

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

1997

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Report of the Commissioner of the Environment and Sustainable Development to the House of Commons for 1997

Main Points

1. This is my first report to Parliament, and the first report by a Commissioner of the Environment and Sustainable Development. It provides me with the opportunity to set out my mandate, my priorities and my work program. The report also presents my personal perspective on some of the issues that are of crucial importance to my role.
2. The post of Commissioner was established because of concern about the federal government's performance in protecting the environment and fostering sustainable development. Greater accountability is an important force for enhancing government performance. My role is to provide objective, independent analysis and recommendations to members of Parliament to help them examine the federal government's actions and hold it to account.
3. My mandate includes both environmental and sustainable development issues. A healthy environment is critical for a prosperous economy and for our broader social well-being. Sustainable development recognizes the importance we attach to caring for people and the environment, both at the same time.
4. Previous work by the Office of the Auditor General has identified key weaknesses in the federal government's management of sustainable development issues: the gap between commitments and concrete action; a lack of co-ordination among departments and across jurisdictions; and inadequate review of performance and provision of information to Parliament. We will continue to focus attention on these management weaknesses and the success and failure of departments in dealing with them.
5. Our work program for the next two years has four main components: the review of sustainable development strategies now being prepared by 24 federal departments and agencies; auditing of key environmental and sustainable development issues like environmental assessment, climate change and sustainable fisheries; special studies of issues like Canada's international commitments and public and private sector performance; and monitoring public petitions on environmental and sustainable development issues.
6. While there are no quick fixes, I am confident that government can be a positive force in fostering sustainable development. Even in this era of cost cutting and deficit reduction, governments must be there to provide strong leadership and a clear vision. They must also show that they are willing to change their own behaviour, and to exercise their responsibilities as stewards of our natural environment.
7. The challenge can be met. What we need is the will, the discipline and the management commitment to translate talk into action.

Commissioner's Perspective

My first report

8. This is my first report to the House of Commons, and the first report by a Commissioner of the Environment and Sustainable Development. In preparing this report, I have consulted with parliamentarians and stakeholders on their expectations. The report describes my mandate, outlines my priorities and presents my work program for the coming years. It sets the stage for future reports on the federal government's efforts to protect the environment and foster sustainable development.

Performance and accountability

9. By enacting the amendments to the *Auditor General Act* that created my position (see Appendix A), parliamentarians sent a strong message to Canadians. They indicated that they shared Canadians' concern about the quality of our environment and our desire for sustainable development. They formally committed themselves to encouraging stronger performance by the federal government in both areas.

10. My job is to assist parliamentarians in that task. I will provide objective, independent analysis and recommendations to members of Parliament to help them examine the federal government's performance and hold it to account for that performance. I also plan to work directly with federal departments and agencies to promote accountability and best practices in the management of environmental and sustainable development issues.

Environment *and* sustainable development

11. My position is Commissioner of the Environment *and* Sustainable Development. My perspective on both of these issues is therefore fundamental to my approach to the job, and to the objectives and priorities that I have established to guide my work.

12. I have been working on environmental and sustainable development issues for most of my career. Based on that experience — and my professional training — I believe strongly that government has an essential role to play in protecting the environment and fostering sustainable development.

13. To achieve the results Canadians are expecting, governments must provide strong leadership and a clear vision. And if we expect to change behaviour across society, the federal government must lead by example and demonstrate that it is fostering a culture of environmental protection and sustainable development within its own departments and agencies.

14. Furthermore, I believe that a healthy environment is critical for a prosperous economy and for our broader social well-being. The environment that we share provides many of the resources that we consume and that we use to produce goods and services. And without clean air and water, or the protection provided by the earth's atmosphere, there would be no life.

15. I also believe that environmental protection is best pursued within a framework of sustainable development. The World Commission on Environment and Development defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their needs.” This definition was included in the amendments to the *Auditor General Act* that created the position of Commissioner, and serves as an important starting point for my work.

