



Canadian Environmental Assessment Agency



For the period ending March 31, 1997



Improved Reporting to Parliament — Pilot Document

Canadä

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Foreword

On April 24, 1997, the House of Commons passed a motion dividing what was known as the *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*. It also required 78 departments and agencies to table these reports on a pilot basis.

This decision grew out of work by Treasury Board Secretariat and 16 pilot departments to fulfil the government's commitments to improve the expenditure management information provided to Parliament and to modernize the preparation of this information. These undertakings, aimed at sharpening the focus on results and increasing the transparency of information provided to Parliament, are part of a broader initiative known as "Getting Government Right".

This *Departmental Performance Report* responds to the government's commitments and reflects the goals set by Parliament to improve accountability for results. It covers the period ending March 31, 1997 and reports performance against the plans presented in the department' *Part III of the Main Estimates* for 1996-97.

Accounting and managing for results will involve sustained work across government. Fulfilling the various requirements of results-based management – specifying expected program outcomes, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and report on achievements – is a building block process. Government programs operate in continually changing environments. With the increase in partnering, third party delivery of services and other alliances, challenges of attribution in reporting results will have to be addressed. The performance reports and their preparation must be monitored to make sure that they remain credible and useful.

This report represents one more step in this continuing process. The government intends to refine and develop both managing for results and the reporting of the results. The refinement will come from the experience acquired over the next few years and as users make their information needs more precisely known. For example, the capacity to report results against costs is limited at this time; but doing this remains a goal.

This report is accessible electronically from the Treasury Board Secretariat Internet site: http://www.tbs-sct.gc.ca/tb/key.html

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CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY

PERFORMANCE REPORT

For the period ending March 31, 1997

The Honourable Christine Stewart Minister of the Environment

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SECTION I: MINISTER'S MESSAGE

Canadians expect governments and industry to be responsible stewards of the environment. Responsible environmental stewardship is the principle that guides the actions of the Canadian Environmental Assessment Agency.

Environmental assessment is a powerful planning tool. It provides decision makers with the kind of information they need to approve projects that are compatible with a healthy and sustainable environment for both present and future generations. Simply put, environmental assessment is an application of the old maxim: Prevention is better than cure.

The Canadian Environmental Assessment Act (the Act), the legal basis for the federal environmental assessment process, also promotes public involvement in decision making. The Agency recognizes the importance of public participation by ensuring that the public has opportunities for effective involvement in the process. The federal environmental assessment process provides for public values and the concerns of Canadians to become integrated into decisions affecting their environment and ecosystems.

The Agency is acting ambitiously to firmly establish the federal environmental assessment and decision-making process that was instituted by the proclamation of the *Canadian Environmental Assessment Act* in 1995. Throughout the year, the Agency continues to make this process more effective and efficient. It does this by fulfilling the government's commitment to reduce overlap and duplication and to achieve a consistent approach to environmental assessment across the country. It has implemented new regulations and taken steps to harmonize the federal process with those of other jurisdictions. Finally, it has continued to consult stakeholders about how to implement cost recovery for environmental assessment services.

The Agency regularly re-assesses its role in light of changing factors. Fundamental change in the way governance is defined in Canada is posing new challenges for the Agency. Economic realities of public debt and deficits are causing governments at all levels to rethink their roles and the services they provide. These are causing changes in public expectations. At the same time, the Agency is being asked to demonstrate the benefits of environmental assessment to the public and industry, and the relevancy of environmental assessment to decision making. Given this backdrop, the Agency is challenged to continually enhance the efficiency of the federal environmental assessment process and at the same time the quality of environmental assessment.

The application of the *Canadian Environmental Assessment Act* will continue to make a positive contribution toward informed decision making, and provide the government with an effective tool in achieving the goal of sustainable development.

The Honourable Christine Stewart



SECTION II: DEPARTMENTAL OVERVIEW

The Agency was created on December 22, 1994 in anticipation of the coming into force of the *Canadian Environmental Assessment Act* on January 19, 1995. Since its inception, the Agency has published two statutory annual reports to Parliament for the following periods: December 22, 1994 to March 31, 1995 and April 1, 1995 to March 31, 1996. In the *Main Estimates, Part III* for 1997-98, the Agency reported on its activities for the period ending in December 1996. These reports on the Agency's activities include a statistical summary of all environmental assessments (EAs) initiated by the federal government during the fiscal year. This is the first year that the Agency has participated in the *Departmental Performance Report*, which covers the period April 1, 1996 to March 31, 1997.

Mandate, Roles, and Responsibilities

The Agency's business is to serve as the focal point for environmental assessment at the federal level. The scope of the current business can be divided into two categories: activities relating to the administration of the process, such as managing panel reviews, and activities relating to process development and innovation, such as the development of national environmental assessment standards. The activities it undertakes are interrelated and designed to meet the mission of the Agency:

• to provide effective means of integrating environmental factors into federal planning and decision making, while taking into account public values and the goal of sustainable development.

The main focus of the Agency is to promote sustainable development through environmental assessment. This emphasizes the need to implement a co-ordinated, effective and consistent federal environmental assessment process. It also includes addressing the issues and concerns of Canadians who demand the opportunity to participate in the decisions that will affect their environment. Above all, the Agency, and the federal processes it administers, must remain relevant to the Canadian public, and be seen as an important tool to planners and decision makers. The main responsibilities of the Agency as defined by the Act are to:

- administer the federal environmental assessment processes established by the Act and regulations;
- promote the uniformity and harmonization of environmental assessment activities across Canada at all levels of government;
- ensure opportunities are provided for public participation in the federal environmental assessment process;
- promote sound environmental assessment practices in a manner consistent with those established in the Act; and
- promote or conduct research on environmental assessment matters, and encourage the development of environmental assessment techniques and practices.



