# Canadian Environmental Assessment Agency

2013-14

**Departmental Performance Report** 

The Honourable Leona Aglukkaq, P.C., M.P. Minister of the Environment and Minister responsible for the Canadian Environmental Assessment Agency

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## Foreword

Departmental Performance Reports are part of the Estimates family of documents. Estimates documents support appropriation Acts, which specify the amounts and broad purposes for which funds can be spent by the government. The Estimates document family has three parts.

Part I (Government Expenditure Plan) provides an overview of federal spending.

Part II (Main Estimates) lists the financial resources required by individual departments, agencies and Crown corporations for the upcoming fiscal year.

Part III (Departmental Expenditure Plans) consists of two documents. Reports on Plans and Priorities (RPPs) are expenditure plans for each appropriated department and agency (excluding Crown corporations). They describe departmental priorities, strategic outcomes, programs, expected results and associated resource requirements, covering a three-year period beginning with the year indicated in the title of the report. Departmental Performance Reports (DPRs) are individual department and agency accounts of actual performance, for the most recently completed fiscal year, against the plans, priorities and expected results set out in their respective RPPs. DPRs inform parliamentarians and Canadians of the results achieved by government organizations for Canadians.

Additionally, Supplementary Estimates documents present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or were subsequently refined to account for developments in particular programs and services.

The financial information in DPRs is drawn directly from authorities presented in the Main Estimates and the planned spending information in RPPs. The financial information in DPRs is also consistent with information in the Public Accounts of Canada. The Public Accounts of Canada include the Government of Canada Consolidated Statement of Financial Position, the Consolidated Statement of Operations and Accumulated Deficit, the Consolidated Statement of Change in Net Debt, and the Consolidated Statement of Cash Flow, as well as details of financial operations segregated by ministerial portfolio for a given fiscal year. For the DPR, two types of financial information are drawn from the Public Accounts of Canada: authorities available for use by an appropriated organization for the fiscal year, and authorities used for that same fiscal year. The latter corresponds to actual spending as presented in the DPR.

The Treasury Board *Policy on Management, Resources and Results Structures* further strengthens the alignment of the performance information presented in DPRs, other Estimates documents and the Public Accounts of Canada. The policy establishes the

Program Alignment Architecture of appropriated organizations as the structure against which financial and non-financial performance information is provided for Estimates and parliamentary reporting. The same reporting structure applies irrespective of whether the organization is reporting in the Main Estimates, the RPP, the DPR or the Public Accounts of Canada.

A number of changes have been made to DPRs for 2013–14, to better support decisions on appropriations. Where applicable, DPRs now provide financial, human resources and performance information in Section II at the lowest level of the organization's Program Alignment Architecture.

In addition, the DPR's format and terminology have been revised to provide greater clarity, consistency and a strengthened emphasis on Estimates and Public Accounts information. As well, departmental reporting on the Federal Sustainable Development Strategy has been consolidated into a new supplementary information table posted on departmental websites. This new table brings together all of the components of the Departmental Sustainable Development Strategy formerly presented in DPRs and on departmental websites, including reporting on the Greening of Government Operations and Strategic Environmental Assessments. Section III of the report provides a link to the new table on the organization's website. Finally, definitions of terminology are now provided in an appendix.

# Minister's Message

As Minister responsible for the Canadian Environmental Assessment Agency, I am pleased to present the Agency's 2013–14 Departmental Performance Report. This report outlines the Agency's progress in addressing the priorities and commitments set out in the 2013–14 Report on Plans and Priorities.

The Canadian Environmental Assessment Agency and its governing legislation, the *Canadian Environmental Assessment Act, 2012*, play a significant role in our Government's plan for Responsible Resource Development and in protecting our environment



The updated legislation, which came into force on July 6, 2012, enhances the predictability and timeliness of the environmental assessment process. It modernizes the regulatory system and encourages better coordination between federal and provincial environmental reviews with the goal of "one project, one assessment" in a clearly defined time period, benefitting all Canadians. The enhanced predictability and timelines further support Canada's world class and scientifically rigorous regulatory system. Projects are assessed using a science-based approach. Projects proceeding under the new legislation are subject to Canada's strong environmental laws, rigorous enforcement and follow-up, and fines for non-compliance.

At the heart of this process—which applies to projects representing billions of dollars of potential investment in the Canadian economy—is consultation with the public and with Aboriginal groups potentially affected by government decisions. The Agency's Participant Funding Program helps to make this consultation process even more accessible.

I hope that all Parliamentarians and all Canadians with an interest in the environmental assessment process will have an opportunity to read this report, to learn about the important work of the Agency and what has been achieved to date under the new legislation.

The Honourable Leona Aglukkaq, P.C., M.P.

Minister of the Environment

and Minister responsible for the Canadian Environmental Assessment Agency

# Institutional Head's Message

I am pleased to submit this Departmental Performance Report, highlighting the achievements of the Canadian Environmental Assessment Agency for the period 2013–14.

During this reporting period, the Agency continued to deliver high-quality environmental assessments, build effective relationships with Aboriginal people and shape the future of federal environmental assessment as one of three responsible authorities for federal environmental assessment under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012).



The modernization of our environmental assessment regulations continued as well, with the coming into force of the *Regulations Amending the Regulations Designating Physical Activities* on October 24, 2013. Completion of these Regulations was an important milestone in supporting the effective implementation of CEAA 2012.

This report identifies key activities undertaken by the Agency in support of the Government of Canada's plan for Responsible Resource Development and in playing a lead role in the federal environmental assessment process.