16. Sustainable development makes sense to me, and I think to most Canadians. Sustainable development recognizes the importance we attach to a healthy environment, to a prosperous economy and to issues of equity and fairness. It stresses the need to integrate these factors in our decision making, so that progress can be made on all of them. The goal is to take care of people and the environment that supports them, both at the same time.

17. The pursuit of sustainable development presents us with unique challenges. Can we integrate social, economic and environmental concerns? Can we provide for economic growth and social development without seriously impairing the natural environment on which we all depend? I think we can.

WHAT IS SUSTAINABLE DEVELOPMENT?

A working definition of sustainable development is essential for guiding the preparation of the Commissioner's work program, and for reviewing departmental strategies.

The main elements of the concept of sustainable development emerged at the 1972 United Nations Conference on the Human Environment in Stockholm, Sweden. Central themes of the conference were the interdependence of human beings and the natural environment; the links between economic and social development and environmental protection; and the need for a global vision and common principles.

Picking up these themes, the World Commission on Environment and Development (the Brundtland Commission) released a report in 1987 calling for "... development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This definition was included in the amendments to the *Auditor General Act* that created the position of Commissioner.

The Brundtland Commission went on to say that "... sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

The federal government's *Guide to Green Government* explores the concept of sustainable development more fully. Three key elements of sustainable development are *quality of life*, *integrated decision making* and *equity*.

- The *quality of life* dimension recognizes that Canadians value many different aspects of their life in society, including economic and social development *and* the preservation and improvement of environmental quality. Reconciling economic development, social equity and environmental quality is at the core of sustainable development. Clearly, Canadians want an economy that performs well. A healthy economy meets demands for job creation, economic security and improved living standards. It also allows Canada to pursue the social objectives that are key elements of our quality of life — including health, education and protection of the environment — now and for future generations.

- Reconciling development and environmental quality means paying particular attention to *integrated decision making*. As the House of Commons Standing Committee on Environment and Sustainable Development has noted, "The integration of environmental and economic considerations, along with the consideration of equity, is a fundamental underpinning of the concept of sustainable development." The connections among economic, social and environmental objectives need to be acknowledged, and any conflicts among them that may emerge should be dealt with openly, on the basis of full information and taking advantage of the best tools available.

- A commitment to *equity* is a third element of sustainable development. Equity involves the fair distribution of the costs and benefits of development between the rich and the poor, between generations, and among nations. Equity also implies that we all have the means to meet basic needs, and that we are all entitled to basic rights.

Sustainable development does *not* mean business as usual for federal departments and agencies. Each department will need to consider carefully how to translate the concept into a concrete program of action.

18. While the goal is to achieve a reasonable balance among the many elements of sustainable development that are important to Canadians, my immediate work plan pays particular attention to the environment. Economic and social priorities have traditionally received more explicit recognition in the mandates of departments. Part of my job is to redress this imbalance by bringing the environment into the equation more systematically.

19. It has been 25 years since the key underpinnings of sustainable development were first enunciated at the United Nations Conference on the Human Environment in Stockholm. It has been 10 years since the release of the landmark document *Our Common Future* by the Brundtland Commission. And it has been five years since

representatives of 178 nations gathered at Rio de Janeiro to chart a path for global sustainable development. It is time to take sustainable development seriously; to get on with the job and put the concept into practice.

20. There are few quick solutions to environmental problems, and achieving sustainable development will require persistence, sustained and focussed effort and patience. We are on a long journey, one that demands systemic change in order to make a real difference for present and future generations.

We all have a role to play

21. In performing my duties, I will be seeking advice from experts in the field of environmental and sustainable development policy and practice. A 14-member advisory committee has been struck to help me establish priorities and a work program (see Appendix D).

22. Individual Canadians also have an important role to play. Departments will be consulting with clients and stakeholders during the preparation of their strategies. And the petition process provides a formal vehicle for Canadians to comment on environmental issues that are the responsibility of federal departments, and to obtain a response.