Strategic Priorities

The Agency operates across the federal sector of public decision making that involves difficult and sensitive issues, with players who have competing interests. Fiscal restraints have diminished government resources for environmental assessment, and have led to alternative service deliveries including cost recovery and improved harmonization with other jurisdictions. Now more than ever, while the Canadian public expects environmental assessment to fulfil its promise of sustainable development, certain sectors in industry and government view environmental assessment as costly, ineffective and a barrier to economic development. The Agency faces six main challenges:

- ensuring the quality of environmental assessment,
- maintaining good perceptions,
- improving the efficiency of the process,
- harmonizing with other jurisdictions,
- fiscal restraint, and
- international responsibilities.

Quality of Environmental Assessment: Environmental groups and Canadians in general are concerned that the quality of the environment is being eroded, fearing that the environment is not as high a government priority as it once was. This fear includes a reduction in the quality and applications of environmental assessments, which are the backbone to the prevention of environmental mistakes. The Agency is under pressure from various stakeholders to provide new mechanisms to facilitate good environmental assessment, including guides and guidelines. The challenge for the Agency is to improve the quality of environmental assessments within Canada.

Perception of Environmental Assessment: Environmental assessment is considered by some to be an impediment to economic development and international competitiveness. The challenge for the Agency is to better communicate and inform decision makers and others of the benefits and efficiencies that can be realized through a properly conducted environmental assessment.

Efficiency and Effectiveness of Environmental Assessment: There is increasing pressure from some sectors of industry to add greater certainty in the area of time frames and procedures. The Agency's challenge is to continue to improve the efficiency of the process without degrading the quality of environmental assessment, and in so doing, encourage and facilitate compliance with the Act.

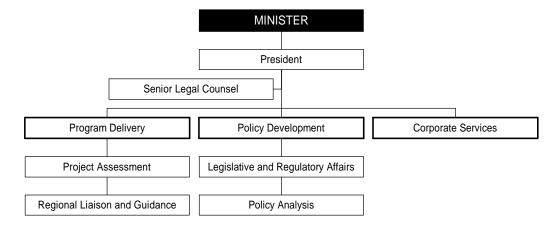
Environmental Assessment Harmonization: At the provincial level, government restructuring programs are taking place, similar in scope to those at the federal level. At the same time, multilateral harmonization of a nation-wide environmental management framework is being pursued by the Canadian Council of Ministers of the Environment. The challenge for the Agency is to negotiate consistent and harmonized application of environmental assessment, while striving for the highest level of environmental quality for all Canadians.



Fiscal Restraint and Program Review: Many federal departments are faced with rapid changes as a result of measures arising from government-wide program review and recent budget reductions. In the face of this significant short-term change, there is a risk that departments may feel compelled to focus on short-term priorities and lose sight of longer-term perspectives. Limited budgets may have consequences for all aspects of environmental assessment, including the services that governments deliver and the allocation of responsibilities among governments, proponents, communities and non-governmental organizations. The Agency is also facing increasing pressure to become more involved in specific project environmental assessments, rather than limiting its activities to general policy and process advice. Given the vast and essential range of priorities, the Agency is faced with delivering its mandate within limited resources. The challenge for the Agency will be to work within the federal system to maintain the overall credibility of the environmental assessment process in the face of these fiscal pressures.

International Environmental Assessment: The government has stated its commitment to actively promote sustainable development in the international sphere, for example by providing leadership through the promotion of sound environmental assessment practices and ensuring that Canadian projects outside of Canada are properly assessed. However, there are outstanding questions concerning the application of environmental assessment to projects outside Canada, specifically to export development credits and loan guarantees. Better understanding of current international practices and experience would be beneficial, specifically the extent to which other countries currently subject such projects to environmental assessments and how they are conducted. In addition, opportunities exist for employment opportunities internationally for Canadians with environmental assessment expertise. These opportunities can be exploited only if good environmental assessment legislation exists within Canada, and it is recognized and respected as such by the international community. The Agency's challenge is to remain in step with the environmental initiatives of international organizations and of other countries to maintain the competitive edge of Canadian exports and to ensure the effectiveness of Canada's domestic environmental assessment process.

Organization by Business Lines





SECTION III: DEPARTMENTAL PERFORMANCE

PLANNED VERSUS ACTUAL SPENDING TABLES

1. Comparison of Total Planned Spending to Actual Expenditures, 1996-97

Business Line	Full	Operating 1	Capital	Voted Grants &	Subtotal: Gross Voted	Statutory	Total Gross	Less:	Total
	Time			Contributions	Expenditures	Grants and	Expenditures	Revenue	Net Expenditures
	Employees					Contributions		Credited to	
								the Vote	
Canadian	95	7.0	0.0	1.3	8.3	0.0	8.3	(0.3)	8.0
Environmenta									
1									
Assessment									
Agency									
	87	9.9	0.2	0.4	10.5	0.0	10.5	(0.3)	10.2
Other Revenues a	and Expenditu	ires							
Cost of services p	rovided by ot	her departme	nts						0.7
									0.7
Net Cost of the P	rogram								8.7
	C								10.9

Operating includes contributions to employee benefit plan

Note: Shaded numbers denote actual expenditures/revenues in 1996-97.

2. Departmental Planned versus Actual Spending

(millions of dollars))				
Business Line	Actual 1993-94	Actual 1994-95	Actual 1995-96	Total Planned 1996-97	Actual 1996-97
Canadian					
Environmental	10.6	10.5	10.0	8.0	10.2
Assessment					
Agency					
Total	10.6	10.5	10.0	8.0	10.2

3. Departmental Planned versus Total Authorities Available

Business Line	Total Planned 1996-97	Total Authorities ¹	Changa
	1990-97	Authornies	Change
Canadian Environmental Assessment Agency	8.0	11.6	3.6
			3.6

Main estimates plus supplementary estimates plus other authorities.