I would like to acknowledge the team of outstanding and dedicated people across the Agency, together with other government departments and jurisdictions, whose contributions and service enable us to deliver our core mandate of providing high-quality environmental assessments for Canadians in support of sustainable development.

Ron Hallman

President

Canadian Environmental Assessment Agency

# Section I: Organizational Expenditure Overview

## Organizational Profile

Appropriate Minister: The Honourable Leona Aglukkaq, P.C., M.P., Minister of the

Environment

Institutional Head: Ron Hallman, President

Ministerial Portfolio: Environment

**Enabling Instrument(s):** Canadian Environmental Assessment Act, 2012<sup>i</sup>

**Year of Incorporation / Commencement: 1994** 

**Other:** The Canadian Environmental Assessment Act, 2012 is supported by three regulations: the Regulations Designating Physical Activities; the Prescribed Information for the Description of a Designated Project Regulations; and the Cost Recovery Regulations. The Agency is also the Federal Administrator under the James Bay and Northern Quebec Agreement and the Northeastern Quebec Agreement.

## Organizational Context

### Raison d'être

Environmental assessment (EA) contributes to informed decision-making in support of sustainable development.

The Canadian Environmental Assessment Agency (the Agency) delivers high-quality environmental assessments and serves as the centre of expertise on environmental assessment within the Government of Canada.

## Responsibilities

Environmental assessment informs government decision-making and supports sustainable development by identifying opportunities to avoid, eliminate or reduce a project's potential adverse impact on the environment before it begins, and by ensuring that mitigation measures are applied.

The Canadian Environmental Assessment Act, 2012 (CEAA 2012) sets out the requirements for federal EA and defines the roles and responsibilities of the Agency, the other responsible authorities, and project proponents.

The Agency is one of three federal responsible authorities under CEAA 2012, along with the National Energy Board and the Canadian Nuclear Safety Commission. When the Agency is the responsible authority, it determines whether an EA is required for a designated project and conducts or manages the EA in accordance with the procedures and timelines set out in CEAA 2012. The Agency is also responsible for managing the EAs of most projects assessed under the former Act, in accordance with the transitional provisions of CEAA 2012.

The Agency advises the Minister of the Environment in fulfilling her responsibilities under CEAA 2012, including establishing review panels to conduct EAs of certain projects and issuing enforceable EA decision statements at the conclusion of the EA process.

In support of timely and efficient EAs, the Agency coordinates the delivery of federal EA requirements with provinces and territories to avoid duplication, and advises the Minister of the Environment on requests to substitute the CEAA 2012 process with the EA process of another jurisdiction. Additionally, the Agency—on its own and in collaboration with partners—conducts research to support high-quality EAs and develops effective EA policies and practices.

For designated projects for which it is the responsible authority, the Agency promotes compliance with CEAA 2012, and will take action as required to ensure proponents comply with the legislation's requirements.

The Government of Canada takes a whole-of-government approach to Aboriginal consultation in the context of EAs, to ensure that Aboriginal groups are adequately consulted and, where appropriate, accommodated when the Crown (federal government) contemplates actions that may adversely impact potential or established Aboriginal or treaty rights. The Agency serves as the Crown consultation coordinator to integrate the Government of Canada's Aboriginal consultation activities into the EA process to the greatest extent possible, for review panels and for EAs for which the Agency is responsible.

The Agency leads federal project review activities under the environmental and social protection regimes set out in sections 22 and 23 of the *James Bay and Northern Quebec Agreement* (JBNQA) and in the *Northeastern Quebec Agreement* (NEQA). The JBNQA and the NEQA are constitutionally protected comprehensive land claim agreements. The Agency supports its President who, as the federal administrator, must review and determine whether projects of a federal nature proposed under the JBNQA or NEQA should proceed.

The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals establishes a self-assessment process for departments and agencies to conduct a strategic environmental assessment (SEA) of a policy, plan or program proposal. The Agency supports the Minister of the Environment in promoting the application of the Directive and provides federal authorities with guidance and advice upon request.

The Agency was established in 1994, and is headed by a President who reports to the Minister of the Environment. The Agency has its headquarters in Ottawa, with regional offices in Halifax, Quebec City, Toronto, Edmonton and Vancouver.

## Strategic Outcome(s) and Program Alignment Architecture

**1. Strategic Outcome:** High-quality and timely environmental assessments of major projects to protect the environment and support economic growth

1.1 Program: Environmental Assessment Policy1.2 Program: Environmental Assessment Delivery

**Internal Services** 

## **Organizational Priorities**

Organizational Priorities

Priority	Type <sup>1</sup>	Strategic Outcome(s) [and/or] Program(s)
Deliver high-quality environmental assessments of major projects	Ongoing	Environmental Assessment Policy Program Environmental Assessment Delivery Program

#### **Summary of Progress**

- The Agency delivered high-quality EAs within the time limits set out in CEAA 2012.
- The Agency fulfilled its CEAA 2012 responsibilities from April 1, 2013 to March 31, 2014 by:
  - o meeting the legislated 10-day review time limit for all project descriptions received (the final review of the project description took place for 20 projects<sup>2</sup>, with four determined not to be designated projects under CEAA 2012);
  - o meeting the legislated time limit of 45 days to determine whether an EA is required for all projects (the determination was made for 19 projects, with eight not requiring EAs);
  - o supporting the Minister of the Environment in designating the Victor Diamond Mine Extension Project for an EA under CEAA 2012;
  - o conducting or managing the EA process for 39 projects subject to CEAA 2012<sup>3</sup>;
  - supporting the Minister of the Environment in granting six requests for substitution to the Government of British Columbia in accordance with the Memorandum of Understanding between the Canadian Environmental Assessment Agency (the Agency) and the British Columbia Environmental Assessment Office (EAO) on Substitution of Environmental Assessments (2013);
  - o supporting the Minister of the Environment in relation to the transitional substituted review panel of the Inuvik to Tuktoyaktuk Highway Project;
  - o managing 32 comprehensive studies and overseeing three screenings as per the transitional provisions of CEAA 2012; and
  - o contributing to the coordination of one JBNQA project.