23. I am confident that government can be a positive force in fostering sustainable development. Even in this era of cost cutting and deficit reduction, the federal government can provide strong leadership, a clear vision and a commitment to improving its own performance.

24. The challenge can be met. What we need is the will, the discipline and the management commitment to translate talk into action.

A Long-standing and Growing Concern

The international context

25. This report comes on the anniversary of three key events that have defined the domestic and international agendas for the environment and sustainable development (see Exhibit 1).

- **The 25th anniversary of the United Nations Conference on the Human Environment.** The “Stockholm Conference” recognized the interdependence of people and the environment, and the ties between economic and social development and environmental protection.

- **The 10th anniversary of the report of the World Commission on Environment and Development.** *Our Common Future* presented a global vision for sustainable development, linking social well-being to a prosperous economy and a healthy environment.

- **The fifth anniversary of the United Nations Conference on Environment and Development.** The “Rio Conference” focussed on the globalization of environmental issues and the need for international co-operation to ensure sustainable development.

Exhibit 1

From Stockholm to Rio: Benchmark Events That Defined the International Agenda for the Environment and Sustainable Development

TWENTY FIVE YEARS AGO the United Nations Conference on the Human Environment was held in Stockholm, Sweden. Many of the key messages arising from that historic meeting are central to the concept of sustainable development and still resonate with us today. Recognizing linkages is a central theme: the interdependence of human beings and the natural environment; the ties between economic and social development and environmental protection; and the need for a global vision and common principles.

The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world . . .

Declaration of the United Nations Conference on the
Human Environment, 1972

TEN YEARS AGO the United Nations World Commission on Environment and Development (often referred to as the Brundtland Commission, after its Chairperson) released its landmark report, *Our Common Future*. Building upon many of the ideas explored in Stockholm in 1972, the Commission outlined a global prescription for “sustainable development” that recognizes the connections among economic growth, human development and environmental protection. It calls for a fundamental shift in public policy orientation and values.

Humanity has the ability to make development sustainable -- to ensure that it meets the needs of the present without compromising the ability of future generations to meet their needs. The concept of sustainable development does imply limits -- not absolute limits but limitations imposed by the present state of technology and social organization on environmental resources and by the ability of the biosphere to absorb the effects of human activities. But technology and social organization can be managed and improved to make way for a new era of economic growth.

Our Common Future, World Commission on
Environment and Development, 1987

FIVE YEARS AGO Rio de Janeiro was the site of the 1992 United Nations Conference on Environment and Development (UNCED), more commonly known as the Earth Summit. Over 30,000 people attended, including representatives from 178 nations and non-governmental organizations. Echoing many of the themes of the Stockholm Conference and *Our Common Future*, a major focus was the globalization of environmental problems and the need for a co-ordinated international response to ensure long-term economic progress and a healthy biosphere. The conference wrapped up with a meeting of 105 world leaders who gathered together to demonstrate their commitment to sustainable development.

Some of the initiatives emerging from Rio Earth Summit included the following:

- the Rio Declaration — a set of principles to guide future development;
- Agenda 21 — a comprehensive document regarded by many as the sustainable development “blueprint” for the 21st century;
- the Framework Convention on Climate Change;
- the Convention on Biological Diversity; and
- a statement of Guiding Principles on Forests.

26. Countries around the world are taking stock of progress made in protecting the environment and fostering sustainable development. What have we accomplished? What have we learned? What do we do next? Canada has made progress, but there is still a lot to do.

Canada's strengths

27. Canada brings a broad range of assets to the pursuit of sustainable development. Some of these are natural assets. For example, Canada extends over almost 10 million square kilometres, and borders on three oceans. We are

custodians of about nine percent of the world's renewable fresh water supply, 10 percent of its forests, and significant reserves of oil, gas, coal and other minerals.