Explanation of the Variance:

Access to the Treasury Board Large Project Reserve for the conduct of panel reviews
3.6



4. Summary of Performance Expectations

Canadian Environmental As	sessment Agency has a budget of \$9,842,000 in 1997-98						
to provide Canadians with:	to be demonstrated by:						
High quality federal	1. Recommendations to decision makers that reflect public values						
environmental assessments	and the principles of sustainable development.						
that contribute to informed	2. Environmental assessment approaches that are co-ordinated						
decision making in support	across government and harmonized with other jurisdictions,						
of sustainable	through strengthened partnerships.						
development.	3. Environmental assessment processes that are effective, efficient,						
	consistent, predictable, and of the highest standards.						
	4. Federal authorities that have a greater understanding of, and are						
	in compliance with, the requirements of the Canadian						
	Environmental Assessment Act.						
	5. Aboriginal environmental assessment regimes that maintain or						
	exceed the standards and principles of the Canadian						
	Environmental Assessment Act, and are harmonized with the						
	existing environmental assessment processes.						
	6. Consistent consideration of environmental factors in federal						
	policy and program proposals.						
	7. Effective representation of Canada's interests in international						
	environmental assessment forums.						

5. Performance Accomplishments

The Canadian Environmental Assessment Agency has one business line:

To provide Canadians with high quality federal environmental assessments that contribute to informed decision making in support of sustainable development.

The Agency will have achieved this goal if it meets the seven commitments listed above.

RESULT 1 TO BE ACHIEVED: Decision makers receive recommendations that reflect public values and the principles of sustainable development.

To achieve this result, the Agency:

- managed public reviews;
- administered comprehensive studies and submitted recommendations to the Minister;
- provided advisory services to clients; and
- administered the Participant Funding Program.



• Management of Public Reviews: The Agency managed 12 panel reviews from April 1996 to March 1997; five under the *Environmental Assessment and Review Process Guidelines Order*, and seven under the *Canadian Environmental Assessment Act*. The reviews covered a wide spectrum of projects, from diamond, coal, uranium and nickel mining to pipelines and offshore oil and gas. Five reports (McArthur River Uranium Mine, NWT Diamond Mine, Elliot Lake Uranium Mines Decommissioning, Express Pipeline and Lachine Canal Decontamination) were submitted to the government during the year and, in all cases, the majority of the panels' recommendations were accepted. (Further information can be found in the Agency's 1997-98 *Main Estimates, Part III*, pp. 17-18. Updates to these details can be found in Section IV: Supplementary Information of this report).

Since the Act came into force, mediations have not been formally used. However, during the past year the Agency facilitated the establishment of an informal mediation at the request of Parks Canada for the Fenelon Falls Hydroelectric Generating Station Project.

- Comprehensive Studies: During the past year, the Agency reviewed four comprehensive study reports: the CIMBEC Marine Terminal, Quebec (October 3, 1996), the Kemess South Mine, British Columbia (October 16, 1996), the Newfoundland Trans-shipment Terminal, Newfoundland (December 20, 1996) and the Athabasca Seasonal Road, Saskatchewan and Alberta (December 16, 1996). Projects requiring a comprehensive study are identified on the Comprehensive Study List Regulations of the Act. The Minister concluded the four projects reviewed did not require further assessment and referred the projects back to the responsible authorities to take appropriate actions. The Agency, with the co-operation of its partners, has successfully managed the review process for comprehensive study reports, that is, from the reception of the report from the responsible authority to the decision by the Minister, in an average of 45 days.
- Advice to Clients: Most environmental assessments conducted by the federal government
 are screenings. During the past year, the Agency provided process advice to 25 federal
 departments and agencies to help them meet their obligations under the Act. These federal
 bodies initiated a total of 5,732 environmental assessments. Section IV: Supplementary
 Information provides a statistical summary of environmental assessments initiated by federal
 departments.
- Participant Funding Program: The administration of this program enabled interested citizens and organizations to participate effectively in the environmental assessments of projects conducted through panel reviews. It helped to ensure decision makers were aware of the views of the public whose interests were directly affected by a project. For 1996-97, 60 applicants out of 84 received \$607K for eight panel reviews.



RESULT 2 TO BE ACHIEVED: Environmental assessments are co-ordinated across government and harmonized with other jurisdictions through strengthened partnerships.

A major aspect of improving the environmental assessment process is to coordinate effort and improve efficiency among various regimes. To this end the Agency has been actively engaged in developing strategic partnerships through harmonization agreements with the provinces and other jurisdictions to reduce overlap and duplication.

To achieve this result, the Agency:

- reached bi-lateral harmonization agreements;
- signed federal-provincial joint panel review agreements;
- promulgated the Federal Co-ordination Regulations; and
- undertook consultations to develop substitution agreements.
- **Harmonization Agreements**: The Agency finalized provisions for the proposed Canada-B.C. Agreement for Environmental Assessment Co-operation. Under the terms of the agreement, projects subject to federal and provincial review will undergo a single environmental assessment that meets the requirements of both governments. An agreement was concluded in April 1997. Signed bi-lateral agreements with provinces have provided the establishment of regional "single-window" offices to act as a federal liaison with external stakeholders. The Agency has also maintained regional offices in other provinces to provide consolidated federal environmental services and to facilitate the harmonization initiatives.

The Agency continued discussions to develop an agreement with the province of Ontario.

Consistent with the direction of the Canadian Council of Ministers of the Environment (CCME) to develop a new approach to environmental assessment, the Agency has been involved in discussions with provincial and territorial governments to develop a *Subagreement on Environmental Assessment* under the *Canada-wide Accord on Environmental Harmonization*. Discussions are now at an advanced stage. CCME consideration of the subagreement is planned for the Fall of 1997.

• **Joint Reviews**: In the spirit of harmonization and to avoid costly duplication, six of the seven panel reviews under the Act were negotiated with other jurisdictions to ensure a single review process. Two of the five reviews under the Guidelines Order were also joint reviews. Refer to Section IV: Supplementary Information for further information.



- **Federal Co-ordination Regulations**: These regulations were pre-published in the *Canada Gazette*, Part I on January 4, 1997 for a 30-day public comment period. The final regulations were published in *Canada Gazette*, Part II and came into force in April 1997. The regulations provide for the efficient co-ordination of environmental assessments among federal authorities; certainty on the timing of federal determination; reduction in the likelihood of multiple environmental assessments of the same project; and coordination with the provinces and territories on environmental assessment. More information on this regulation can be found in Section IV: Supplementary Information.
- **Substitution Agreements**: The Agency undertook stakeholder consultations to explore the possibility of developing substitution agreements with federal authorities or bodies established pursuant to land claim agreements for the panel review process under the Act. Substitution is one of a number of initiatives to increase the efficiency of the federal EA process. Public consultation on the substitution criteria will be conducted in the Summer of 1997.

