protection Branch's Transition Team (Health Canada);
 - the Canadian Centre for Management Development's Best Practices initiative for risk assessment;
 - the 5NR Best Practices initiative, which was undertaken to establish best practices for the conduct, management and utilization of science among Health Canada, Natural Resources Canada, Fisheries and Oceans Canada, Environment Canada, and Agriculture and Agri-Food Canada;
 - the Privy Council Office's plan to reform the federal government's Regulatory Policy guidelines.

Resources

The annual budget in FY 2000-01 required to conduct this program is \$180,439, not including staff requirements.

F. Aboriginal Communities and Non-renewable Resource Development

Key Results Commitments

While environmental issues and concerns related to the extraction of non-renewable resources in northern Canada have existed for many years, the recent discovery and subsequent mining of diamonds near Lac de Gras, Northwest Territories, has substantially raised the profile of this subject. Coupled with the growing debate regarding the inherent rights and future of Aboriginal people in Canada is the important and timely question of how northern development can be undertaken in an environmentally responsible manner that also improves the quality of life for those living in the North. The goal of this program, therefore, is to determine measures Aboriginal people, industry, government, non-governmental organizations (NGOs) and academics must implement to ensure that non-renewable resource development in Canada's North over the next 10 to 25 years supports economically viable, self-sufficient Aboriginal communities without compromising the ecological integrity of the environment, or the retention of social structures and culture.

Related Activities

In June 1998, the NRTEE brought together industry, NGO, Aboriginal community and government representatives to define the issues the NRTEE should address. On the basis of further exploratory meetings with key players and NRTEE members in 1999, the program's geographical scope and objectives were identified. Focusing on the NWT, but with the intent of being able to extrapolate findings to the Yukon and Nunavut, the program will conduct its research around two existing case studies: one dealing with diamond mining and development and the other with oil and gas development in both the settled and unsettled or evolving land claim areas.

Planned Results

- Determination of the magnitude of opportunity for mineral and oil and gas developments in the NWT over the next 10 to 25 years and an accurate illustration of the potential indirect and direct benefits that may accrue to Aboriginal communities.
- Identification of the risks associated with non-renewable resource development for Aboriginal communities with a specific focus on environmental and social issues.
- Definition of the barriers Aboriginal communities may face in attempting to benefit from non-renewable resource development (e.g., capacity and current regulatory or fiscal policies).

- Determination of how Aboriginal communities may address the risks associated with non-renewable resource development, while overcoming the barriers presented earlier, in order to build sustainable communities in the NWT over the next 10 to 25 years. This will result in the following:
 - identifying the key elements of successful benefits agreements (i.e., corporate, regulatory or non-regulatory) and how they may be applied within the NWT, including outlining the essential components of a meaningful consultation process;
 - recommending measures that support and build capacity within Aboriginal communities and address their social and environmental concerns (e.g., funding cumulative impact studies, training people in environmental monitoring);
 - understanding the regulatory and fiscal environment (including the royalty regime) and making recommendations regarding measures decision-makers should put in place to support the development of sustainable communities.
- Through the task force and roundtable fora, a stronger partnership between all of the key parties involved in non-renewable resource development in the NWT who will be collectively responsible for implementing the recommendations.
- Among Canadians, including key decision makers, a greater awareness of Canada's North and the complex nature of the issues associated with non-renewable resource development in or near Aboriginal communities.

Resources

The budget for 2000-2001 to carry out this program is \$335,000, not including staff costs.

G. Economic Instruments

Key Results Commitments

The goal of the NRTEE's Economic Instruments program is to promote ecological fiscal reform in Canada. Ecological fiscal reform is generally defined as the shift in part of the tax structure away from income, value-added and payroll taxes toward a more accurate reflection of the environmental component. Work in this area requires a long-term approach and includes a great deal of multistakeholder analysis and discussion.

Related Activities

This program will have a duration of two years. A multistakeholder expert group will be convened to explore the various benefits and costs and the technical feasibility of ecological tax shifting as well as the potential designs for such a reformed system. The

program will help to inform the debate on ecological tax reform and to advance the use of market-based approaches toward environmental and economic improvement in Canada.

Planned Results

Background papers will be developed and published that will describe and evaluate a number of potential approaches to fiscal reform and discuss possible mechanisms to address the variety of design issues that must be considered in a revised taxation system.

An assessment will be made of each fiscal reform approach, which will include an examination of the administrative requirements associated with the implementation of the proposed systems. The potential impacts resulting from each system will also be examined in detail.