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Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the RPP or DPR.

For all time limits contained in the Departmental Performance Report, the numbers provided are for those time limits reached in fiscal year 2013–14.

See the "Statistical Summary of Environmental Assessments" section for more detailed information.

Priority	Type <sup>1</sup>	Strategic Outcome(s) [and/or]
		Program(s)

- The Agency's Participant Funding Program disbursed \$517,555 to 51 recipients to facilitate public participation in the EAs of 22 projects, and \$2,000,768 to 91 recipients to enable Aboriginal consultation and participation in the EAs of 27 projects, for a total of \$2,518,323.
- The Agency continued to work with federal partners, provinces and territories, Aboriginal
  groups, stakeholders and other countries to understand emerging issues and trends in EA. It
  defined policy direction, provided training and guidance on federal EA, provided advice and
  guidance to strengthen SEA, and developed and implemented legislative, regulatory and
  policy improvements.
- The Agency presented 22 sessions of the "Introduction to CEAA 2012" training course
  across the country, to a total of 343 participants. These participants were from industry,
  Aboriginal groups, Crown corporations, environmental non-government organizations,
  academia, governments (federal, provincial, and territorial), and the general public.
  Feedback from participants following the course indicated that 91 percent of participants felt
  the training met their needs.
- The Agency and provincial EA administrators met in autumn 2013, and committed to continue meeting annually to share best practices and discuss common emerging issues in EA.
- The Agency contributed to strengthening interdepartmental governance and communication on consistent and effective Aboriginal consultation across the federal government.

Priority	Туре	Strategic Outcome(s) [and/or] Program(s)
Build effective relationships with Aboriginal people	Ongoing	Environmental Assessment Policy Program Environmental Assessment Delivery Program

#### **Summary of Progress**

- The Agency received a total of \$6.8 million to support enhanced Aboriginal consultations in federal EAs as part of the Government of Canada's plan for Responsible Resource Development announced in Budget 2012. Consultations with Aboriginal groups are integrated to the extent possible into the EA process, in accordance with the Government of Canada document Aboriginal Consultation and Accommodation: Updated Guidelines for Federal Officials to Fulfill the Duty to Consult, 2011. The updated guidelines provide general direction to support meaningful consultation with Aboriginal groups. As the Crown consultation coordinator for an EA, the Agency identifies Aboriginal groups whose potential or established Aboriginal or treaty rights may be adversely affected by government decisions associated with a designated project, and leads federal government consultation with these groups throughout the EA process.
- The Agency's Aboriginal Consultation Practitioner Guide and auxiliary guidance related to
  the integration of Aboriginal consultation in EAs was completed and made available for the
  use of personnel who fulfill a Crown consultation coordinator function via the Environmental
  Assessment Practitioners Portal (EAPP). The EAPP is an online tool that provides Agency
  employees with easy access to up-to-date operational policy instruments. The guidance

Priority	Туре	Strategic Outcome(s) [and/or]
		Program(s)

- addresses the process and conduct of Aboriginal consultation during an EA for which the Agency is the responsible authority.
- An external training course entitled "Aboriginal Groups: Environmental Assessment" was
  developed and a pilot session was held with selected Government of Canada participants on
  March 26, 2014. The course will be rolled out in 2014–15.
- For projects subject to the *Nisga'a Final Agreement* in British Columbia, the Agency worked with the Nisga'a Nation and British Columbia to implement the EA provisions of that treaty.
- Funding is available through the Agency's Participant Funding Program to assist Aboriginal groups in preparing for and participating in the EA process and related Aboriginal consultation. The Participant Funding Program disbursed \$2,000,768 to 91 recipients in the reporting period to enable Aboriginal consultation and participation in the EAs of 27 projects.
- The Agency participated in the development and negotiation of EA provisions in modern treaty agreements-in-principle and final agreements, led by Aboriginal Affairs and Northern Development Canada, to assist in ensuring that negotiated text was consistent with CEAA 2012.

Priority	Туре	Strategic Outcome(s) [and/or] Program(s)
Play a lead role in shaping the future of federal environmental assessment	Ongoing	Environmental Assessment Policy Program Environmental Assessment Delivery Program

#### **Summary of Progress**

- The Agency continues to work to understand emerging issues and trends in EA, define policy direction, develop cooperative EA arrangements, provide guidance on federal EA, and pursue further legislative, regulatory and policy improvements, as appropriate.
- During 2013–14, the Agency made considerable advances in updating its guidance on cumulative environmental effects assessment. Research was conducted on key topics, such as health and socio-economic conditions, current use of lands and resources for traditional purposes, and Aboriginal Traditional Knowledge. Research results will inform the development of additional guidance and training material.
- The Agency conducted its first annual consultation to gather comments, feedback and ideas
  on the CEAA 2012 suite of policy instruments and to inform its reporting on user satisfaction.
- The Agency launched a revised version of its "Introduction to Strategic Environmental Assessment" training course for federal public servants and the general public, with seven participants attending the first session held on March 12, 2014. Other sessions will be offered during the next fiscal year. The Agency continues to coordinate and host quarterly meetings of the Federal Community of Practice on Strategic Environmental Assessment, involving SEA practitioners from 23 departments.
- The Regulations Designating Physical Activities were amended to focus on major projects
  with the greatest potential for significant adverse environmental effects in areas of federal
  jurisdiction, and to improve the clarity of the Regulations. The Prescribed Information for the

Priority	Туре	Strategic Outcome(s) [and/or]
		Program(s)

Description of a Designated Project Regulations were amended to clarify the information required in a project description, and to ensure alignment between the English and French versions of the Regulations. The Agency also engaged in discussions with provinces that expressed interest in greater cooperation and streamlining of EA processes.