RESULT 3 TO BE ACHIEVED: Environmental assessment processes are effective, efficient, consistent, predictable and of the highest standards.

To achieve this result, the Agency:

- completed regulatory initiatives;
- advanced cost recovery policies;
- implemented process efficiency measures; and
- explored national standards for environmental assessment screenings.
- **Regulatory Initiatives:** Two new regulations under the Act came into force:

Projects Outside Canada Regulations: These regulations came into effect on November 7, 1996 and were developed after consultations with the multi-stakeholder Regulatory Advisory Committee. For further information refer to Section IV: Supplementary Information.

Designation of the Canada-Newfoundland Offshore Petroleum Board a Federal

Authority: These regulations came into effect in the Spring of 1996. In the context of the Terra Nova oil development application in Newfoundland, there was some legal uncertainty about whether the Canada-Newfoundland Offshore Petroleum Board was a federal authority subject to the *Canadian Environmental Assessment Act*. The regulations remove this uncertainty and allow for requirements of the Act to be incorporated in the review of oil exploration or development projects undertaken by the Board.



Inclusion List, Part II Regulations: The Agency continued work on the development of *Inclusion List, Part II Regulations*, and rule-making options for Crown Corporations. This development is being undertaken in consultation with other federal departments and agencies, provincial and territorial governments, the private sector, environmental and Aboriginal groups and the general public, and with the assistance of the multi-stakeholder Regulatory Advisory Committee. Additional information regarding these regulations can be found in Section IV: Supplementary Information.

• **Process Efficiency Measures**: The Agency is committed to improving the efficiency of the environmental assessment process without undermining the integrity and effectiveness of the process, and maintaining the highest level of environmental protection. The overall effect will be to shorten the time spent conducting EAs, thereby reducing the costs that proponents and the government now face resulting from delays. On this front, the Agency accomplished several initiatives, including the *Federal Co-ordination Regulations* (see above), new procedures and timelines for panel reviews, and the Joint Monitoring Program.

The new panel procedures will improve the efficiency of the panel review process by establishing time periods for the review of a project, and providing more notice time for participants to prepare for public hearings.

The Joint Monitoring Program was designed to determine whether the Act was fulfilling its purposes in practice, and whether the new regulatory regime was placing any unnecessary burdens on industry. The program identified a number of improvements to the existing regulations (Inclusion List, Law List, Comprehensive Study List and Exclusion List). Revisions are expected to be made in the next fiscal year. While available data was limited, no significant adverse impacts on Canadian industry were revealed. The Agency and its partners will continue to monitor the impacts and cost effectiveness of the Act on industry.

Other process efficiency measures that have been undertaken and are still in development include: development of substitution agreements with federal regulatory boards; issuance of guidelines and timelines for comprehensive studies; use of class screenings.

• Cost Recovery: As mandated by the 1995 Budget, the Agency undertook consultations with numerous stakeholders across Canada regarding proposals for recovering costs attributable to environmental assessments. Cost recovery was defined as charging those who benefit directly from government services for the costs of providing those services. In the case of EAs, it meant recovering from project proponents the direct and attributable costs of EA services. However, passing the costs on to the private sector implied ensuring the EA process was as efficient, predictable and transparent as possible. In the Spring of 1997, the government decided to recover the direct and attributable costs of panel reviews, comprehensive studies and mediations from project proponents. This included costs incurred by not only the Agency, but responsible authority and expert departments as well. Further information can be found in Part 6 of this section.



• **Standards:** The Agency initiated a joint pilot project with the Canadian Standards Association to explore the potential for non-legislated EA standards. The objective of the standards will be to establish uniform EA screenings, leading to more streamlined and higher quality environmental assessments.

RESULT 4 TO BE ACHIEVED: Federal authorities have a greater understanding of, and are in compliance with, the requirements of the *Canadian Environmental Assessment Act*.

Other federal departments are responsible for making project decisions that impact on our environment. This is precisely where responsibilities for satisfying requirements of the Act are most important. To promote compliance with the Act, the Agency has undertaken a number of promotion and monitoring initiatives to foster an understanding of environmental assessment, and to ensure that stakeholders understand what they must do to adhere to the requirements of the law.

- **Compliance and Monitoring**: The Act does not contain penalties for non-compliance. Consequently, the Agency focused on promoting compliance by providing guidance, information and training. The Agency also used training, advice and guides to ensure that stakeholders understood what their legislative requirements were. During the past year, the Agency consulted key stakeholders to develop a draft compliance strategy and a process for ongoing monitoring.
- **Guide for the Environmental Assessment of Mining Projects**: The Agency, in cooperation with Environment Canada and Natural Resources Canada, has produced a "working draft" of a *Guidance Document for Environmental Assessment of Mining Projects in Canada*. The main purpose of the guide is to bring greater certainty for developers of mining projects regarding the information requirements for comprehensive study reports and environmental impact statements prepared under the *Canadian Environmental Assessment Act*. The working draft will be the subject of thorough consultation with the mining industry and other stakeholders. The guide is expected to be published by the Fall of 1997.
- Cumulative Effects Assessment Guide: The Agency has assembled a working group of specialists on environmental assessment and on cumulative effects assessment to provide further practical direction on cumulative effects assessment. A guide will be developed to provide information that will assist environmental assessment practitioners in assessing cumulative effects. The guide is expected to be available in draft form by the Fall of 1997. This draft will be the subject of consultation with environmental assessment practitioners and other stakeholders



RESULT 5 TO BE ACHIEVED: Aboriginal environmental assessment regimes maintain or exceed the standards and principles of the *Canadian Environmental Assessment Act*, and are harmonized with existing environmental assessment processes.