Resources

The program budget, not including staff costs, for 2000-2001 is \$350,000.

H. Eco-efficiency Measurement in the Private Sector

Key Results Commitments

In 1997 and 1998, the NRTEE and several leading North American companies conducted a feasibility study to develop eco-efficiency indicators. The purpose of this study was to test the feasibility and value of material and energy intensity indicators to support the goal of eco-efficiency. The active participation of these companies in evaluating possibilities and experiences in testing the indicators yielded important insights and lessons about what works, what is relevant and meaningful, and what is required for implementation of the proposed indicators. It is the goal of this program to continue the evaluation of the indicators by building on the lessons learned from the previous project.

Related Activities

A small steering committee of no more than 10 people will oversee the planning and conduct of the program. The committee, comprising representatives from the industrial, environmental, governmental and academic sectors, will assist in developing a detailed program plan, participate in workshops and provide feedback on program progress. Program completion will be by March 31, 2001.

The NRTEE will recruit between 12 and 18 Canadian companies from a wide cross-section of sectors to test the energy and material intensity indicators.

Planned Results

Intended results of the program are to further examine, through a consultative process and feasibility testing, the appropriateness of the core set of eco-efficiency indicators devised in the NRTEE's previous work *Measuring Eco-efficiency in Business*. Specifically, the program aims to:

- Test whether the indicators are applicable to business of all types;
- Further refine indicator definitions, decision rules and complementary indicators;
- Standardize numerators and denominators used in the indicators;
- Develop greater credibility and a wider understanding and acceptance of the indicators with business, government and various stakeholder groups; and
- Build a commitment to the implementation of the indicators.

Resources

This program will be entirely funded by Environment Canada at a cost of \$130,000 for FY 2000-2001. The NRTEE will contribute staff resources to the undertaking.

I. LEAD Canada

Key Results Commitments

LEAD Canada's mission is to foster a new generation of decision makers with the knowledge, values and skills to develop national and international policies that emphasize the sustainable use of the earth's resources.

Related Activities

Since it joined LEAD International in 1994, LEAD Canada has been funded primarily by Canada's International Development Research Centre while being supported in kind, and having its programs implemented, by the NRTEE. The Round Table will continue to deliver the program in its current form to the end of 2001, when the training of Cohorts 7 and 8 will be completed.

Planned Results

The program meets its goal through the annual selection of 15 promising mid-career professionals who take part in an intensive training program. The training program exposes participants to critical environment and development issues and enhances their leadership skills. Participants complement their training sessions with a self-directed course of study that connects sustainability issues to their professional activities.

Resources

The program is externally financed except for a staff cost at a level of \$305,448 for FY 2000-2001.

The five programs discussed above are priority areas for the next one to two years, and the NRTEE will continue to administer the LEAD Canada program until 2001, after which time its involvement will cease.

J. Indicators

In addition to the above programs, and as announced in Budget 2000, the National Round Table and Environment Canada have been provided \$9 million over the next three years to develop environmental and sustainable development indicators in collaboration with Statistics Canada. According to the budget document, “these indicators will contribute to environmental policy making in a manner similar to the way in which economic indicators facilitate the government’s economic and fiscal management. Specifically, environmental indicators will provide a better basis for assessing the interactions between the economy and the environment and will improve Canada’s ability to measure its progress on improving the environment.”

\$1.5 million annually will be spent on this program.

Section IV: Horizontal Initiatives

In fulfilling its mandate as catalyst, the NRTEE ensures that its program activities and multistakeholder events have a broad application for the benefit of all Canadians. The NRTEE's initiatives are therefore horizontal by definition.

A specific example of such a horizontal initiative is a planned senior-level consultation on sustainable development strategies that the NRTEE has been asked to convene on behalf of the federal government, which will provide all of the required funding. This consultation, scheduled for early April, will provide for a dialogue between senior officials from departments and agencies preparing strategies and representatives of a broad cross-section of Canadian interests and sectors. The purpose of this event is to seek views on the sustainable development challenges and opportunities facing Canada as well as on some cross-cutting themes. Subsequent to this event, departments and agencies will consult further with stakeholders and the Canadian public on particular issues relevant to their individual strategies.

Section V: Financial Information

Table 4.1: Net Cost of Program for the Estimates Year

(\$ thousands)	Expenditures
Net Planned spending	4,865
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	180
Pay and benefit services received without charge from Environment Canada	2
<i>Less: Non-respendable Revenue</i>	20
Net Program Cost	5,027