The Agency continued to facilitate a director-general-level working group on the legislative provisions related to federal lands and lands outside Canada. This working group is a forum for authorities to come together to address common issues and questions regarding projects on federal lands and lands outside Canada.

# **Risk Analysis**

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
The Agency operates in a continuously changing environment where outside factors, such as the level of economic activity, affect the timing, volume and distribution of projects that may be subject to CEAA 2012.	<ul> <li>The Agency maintains proactive relationships with its stakeholders to forecast and plan its work.</li> <li>Implementation of CEAA 2012 and associated regulations led to greater certainty and efficiency in the EA process.</li> <li>This is an ongoing risk that requires the Agency to ensure that resources are available where and when required.</li> <li>The risk associated with the Agency's changing operational environment was identified in the 2012–13 Report on Plans and Priorities. The planned risk response did not need to be modified.</li> </ul>	Environmental Assessment Delivery Program
Shared federal and provincial responsibility for environmental management leads to risks of EA duplication between federal and provincial processes.	<ul> <li>The Agency works with provinces to reduce duplication in project-specific EAs.</li> <li>This is an ongoing risk because environmental management is an area of shared constitutional responsibility between the federal and provincial governments. As a result, some projects may require both a federal and a provincial EA. The substitution and equivalency provisions of CEAA 2012 provide opportunities to reduce this risk.</li> </ul>	Environmental Assessment Policy Program Environmental Assessment Delivery Program

Risk	Risk Response Strategy	Link to Program Alignment Architecture
The Agency manages Aboriginal consultation activities with potentially affected Aboriginal groups for the EAs for designated projects to promote sound public policy to fulfill the federal Crown's legal duty to consult. Where government actions associated with proposed projects may have an adverse impact on potential or established Aboriginal or treaty rights, consultation and, as appropriate, accommodation are required.	<ul> <li>The Agency integrates         Aboriginal consultation         activities into the EA         process to the greatest         extent possible, thereby         enabling the federal Crown         to meet its legal duty to         consult for government         actions associated with the         project, and for the         Minister of the         Environment to make his         or her EA decision.</li> <li>The Aboriginal component         of the Participant Funding         Program provides financial         assistance specifically to         Aboriginal groups to         prepare for, and         participate in, consultation         activities and opportunities         associated with EAs         undertaken by the Agency,         or by review panels.</li> <li>This is an ongoing risk         because each EA gives         rise to the legal duty to         consult.</li> </ul>	Environmental Assessment Policy Program Environmental Assessment Delivery Program

## A Continuously Changing Operating Environment

Protecting the environment, while supporting strong economic growth and improving the quality of life of Canadians, is a priority of the Government of Canada. EA supports this priority by ensuring that environmental effects are considered before decisions are made to allow policies, plans, programs or projects to proceed.

The Agency's workload is constantly affected by outside factors, including the economy, which can vary the number, types and locations of projects subject to EA. Accurately forecasting where and when resources will be needed most is an ongoing operational challenge.

## **Shared Responsibility for Environmental Management**

When the federal government and a provincial government both require EAs, the Agency works with that provincial government to, whenever possible, design and deliver a single, effective and efficient EA process that addresses the requirements of both jurisdictions.

Bilateral agreements and project-specific arrangements define roles and responsibilities in implementing the process.

CEAA 2012 includes provisions for a range of approaches in support of the goal of "one project, one review", within a defined time period, including cooperative EAs, delegation, substitution and equivalency.

## Respecting the Legal Duty to Consult with Aboriginal Groups

The federal Crown has a legal duty to consult and, where appropriate, accommodate Aboriginal groups when it contemplates conduct that may adversely affect potential or established Aboriginal or treaty rights. The Agency integrates Aboriginal consultation into all EAs it conducts and for EAs conducted by review panels. As Crown consultation coordinator, the Agency initiates early engagement with Aboriginal groups, develops consultation plans, coordinates consultation activities, considers and responds to issues raised by Aboriginal groups with respect to current use of lands and resources and Aboriginal and treaty rights and summarizes the outcomes of consultations for decision-makers—particularly for the Minister of the Environment. For substituted EAs, procedural aspects of Aboriginal consultation are delegated to the province. The federal government remains responsible for ensuring that potentially impacted Aboriginal groups are adequately consulted and, where appropriate, accommodated. Upon issuance of an EA decision statement by the Minister of the Environment, the responsibility to fulfill any consultation obligations rests with federal departments and agencies that have regulatory responsibilities for the project.