Current federal government policies with respect to Aboriginal land claims and the inherent right of self-government recognize the importance of ensuring that Aboriginal peoples have enhanced autonomy over their lives. As decision makers, Aboriginal peoples require tools to ensure that environmental integrity and sustainable development can be achieved for their communities.

To achieve this result, the Agency negotiated environmental assessment provisions under Aboriginal land claims and self-government agreements.

- Aboriginal Land Claims and Self-government Agreements: The Agency has continued to provide advice and assistance on EA considerations and requirements in the context of negotiations and implementation of comprehensive land claims (implementation of the Gwich'in, Sahtu Dene and Metis claims and Yukon umbrella Final Agreement and negotiation of the Labrador Inuit Association, Innu, Nisga'a and other claims under the British Columbia Treaty Negotiation Process), self-government agreements (Westbank, WeWai Kai, Meadow Lake Tribal Council, United Anishnaabeg Council Agreements), and sectoral self-government agreements (proposed *First Nations Land Management Act*, Bill C-75).
- **First Nations Environmental Assessment Standard**: As a follow-up to its 1995 paper, *Options for Environmental Assessment by First Nations on Reserves*, the Agency, in conjunction with the Canadian Standards Association, conducted a feasibility study into the option of developing a First Nations environmental assessment standard. The results of the study indicated an environmental impact assessment standard for First Nation lands is feasible, provided certain conditions are met. Further consultations will take place next fiscal year.

RESULT 6 TO BE ACHIEVED: The government consistently applies environmental considerations to federal policy and program proposals.

The Cabinet Directive, *The Environmental Assessment Process for Policy and Program Proposals*, requires the federal government to integrate environmental considerations into policy and program proposals. Policy EA is an investment in good decision making; it allows for the identification of environmental effects at the earliest possible stage.

To achieve this result, the Agency:

• Provided guidance and advice to assist departments in the preparation of EAs of policy and program proposals. The Agency published a training module and drafted a "How to" manual for federal departments.



 Assessed memoranda to Cabinet for environmental impacts. During the past year the Agency reviewed 40 Memoranda to Cabinet and provided advice and guidance to the 11 initiating departments.

RESULT 7 TO BE ACHIEVED: The Agency represents effectively Canada's interests in international environmental assessment forums.

The Agency, acting as the federal representative in the field of environmental assessment, provides corporate leadership with Canada's international partners. International relationships give Canada the opportunity to share EA expertise and establish mechanisms to support sustainable development of global interests that may affect the health of the environment within Canada.

To achieve this result, the Agency:

- helped incorporate environmental assessment procedures and guidelines into the *Arctic Environmental Protection Strategy*;
- assisted in the preparatory work for the coming into force of the *United Nations Economic Council for Europe Convention on Environmental Assessment in a Transboundary Context*, and
- negotiated environmental assessment considerations with the United States and Mexico under the *North American Agreement for Environment Co-operation* (NAAEC).
- **Arctic Environmental Protection Strategy**: The Agency provided assistance in the development of environmental impact assessment guidelines under the auspices of the *Arctic Environmental Protection Strategy*. The Agency participated in a two-day expert meeting attended by eight circumpolar countries in Finland in September 1996, and provided ongoing advice to develop and finalize the guidelines.
- **Ratification of the UN ECE**: The Agency took part in a number of activities in preparation for the coming into force of the United Nations Economic Commission for Europe *Convention on Environmental Assessment in a Transboundary Context*. The Agency attended the 5th preparatory meeting of the signatories to the Convention in Geneva in November 1996. Efforts toward ratification by Canada are ongoing.
- The North American Agreement for Environment Co-operation: The Agency, working with Mexico and the United States, has developed recommendations for the assessment of proposed projects likely to cause significant adverse transboundary environmental effects. To date, progress has been made to define obligations relating to interjurisdictional notification, exchange of information, public participation opportunities and the assessment of impacts including their mitigation. It is anticipated that this initiative involving Canada and its NAAEC partners will be completed in April 1998.



6. Key Reviews

Interdepartmental or Horizontal Reviews

Review:	Description:
Joint Monitoring Program (JMP)	Evaluation of the implementation of the <i>Canadian Environmental Assessment Act</i> during the first fifteen months after it came into force. While available data were limited, no significant adverse impacts on Canadian industry were demonstrated. The JMP provided a basis for an expanded multi-year monitoring program to be managed by the Agency and its partners. Furthermore, it has strengthened the relationships among the participating
Cost Recovery & Process Efficiency	departments and between the government and private industry. Evaluation designed to strengthen the federal environmental assessment process by increasing efficiency and establishing a sounder financial footing, all the while maintaining the highest standards of environmental protection. Following extensive consultations with stakeholders, cost recovery measures were announced in the Spring of 1997 for government environmental assessment services. In addition, many process efficiency measures have been introduced, including <i>Federal Coordination Regulations</i> . Streamlined timelines for panel reviews will begin in the Fall of 1997.
	Further consultations with industry are ongoing regarding the mechanisms for cost recovery. Principles and guidelines are also being formulated, to assist other federal departments in their implementation of cost recovery. It is anticipated that the Agency will commence cost recovery for panel reviews by the last quarter of the fiscal year, and for comprehensive studies and mediations by April 1998. Other federal departments are targeted to commence the recovery of panel review, comprehensive study and mediation costs by April 1998.
Cabinet Directive on the Environmental Assessment of Policies and Program Proposals	A government-wide survey was undertaken on the application of the Cabinet Directive of <i>Environmental Assessment of Policies and Program Proposals</i> . This Directive requires departments to conduct an assessment of all Memoranda to Cabinet. Following the compilation of survey results, an interdepartmental committee was created to develop ways of improving the application and effectiveness of the Directive.

7. Partnered or External Reviews

Review:	Description:
International Study on the Effectiveness of Environmental Assessment	A joint international study on the impact and effectiveness of environmental assessment was conducted. The results of the study showed that common issues in environmental assessment exist worldwide. The study proposed an agenda for action for strengthening environmental assessment in support of sustainability planning and decision making. In addition, future directions were presented to assist environmental assessment in adapting to emerging long-term societal trends and external factors, and in so doing, remaining relevant for the new millennium.
First Nations Environmental Assessment Standard Feasibility Study	As a follow-up to the October 1995 paper, entitled <i>Options for Environmental Assessment by First Nations on Reserves</i> , a study was conducted to determine the feasibility of developing a First Nations environmental assessment standard. This standard is being developed with the Canadian Standards Association (CSA). In January 1997, the CSA final draft report, entitled <i>First Nations EIA Standard Feasibility Study</i> , was provided to the Agency. Development of the standard is anticipated to start in the Fall once the steps of the process and the parties involved have been determined.



SECTION IV: SUPPLEMENTARY INFORMATION

A. Listing of Statutory and Departmental Reports

The Agency is currently reviewing its cost-recovery policy with respect to publications. Publications of a general nature are free of charge and available on the Internet or in printed versions. Publications of a technical nature, which are destined for specialized groups, have an associated price and are not available on the Internet. Agency publications can be consulted free of charge at any library taking part in the federal government's Depository Services Program. The following is a list of selected titles that can be obtained from the Agency's Reference Centre:

Reference Centre: 200 Sacré-Coeur Boulevard

Hull, Quebec K1A 0H3

Telephone: (819) 994-2578 Facsimile: (819) 953-2891

Internet Site: http://www.ceaa.gc.ca
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* All priced Publications must be prepaid, payable by check or money order to the Receiver General for Canada. Please add 7% G.S.T. or 15% H.S.T. if applicable – all Quebec residents must add 6.5% G.S.T. if applicable. Please allow 3 to 4 weeks for delivery.

1. General

- Environmental Assessment: It's in our Hands (This brochure is available for the visually challenged in alternative formats: audio cassette, large print, computer diskette and braille.)
- Accessible Public Information on Federal Environmental Assessments (Federal Environmental Assessment Index brochure)
- Fact Sheets Series:
 - > Highlights of the Canadian Environmental Assessment Act
 - > An Overview of the Canadian Environmental Assessment Process
 - > The Canadian Environmental Assessment Agency
 - > Putting the Act into Practice the Canadian Environmental Assessment Act and Regulations
 - Public Participation under the Canadian Environmental Assessment Act
- The Canadian Environmental Assessment Process, Citizen's Guide, 1995
- First Annual Report, January 19 to March 31, 1995
- Annual Report, April 1, 1995 to March 31, 1996

2. Environmental Assessment Process Guides

- The Responsible Authority's Guide (\$46.00)
- *Training Compendium* (\$56.00) (includes the Responsible Authority's Guide, fact sheets, the Act and regulations as well as CLEAR, a computerized tutorial on the application of the Act.
- Physical and Cultural Heritage Resources (\$4.25), April 1996. (New Reference Guide)
- Reference Guide on the Federal Coordination Regulations, July 1997. (New Reference Guide)



3. Environmental Assessment Panel Reports

The following reports are still available in print:

- Fraser-Thompson Corridor Review, Jan. 1986
- Northern Diseased Bison, Aug. 1990
- Vancouver International Airport, Parallel Runway Project, Aug. 1991
- Rafferty-Alameda Project, Sept. 1991
- Air Traffic Management in Southern Ontario, Interim Report of the Environmental Assessment Panel, Nov. 1992
- McArthur Underground Exploration Program, Jan. 1993
- Dominique-Janine Extension, McLean Lake Project and Midwest Joint Venture, Oct. 1993
- Rabbit Lake Uranium Mining A-Zone, D-Zone and Eagle Point, Nov. 1993
- Dry Storage of Irradiated Nuclear Fuel from the Gentilly 2 Power Station, Dec. 1994
- Military Flying Activities in Labrador and Northern Quebec, Feb. 1995
- Pine Coulee Water Management Project, Willow Creek Basin, Southwest of Stavely, Alberta, Feb. 1995
- Express Pipeline Project, May 1996
- Decommissioning of Uranium Mine Tailings Management Areas in the Elliot Lake Area, June 1996
- NWT Diamonds Project, June 1996
- Lachine Canal Decontamination Project, Sept. 1996
- McArthur River Uranium Mine Project, Feb. 1997

4. Special Publications

- Sandspit Small Craft Harbour Mediation Process, A Review and Evaluation (\$9.95)
- An Evaluation of the Environmental Impact Statement on Atomic Energy of Canada Limited's Concept for the Disposal of Canada's Nuclear Fuel Waste, Report of the Scientific Review Group of the Environmental Assessment Panel, October 1995 (\$20.00)
- An Evaluation of the Environmental Impact Statement on Atomic Energy of Canada Limited's Concept for the Disposal of Canada's Nuclear Fuel Waste. An addendum to the Report of the Scientific Review Group, September 1996
- International Study of the Effectiveness of Environmental Assessment (a joint initiative between the Canadian Environmental Assessment Agency and the International Association for Impact Assessment)
- Information Bulletin, No. 1, March 1994
- Proposed Framework, March 1994
- International Summit on Environmental Assessment, Final Report, December 1994
- Information Bulletin, Update 1995
- Towards an Environmental Assessment Network, December 1995
- Environmental Assessment: Toward Improved Effectiveness Interim Report and Discussion Paper, December 1995
- Environmental Assessment in Canada: Frameworks, Procedures and Attributes of Effectiveness, March 1996
- Environmental Assessment in Canada: Achievements, Challenges and Directions, June 1996
- Environmental Assessment in a Changing World: Evaluating Practice to Improve Performance, final report, June 1996 (\$24.95).



5. Research and Development Series

- Directory of Environmental Assessment Practices in Canada, July 1995 (\$6.25)
- Strategic Environmental Assessment, A Bibliography, June 1996 (\$4.75)
- A Guide on Biological Diversity and Environmental Assessment, April 1996 (prepared jointly with the Biodiversity Convention Office, Environment Canada)

6. Electronic Publications

- Federal Environmental Assessment Index (updated monthly)
- Internet version: http://www.ceaa.gc.ca
- CD-ROM Version (Subscription: \$120.00/year, except for participants in the government's Depository Services Program)
- *CLEAR* Computerized tutorial on the application of the *Canadian Environmental Assessment Act* (\$23.00 upto \$470.00 for a site licence)
- Cumulative Environmental Effects: Cross-Referenced Annotated Bibliography, October 1996 (available in Internet version only)
- CD-Rom (set of 3) Environmental Assessment The Federal Experience (\$65.00).