## **Actual Expenditures**

Budgetary Financial Resources (dollars)

	Planned		Actual Spending	Difference (actual minus planned)
31,006,000	31,006,000	34,495,554	32,628,480	1,622,480

### Human Resources (Full-Time Equivalents [FTEs])

2013–14 Planned	Actual	2013–14 Difference (actual minus planned)
241	233	(8)

### Budgetary Performance Summary for Strategic Outcome(s) and Program(s) (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2013–14 Main Estimates	2013–14 Planned Spending	2014–15 Planned Spending	2015–16 Planned Spending	2013–14 Total Authorities Available for Use	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)	2011–12 Actual Spending (authorities used)
Strategic Outco	ome: High-qualit	ty and timely e	nvironmental a	ssessments of	major projects t	o protect the env	ironment and sup	pport economic
Environmental Assessment Policy Program	4,263,059	4,263,000	4,871,106	4,132,878	4,414,694	4,351,344	3,046,000	3,524,000
Environmental Assessment Delivery Program	19,274,780	19,275,000	17,032,000	7,540,756	19,043,433	18,016,837	15,029,000	15,333,000
Subtotal	23,537,839	23,538,000	21,903,106	11,673,634	23,458,127	22,368,181	18,075,000	18,857,000
Internal Services Subtotal	7,468,173	7,468,000	9,061,000	5,495,894	11,037,427	10,260,299	9,874,000	10,701,000
Total	31,006,012	31,006,000	30,964,106	17,169,528	34,495,554	32,628,480	27,949,000	29,558,000

Variances between Main Estimates, Planned Spending, Total Authorities and Actual Spending are largely attributable to the timing of key elements of the fiscal cycle. The Main Estimates, as approved in the spring by Parliament in the initial appropriations, are the first step in the fiscal cycle.

Total Authorities represent Main Estimates, plus in-year Supplementary Estimates, plus adjustments to authorities approved by the Treasury Board, such as the operating budget carry-forward and paylist requirements.

The 2013–14 Total Authorities available for use of \$34.5 million exceeded the Planned Spending figure of \$31 million by \$3.5 million. This difference is attributable to a \$1.1-million operating budget carry-forward, and \$2.4 million in paylist adjustments.

Planned Spending for 2014–15 reflects the renewal of funding to improve Canada's regulatory framework for major resource projects and to increase funding for Aboriginal consultations as announced in Budget 2012 for three years. The decrease in 2015–16 represents the "sunsetting" of these funds. These funds will be reviewed as part of a normal process for sunsetting funds that will inform the Government of Canada's future decisions on renewal.

Actual Spending reflects spending activity during the fiscal year as per the Public Accounts of Canada. A number of factors contributed to the difference of \$1.9 million between Actual Spending (\$32.6 million) and Total Authorities (\$34.5 million),

including: lower-than-expected payments under the Participant Funding Program (\$1.1 million), and salary conversion costs (\$800,000).

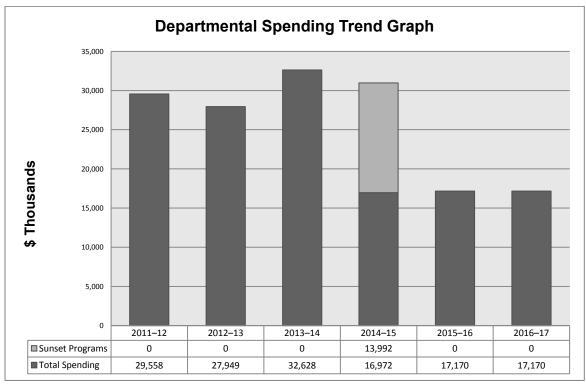
# Alignment of Spending With the Whole-of-Government Framework

Alignment of 2013–14 Actual Spending With the Whole-of-Government Framework<sup>ii</sup> (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2013–14 Actual Spending
1 High-quality and timely environmental assessments of	1.1 Environmental Assessment Policy	Economic Affairs	Strong Economic Growth	4,351,344
major projects to protect the environment and support economic growth	1.2 Environmental Assessment Delivery	Economic Affairs	Strong Economic Growth	18,016,837

## Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	23,538,000	22,368,181
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0



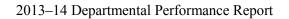
## Departmental Spending Trend

The Agency spent \$32.6 million to achieve the expected results of its program activities and to contribute to its strategic outcome for the 2013–14 reporting period. Total spending includes all Parliamentary appropriation and revenue sources for the 2011–12 to 2013–14 reporting periods, and includes carry-forward adjustments and paylist requirements.

The Agency received three-year renewal funding in 2011–12 through Budget 2012 to improve Canada's regulatory framework for major resource projects, and to increase funding for Aboriginal consultations. This funding, approximately \$14 million (as shown in the table above), sunsets at the end of the 2014–15 fiscal year. The funding will be reviewed as part of a normal process for sunsetting funds that will inform the Government of Canada's decision on its renewal.

## Estimates by Vote

For information on the Agency's organizational votes and statutory expenditures, consult the *Public Accounts of Canada 2014* on the Public Works and Government Services Canada website. iii



# Section II: Analysis of Program(s) by Strategic Outcome

Strategic Outcome: High-quality and timely environmental assessments of major projects to protect the environment and support economic growth

# Program 1.1: Environmental Assessment Policy Program **Description**

The Environmental Assessment Policy Program develops and promotes robust policies and practices for high-quality EA in accordance with CEAA 2012. This is achieved by building and reinforcing policies, procedures and criteria for the conduct of federal EAs; promoting cooperation and coordinated action between the federal government and other jurisdictions; promoting communication and cooperation with Aboriginal peoples; and developing instruments and training for EA practitioners. The EA Policy Program enables continuous improvement through research, monitoring, analysis and advice. Recommendations inform the development of new regulatory and policy approaches as well as the revision of guidance, training and knowledge-based instruments. The Program also provides support for conducting EAs through various means, such as federal-provincial agreements and policy criteria.