B. Financial Summary Tables

SUMMARY OF VOTED APPROPRIATIONS

1. Authorities for 1996-97 - Part II of the Estimates

Vote	(millions of dollars)	1996-97	1996-97
		Main Estimates	Actual
	Canadian Environmental Assessment Agency		_
15	Program Expenditures	7.4	9.6
(S)	Contributions to employee benefit plans	0.6	0.6
(S)	Spending of proceeds from the disposal of surplus Crown Assets	0.0	0.0
	Total Department	8.0	10.2
	Explanation of the Variance:		_
,	Access to the Public Review Reserve (net)		2.2

2. Revenues to the Consolidated Revenue Fund (CRF)

Total Revenues to the CRF	0.0	0.0	0.0	0.0	0.0
Agency					
Canadian Environmental Assessment	0.0	0.0	0.0	0.0	0.0
	1993-94	1994-95	1995-96	1996-97	1996-97
Business Line	Actual	Actual	Actual	Total Planned	Actual
(millions of dollars)					

Note: For 1995-96, approximately \$28.0K was collected for environmental assessment panel reviews services rendered in 1994-95.



3. Revenues to the Vote

(millions of dollars)

Business Line	Actual	Actual	Actual	Total Planned	Actual
	1993-94	1994-95	1995-96	1996-97	1996-97
Canadian Environmental Assessment	0.3	0.2	0.2	0.3	0.3
Agency					
Total Revenues to the Vote	0.3	0.2	0.2	0.3	0.3

4. Capital Projects by Business Line

➤ NIL REPORT

5. Transfer Payments by Business Line

(millions of dollars)					
Business Line	Actual 1993-94	Actual 1994-95	Actual 1995-96	Total Planned 1996-97	Actual 1996-97
CONTRIBUTIONS	1,,,,,,,,	177175	1,,,,,,,,	1,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1//0 //
Canadian Environmental					
Assessment Agency					
Contributions to assist public	0.7	0.8	0.5	1.2	0.3
participation in environmental					
assessment panel reviews					
Contribution to the Province of	0.1	0.1	0.1	0.1	0.1
Quebec - James Bay and					
Northern Quebec Agreement					
Contribution to the Assembly of	0.1	0.0	0.0	0.0	0.0
First Nations					
Total Contributions	0.9	0.9	0.6	1.3	0.4
Total Transfer Payments	0.9	0.9	0.6	1.3	0.4

6. Statutory Payments by Business Line/Activity

NIL REPORT

7. Loans, Investments and Advances

➤ NIL REPORT

8. Revolving Fund Financial Summaries

NIL REPORT



9. Contingent Liabilities

As of March 31, 1997, there were no contingency liabilities outstanding against the Canadian Environmental Assessment Agency.

10.Legislation Administered by the Canadian Environmental Assessment Agency

The Minister has sole responsibility to Parliament for the following Acts: Canadian Environmental Assessment Act (S.C., 1992, C. 37, as amended)

C. Reviews under the Canadian Environmental Assessment Act

The following updates information published in the *Canadian Environmental Assessment Agency*, 1997-98 Main Estimates, Part III Expenditure Plan, pp. 17-18:

- Express Pipeline, Alberta: This review involved a proposal for the construction and operation by Express Pipeline Ltd. of a pipeline and related facilities to ship crude oil from southern Alberta to the United States. The panel completed hearings in March 1996. The panel report was released to the public in May 1996 and the government response was issued in June.
- **Cheviot Coal Project, Alberta**: This review involves a proposal to construct, operate and decommission a coal mine to be located approximately 5 km from Jasper National Park in an area designated for coal mine development. Public hearings were held in January and February 1997. The panel report is expected in June 1997.
- Terra Nova Offshore Oil Development Application, Newfoundland: This review involves a proposal to develop oil fields 350-km east-southeast of St. John's. The Development Application (including an Environmental Impact Study) was transmitted to the panel by the Canada-Newfoundland Offshore Petroleum Board in December 1996. The panel announced in February that additional information was required from the proponent. Public hearings are expected are to begin in April 1997.
- Sable Gas Projects, Nova Scotia, New Brunswick: Offshore Project involves development of natural gas fields near Sable Island and transportation to shore for processing in a gas plant. Onshore project entails sending gas to markets via pipeline through Nova Scotia and New Brunswick. The panel conducted scoping sessions in the Fall of 1996 for the offshore project and in December for the onshore project. The report is expected in the Fall of 1997.
- Little Bow Project/Highwood Diversion Plan, Alberta: This review involves a proposal by Alberta Public Works, Supply and Services to construct the Little Bow River Reservoir, an enlargement of Little Bow Canal, the construction of the Clear Lake Canal and implementation of the Highwood Diversion Plan. On March 14, 1997, the Minister advised that a joint panel with the Alberta NRCB would be appointed. A report is expected in December 1997



Voisey's Bay Mineral Development, Newfoundland: This review involves a proposal to develop mine and mill in Northern Labrador (near Nain). It includes open pit and underground mines and tailings disposal site. The panel released draft guidelines for the proponent's EIS in March. Public scoping meetings will be held in April and May 1997 to hear comments on the draft guidelines.

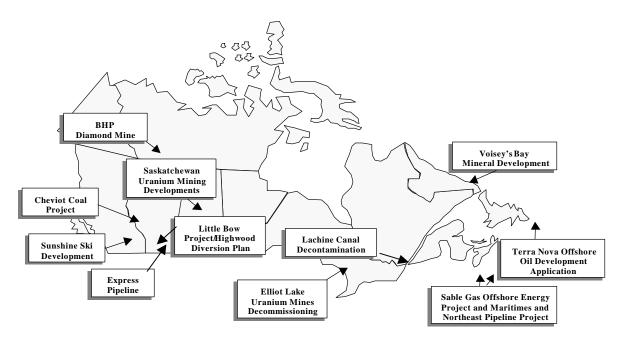
D. Environmental Assessments under the *Environmental Assessment & Review Process Guidelines Order*

The environmental assessment of the following projects were begun before the coming into effect of the *Canadian Environmental Assessment Act*. These will continue under the Guidelines Order until their completion. The following updates information published in the *Canadian Environmental Assessment Agency*, 1997-98 Main Estimates, Part III Expenditure Plan, pp. 17-18:

- Elliot Lake, Uranium Mines Decommissioning, Ontario: The panel report was released to the public in June 1996 and the government response, which accepted most of the panel recommendations, was released in March 1997.
- Nuclear Fuel Waste Management and Disposal Concept: This review involves Atomic Energy of Canada Limited's concept of deep geologic disposal of nuclear fuel waste. Public hearings were held in three phases from March 1996 to March 1997. The panel is currently preparing its report. It is expected in early 1998.
- Saskatchewan Uranium Mining Developments: Cigar Lake Mining Corporation proposes the development of a uranium deposit at Cigar Lake. The panel held hearings in September and October 1996. A supplementary session on tailings disposal will be scheduled at a later date. The report is expected in the Fall of 1997. Cogema Resources Inc. proposes the development of the Midwest mine. Panel hearings were held in May and June 1996. A supplementary session on tailings disposal will be scheduled at a later date. The panel report is expected in the Fall of 1997.



E. Geographical Distribution of Public Review Panels



Note: Nuclear Fuel Waste Management and Disposal is a concept and not site specific.

F. Regulatory Initiatives

Federal Co-ordination Regulations: These regulations, which came into force in the Spring of 1997, provide that federal environmental assessments are efficiently co-ordinated among federal authorities under the Act.

The regulation included the following elements:

- early identification and notification of the federal authorities which may be involved in a project according to a timeline;
- requirement for consultation among federal authorities regarding the scope of the environmental assessment for the project;
- a requirement that federal responsible authorities release their determinations on adverse environmental effects according to schedule; and
- co-ordination of all responsible authorities' interests and involvement in comprehensive study recommendations.



Projects Outside Canada: These regulations will allow the federal government to assess projects outside Canada in a manner that takes into account principles of international law, sovereign rights, Canada's international relations objectives and overseas development assistance and trade. The regulations vary and exclude certain procedures and requirements of the Act in order to adapt the process for projects undertaken outside of Canada. In doing so, the regulations will enhance international co-operation and facilitate a more streamlined and efficient process.

Inclusion List, Part II: Part II of the inclusion list regulations will prescribe additional physical activities not relating to a physical work, for the purpose of the definition of 'project' in the act. This will broaden the scope of application of the act to require environmental assessments of a greater number of physical activities that have potential to cause significant environmental effects. A subcommittee of the regulatory advisory committee has overseen the preparation of a preliminary list of candidate activities for consideration, incorporating suggestions from government departments, industry associations and environmental groups. The list will be further developed and refined to produce a draft of the new regulation until a regulation.

Crown Corporations: During 1996-1997 the Agency chaired a multi-stakeholder subcommittee of the Regulatory Advisory Committee with members from four Crown corporations, government departments, industry and non-government organizations. The sub-committee's mandate was to examine options including regulations regarding environmental impact assessment of Crown corporations and Harbour Commissions. The group met several times during the year in order to identify and explore various options. The results will reflect the particular circumstances of the corporations such as commercial competitiveness, and will allow for flexibility of the process.



G. Statistical Summary of Environmental Assessments Initiated by the Federal Government for the Period April 1, 1996 to March 31, 1997

Department	Total EAs	Туре	Approved	Completed	Further Review
Agriculture and Agri-Food Canada	494	Screening	452	452	None
Atlantic Canada Opportunities Agency	509	Screening	509	509	None
Atomic Energy Control Board	17 2	Screening Comp. Studies ¹	10	10	None
Canada-Newfoundland Offshore Petroleum Board	1	•			Joint Panel (1)
Canadian Heritage ²	510	Screening	436	438	None
Canadian International Development Agency	44	Screening	44	44	None
Canadian Transportation Agency	199	Screening	199	199	None
Correctional Service Canada	6	Screening	6	6	None
Department of Foreign Affairs and International Trade	21	Screening	6	6	None
Environment Canada	573	Screening	530	530	None
	1	Comp. Studies			
Federal Office of Regional Development – Québec	428	Screening	363	363	None
Fisheries and Oceans Canada	498	Screening	426	426	Joint Panel (1)
	7	Comp. Studies	1	1	Joint Panel (2)
Health Canada	5	Screening	1	1	None
Human Resources Canada	19	Screening	19	19	None
Indian and Northern Affairs Canada Northern Affairs					
NWT	471	Screening	471	471	None
Yukon	438	Screening	438	438	None
Indian and Inuit Affairs	517	Screening	412	412	None
Industry Canada	77	Screening	77	77	None
National Defence	143 3	Screening Comp. Studies	93	93	None
National Energy Board	118	Screening	100	100	Joint Panel (1)
National Research Council of Canada	4	Screening	4	4	None
Natural Resources Canada	67	Screening	46	46	None
Public Works and Government Services Canada	61 1	Screening Comp. Studies	53	53	None
Royal Canadian Mounted Police	48	Screening	46	48	
Revenue Canada	1	Screening	1	1	None
Transport Canada	340	Screening	340	340	None
Western Economic Diversification	95	Screening	86	86	None
SUB TOTALS	5,718 14	Screenings Comp. Studies			Joint Panel (5)
TOTALS	5,732		5,169	5,173	

Comprehensive Studies

² Interpretation: The Department of Canadian Heritage initiated 510 environmental assessments (EAs) for the period April 1, 1996 to March 31, 1997. Of those 438 EAs were completed and 436 projects were approved. Two projects were not approved; 72 EAs are on-going.



H. References

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