### Budgetary Financial Resources (dollars)

	Planned	Total Authorities Available for Use		2013–14 Difference (actual minus planned)
4,263,059	4,263,000	4,414,694	4,351,344	88,344

### Human Resources (Full-Time Equivalents [FTEs])

2013–14 Planned	Actual	2013–14 Difference (actual minus planned)
52	40	(12)

#### Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
High-quality EAs enabled through research, analysis, and monitoring to produce effective policy instruments	Percentage of users of Agency policy instruments who indicated moderate to high satisfaction with these instruments	75%	N/A

### **Performance Analysis and Lessons Learned**

During the 2013–14 fiscal year, the Agency continued to transition in its new role under CEAA 2012. As a result, the actual utilization of full-time equivalents was lower than planned for this program. This was mainly attributable to decisions about priorities across the Agency during this transition period.

The Agency conducted research and made progress in updating its suite of policy instruments to ensure it reflects CEAA 2012 and evolving practices. The Agency also conducted its first formal consultation to gather comments on its CEAA 2012 policy instruments and inform reporting on user satisfaction. The results of the consultation provide insights on how to improve the suite of instruments, but the level of external participation was too low to provide a reliable and representative quantitative indicator of user satisfaction. The Agency will improve its policy documents based on the feedback received, and will examine options for refining its approach to consultation and assessing user satisfaction in the future.

The Agency maintained relationships with international partners with comparable EA regimes. For example, it shared information with Australia related to assessing cumulative effects on a regional scale.

The Agency led the amendment of the *Regulations Designating Physical Activities* to ensure they focus on major projects having the greatest potential for significant adverse environmental effects in areas of federal jurisdiction. The *Prescribed Information for the Description of a Designated Project Regulations* was also amended, to clarify the information required to be included in a project description.

The Agency continued to implement policies and procedures that support the integration of Aboriginal consultation into the EAs of major projects.

In support of the Government of Canada's Red Tape Reduction Action Plan, the Agency developed a Forward Regulatory Plan, made changes to the Acts and Regulations page on

the Agency's website, and applied the "One-for-One" rule to the *Regulations Amending* the Prescribed Information for the Description of a Designated Project Regulations.

# Program 1.2: Environmental Assessment Delivery Program **Description**

The Environmental Assessment Delivery Program ensures that high-quality EAs of major projects are conducted and completed in a timely and predictable way, supporting economic growth while preventing or reducing adverse environmental effects. The most appropriate means of avoiding duplication of assessment activities with other jurisdictions is applied, increasing efficiency and providing certainty for all participants in the process. The Agency will promote, monitor, and facilitate compliance with CEAA 2012. The legislation provides for meaningful participation of the public and Aboriginal groups. Aboriginal consultation obligations are integrated to the greatest extent possible with the federal EA process. As such, the Agency consults with Aboriginal groups during the EA process to assess how a proposed project may adversely affect potential or established Aboriginal or treaty rights and related interests, and to find ways to avoid or minimize these adverse impacts.

### Budgetary Financial Resources (dollars)

	Planned	Total Authorities Available for Use	Actual Spending (authorities	2013–14 Difference (actual minus planned)
19,274,780	19,275,000	19,043,433	18,016,837	(1,258,163)

### Human Resources (FTEs)

	Actual	2013–14 Difference (actual minus planned)
133	133	0

## Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Deliver EAs within timelines established under CEAA 2012	Percentage of EAs conducted by the Agency adhering to CEAA 2012 timelines	100%	100%4
EA process provides meaningful participation of Aboriginal groups and integrates Crown consultation to the greatest extent possible	Percentage of Aboriginal groups with high or moderate potential for being affected by a project that provided comments on EA documents to the Agency	90%	75%
Deliver high-quality EAs	The percentage of projects undergoing follow-up and monitoring for which the Agency received reports (during the reporting periods) that indicated that mitigation measures set out in the EA decision statements would effectively address the environmental effects of the projects	90%	N/A  No projects under CEAA 2012 were in the follow-up and monitoring phase in the 2013–14 fiscal year.
	The percentage of projects where the Agency received a report which indicated that adaptive management measures led to effectively addressing the environmental effects of the project	90%	N/A  No projects under CEAA 2012 were in the follow-up and monitoring phase in the 2013–14 fiscal year.

The Minister of the Environment pursuant to subsection 54(3) of CEAA 2012 extended the time limit for the issuance of a Decision Statement by 35 days on one project and the Agency has met that time limit.

### **Performance Analysis and Lessons Learned**

The Agency played a central role in implementing the Government of Canada's Responsible Resource Development initiative by ensuring the EA process was administered in a manner that meets legislated time limits under CEAA 2012 and by leading the integration of federal Crown consultation activities. The Agency successfully integrated Crown consultation activities into the EA process.

The Agency also implemented the decision-making process under CEAA 2012 for two projects subject to the review panel process. The Minister of the Environment issued Decision Statements, including one with conditions.

Delivery of high-quality EAs requires effective and efficient management of the EA process, including coordination within the federal government and with provincial, territorial and Aboriginal government partners. During the 2013–14 reporting period, the Minister of the Environment granted six requests for substitution from the Government of British Columbia, in accordance with the *Memorandum of Understanding between the Canadian Environmental Assessment Agency (the Agency) and the British Columbia Environmental Assessment Office (EAO) on Substitution of Environmental Assessments (2013)*.

The EA process is a planning tool conducted as early as possible in the planning stage of projects to inform the plans of proponents and government decisions. Decisions by proponents to delay project development for economic or other reasons affect the Agency's resource allocations. During the past fiscal year, the Agency made lower-than-expected payments in the Participant Funding Program, primarily due to decisions by project proponents to delay the development of their projects. The Agency is exploring options, including more effective use of the Participant Funding Program, to increase Aboriginal participation in the EA process particularly for Aboriginal groups with high or moderate potential for being affected by a project.

## Statistical Summary of Environmental Assessments

The table below provides a statistical summary of EAs and outlines the total number of projects that, between April 1, 2013 and March 31, 2014, underwent an EA conducted under the former *Canadian Environmental Assessment Act*, underwent transitional EAs, or were assessed under CEAA 2012.

Quantity and Type of EA between April 1, 2013 and March 31, 2014			EA Decisions Taken between April 1, 2013 and March 31, 2014		EAs on March 31, 2014
EA Type	Ongoing on April 1, 2013	Initiated	Completed	Terminated	Ongoing
Transitional Screening	16	0	6	0	10
Transitional Comprehensive Study	35	0	6	2 <sup>5</sup>	27
Transitional Panel Substitution	1	0	1	0	0
Conducted by the Agency	15	9	0	3	21
Conducted by Review Panel	8	1	2	0	7
Substituted	0	6	0	0	6

**Note:** In accordance with amendments to the former Act, the Agency fulfilled the duties of federal departments and agencies which were responsible authorities prior to CEAA 2012. It was responsible for 32 of the 35 ongoing comprehensive studies, five of which were completed during the reporting period. Three comprehensive studies remained within the management of the responsible authorities. An EA decision was reached for one, and the other two were designated under CEAA 2012.

Further information about the federal EA process can be found on the Canadian Environmental Assessment Agency website. iv

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The Minister of the Environment, by Ministerial Order, designated these two projects as requiring an EA under CEAA 2012 and the Canadian Nuclear Safety Commission is the responsible authority.

### **Internal Services**

## **Description**

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

### Budgetary Financial Resources (dollars)

	Planned	Total Authorities Available for Use	Actual Spending (authorities	2013–14 Difference (actual minus planned)
7,468,173	7,468,000	11,037,427	10,260,299	2,792,299

### Human Resources (FTEs)

2013–14 Planned	Actual	2013–14 Difference (actual minus planned)
56	60	4

### **Performance Analysis and Lessons Learned**

Actual expenditures were \$2.8 million higher than planned, due in part to increased legal costs and the Agency's plan to implement more robust and integrated information technology.

The number of Access to Information requests processed during this period remained comparable to the previous year, however the number of pages processed increased exponentially, representing a volume of pages processed that was 18 times higher than the previous fiscal year (2012–13) and more than 460 times higher than fiscal year 2011–12. This increase in processing has had a significant impact on human and financial resources and requirements.

The Agency carried out extensive planning to streamline and upgrade the Agency's records and document management system, develop an information architecture, and assess human resource requirements to support longer-term information management. A

five-year information strategy was developed. The Agency also undertook a needs assessment for an Environmental Assessment Management System (EAMS), which is a client relations management system that would improve efficiency and enable the standardization of EA processes.

The Agency is committed to ensuring compliance with legislative authorities and policy instruments governing sound financial management practices. In 2013–14, the Office of the Comptroller General conducted a core control audit of the Agency. The audit examined a sample of financial transactions, records, and processes conducted by the Agency during fiscal year 2012–13. The audit findings determined the Agency complied with the overall financial management governance (i.e. for management of public resources, reinforcing the principles of probity and prudence, and thus contributing to better decision-making). However, the audit identified weaknesses in other areas. The Agency has taken measures to address the findings, including increased training, new guidelines, documented business processes and templates, and increased verification processes, with an action plan expected to be fully implemented by March 2015.

The Agency is undergoing a Departmental Financial Management System (DFMS) Renewal Project, along with its portfolio department, Environment Canada, in line with a government-wide initiative to reduce administration and redirect resources to program priorities while respecting the Treasury Board Secretariat's direction of a migration to a Systems Applications and Products (SAP) solution-based platform. Full implementation is targeted for April 1, 2015. This DFMS Renewal Project will align its procurement activities with Public Works and Government Services Canada's initiatives on procurement modernization and, more specifically, manage the procure to payment process, planning and reporting, and people engagement.

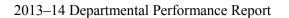
A space-modernization project was completed for the Agency's Ontario regional office in December 2013, and relocation of the Alberta regional office was completed by May 2014. All projects are in line with the Workplace 2.0 fit-up standards in support of Public Works and Government Services Canada's Deficit Reduction Action Plan targets.

As required by the Office of the Chief Human Resource Officer, the Agency successfully implemented the Common Human Resources Business Process, designed to bring consistency in the delivery of effective and efficient human resources services. This included developing and improving various human resources tools, implementing an "onboarding and orientation program", improving the use of competency management and better communicating human resources management roles and responsibilities to managers.

In support of its Public Service Employee Survey Action Plan, the Agency put greater emphasis on job shadowing, knowledge transfer, mentoring and coaching. For example, the Agency's language mentoring program gives employees at all levels an opportunity to increase proficiency in either official language. The Agency also provides guidance and assistance to employees regarding career development.

During the reporting period, the Agency continued to implement a Departmental Security Plan. The plan provides an integrated view of the Agency's security risks and how decisions are made for managing those risks, with an updated threat and risk assessment and an action plan for mitigating identified risks.

Information about federal EA requirements and the EA process must be communicated in a clear, consistent and timely manner. Effective communications is an ongoing need, and the Agency's Communications Division is responsible for developing and providing communications products and approaches for both the Agency and the Minister of the Environment. These are required when, for example, the Agency is overseeing an EA, or to encourage public participation, in addition to continuous activities such as maintaining content of the Agency's website. Communications products range from public notices and radio advertisements to media relations and public relations services. The Communications Division also provides dedicated, independent communications support for review panels.



# Section III: Supplementary Information

## Financial Statements Highlights

Canadian Environmental Assessment Agency

Condensed Statement of Operations and Departmental Net Financial Position (unaudited)

For the Year Ended March 31, 2014 (dollars)

	2013–14 Planned Results	2013–14 Actual	2012–13 Actual	Difference (2013–14 actual minus 2013– 14 planned)	Difference (2013–14 actual minus 2012– 13 actual)
Total expenses	39,459,439	42,265,187	34,840,643	2,805,748	7,424,544
Total revenues	4,000,000	5,663,730	3,827,106	1,663,730	1,836,624
Net cost of operations before government funding and transfers	35,459,439	36,601,457	31,013,537	1,142,018	5,587,920
Departmental net financial position	3,481,029	(245,440)	(879,558)	3,235,589	634,118

The Agency's actual net financial position for 2013–14 was affected by an increase in expenses due to employee pay and benefit plan payments. This included signing of new collective agreements, incremental salary adjustments, retroactive payments, increased employee benefit plan dollars, severance payouts, and other personnel costs.

The \$5.6-million difference in net cost of operations between 2012–13 and 2013–14 actual expenditures is primarily attributable to a \$6-million increase in personnel costs (pay and benefit plan payments, as explained above) plus \$1.4 million in other various operating costs, offset by a \$1.8-million increase in revenues.

The \$1.1-million difference in net cost of operations between 2013–14 actual and planned results was largely attributable to increased spending in operating expenses and contribution amounts (\$2.8 million), offset by higher-than-anticipated revenue amounts due to cost-recoverable activities (\$1.7 million).

The Agency's workload is constantly affected by outside factors, such as the economy, that can vary the number, types and locations of projects subject to EA. This limits the accuracy of predicting the pace and levels of expenditures for EA projects and review panels.

Canadian Environmental Assessment Agency Condensed Statement of Financial Position (unaudited) As at March 31, 2014 (dollars)

	2013–14	2012–13	Difference (2013–14 minus 2012–13)
Total net liabilities	5,652,300	6,072,471	(420,171)
Total net financial assets	5,321,065	5,063,070	257,995
Departmental net debt	331,235	1,009,401	(678,166)
Total non-financial assets	85,795	129,842	(44,047)
Departmental net financial position	245,440	879,558	(634,118)

The Agency's total net liabilities are comprised primarily of accounts payable and accruals for employee future benefits and vacation and compensatory leave. Liabilities decreased by approximately three percent from fiscal year 2012–13 to 2013–14.

The increase in net financial assets of approximately five percent from fiscal year 2012–13 to 2013–14 was due to increases in outstanding receivables related to the Agency's cost-recoverable activities, netted against a decrease in amounts due from the Consolidated Revenue Fund. The Consolidated Revenue Fund is the account into which the government deposits taxes and revenue, and withdraws from in order to defray the costs of public services.

### Financial Statements

Detailed financial statements can be found on the Canadian Environmental Assessment Agency website.<sup>v</sup>

## Supplementary Information Tables

The supplementary information tables listed in the 2013–14 Departmental Performance Report can be found on the Canadian Environmental Assessment Agency website. vi

- ▶ Details on Transfer Payment Programs
- Departmental Sustainable Development Strategy
- ▶ Internal Audits and Evaluations
- ▶ Response to Parliamentary Committees and External Audits
- ▶ Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting

## Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations* vii publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

# Section IV: Organizational Contact Information

Canadian Environmental Assessment Agency

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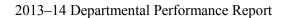
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# Appendix: Definitions

**appropriation:** Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

**budgetary expenditures:** Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

**Departmental Performance Report:** Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

**full-time equivalent:** Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

**Government of Canada outcomes:** A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

**Management, Resources and Results Structure:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

**non-budgetary expenditures:** Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

**performance indicator:** A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting:** The process of communicating evidence-based performance information. Performance reporting supports decision-making, accountability and transparency.

**planned spending:** For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

**plans:** The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

**priorities:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

**program:** A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

**results:** An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**Program Alignment Architecture:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

**Report on Plans and Priorities:** Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

**Strategic Outcome:** A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**sunset program:** A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to

continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

**target:** A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**whole-of-government framework:** Maps the financial contributions of federal organizations receiving appropriations by aligning their programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

# **Endnotes**

vii. Tax Expenditures and Evaluations, http://www.fin.gc.ca/purl/taxexp-eng.asp

Photo is credited to Couvrette/Ottawa

<sup>&</sup>lt;sup>i</sup> Canadian Environmental Assessment Act, 2012, http://laws-lois.justice.gc.ca/eng/acts/C-15.21/index.html

ii. Whole-of-government framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

Public Accounts of Canada 2014, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/indexeng.html

iv Canadian Environmental Assessment Agency, http://www.ceaa-acee.gc.ca/

<sup>&</sup>lt;sup>v</sup> Canadian Environmental Assessment Agency, http://www.ceaa-acee.gc.ca/default.asp?lang=En&n=D6B8C2E6-1

vi Canadian Environmental Assessment Agency, http://www.ceaa-acee.gc.ca/default.asp?lang=en&n=1A09C820-1&offset=&toc=hide