28. But perhaps even more important is the talent, energy and resourcefulness of Canadians. Much of Canada's economic development and well-being has come from the application of ever more sophisticated technology, by an increasingly educated work force, to our rich base of renewable and non-renewable resources. Canada has achieved a level of human development that is the envy of much of the world.

A number of achievements

29. Over the last quarter-century, Canada has been a leader in international co-operation on environmental issues. For example, Canada played a major role in establishing the Montreal Protocol, an international regime to protect the earth's ozone layer. Another example is the Canada-United States Air Quality Accord on acid rain and other transboundary air pollution issues.

30. The recent *State of Canada's Environment — 1996* documents progress we have made in a number of areas toward a healthier environment. For example, compared with most other countries, Canada enjoys water of a relatively high quality. Key industries have significantly reduced their pollution levels. Air quality has improved and progress has been made in protecting natural areas and reducing waste.

Significant challenges remain

31. Significant challenges remain, however, including the management of new toxic chemicals, urban smog and groundwater contamination. Compared with other countries, per capita we are a large consumer of energy and other natural resources and a large generator of pollution and waste. Recent projections prepared for federal-provincial energy and environment ministers suggest that Canada will fall far short of meeting its target for reducing greenhouse gas emissions.

32. In short, we must work hard to reduce the burden of pollution, manage our natural resources, integrate environmental, social and economic decision making and meet our international commitments.

Canadians expect more to be done

33. Canadians are worried about the quality of the environment, and its impact on their health and the health and opportunities of their children. Recent public opinion research by Synergistics Consulting Limited and Environics Research Group Ltd., in their Environmental Monitor surveys, suggests that:

- **Canadians remain deeply concerned about the quality of the environment.** A majority of Canadians are “very concerned” about key issues such as toxic chemicals and air and water quality. This concern has remained constant over the past decade.

- **There is still much to do.** Canadians recognize that some progress has been made in the past 10 years in reducing pollution to safe levels, but that we still have a long way to go. On average, Canadians feel that we are only one third of the way toward achieving the goal of a “safe” environment.

- **Canadians are questioning the government's capacity to make a difference.** A slim majority of Canadians agree that the federal government seems no longer capable of playing a major role in achieving a sustainable environment in Canada over the longer term.

34. As the Auditor General indicated in his November 1996 Report, a number of analysts have concluded that one of the most significant changes in recent years has been a loss of public confidence in governments. The failure of governments to deliver in key areas of importance to Canadians is cited by those analysts as a major cause of this loss of confidence. The environment is one of those key areas.

The federal government's role

35. The federal government has an important role to play in protecting the environment and fostering sustainable development. Its influence is felt in three ways:

- **As an employer, landlord and purchaser,** the federal government is the largest single enterprise in Canada. How it manages its day-to-day operations has significant implications for the environment and for sustainable development.
- **As a rule-maker and enforcer,** the federal government's policies have an important influence on decisions made by individual producers and consumers. In particular, the federal government shares responsibility for establishing the framework of laws and regulations that affect our use of the environment.
- **As a service and program provider,** the federal government contributes to our overall economic and social well-being. For example, it provides much of the scientific expertise needed to protect the environment and foster sustainable development. And it delivers key services like weather forecasts and food inspection.

The federal government's performance

36. Although progress has been made in a number of areas, it has not been uniform. Many environmental and sustainable development issues are, by their very nature, difficult to manage. They present governments with significant challenges. They are often scientifically complex, involve long time frames and do not fit neatly within a single department's or government's mandate or jurisdiction.

37. The global nature of environmental issues has also increased the complexity of problem solving. It is no longer enough to focus on environmental problems in our own backyard, although this remains important. As the ozone depletion problem demonstrates, all people share the same environment. We suffer the consequences of not only our own actions and inaction but also those of people elsewhere in the world.

38. Over the past decade, the Office of the Auditor General has become progressively more active in the environmental area and has done pioneering work in applying audit principles to the environment. Some 42 audits of issues with a significant environmental or sustainable development component have been undertaken. (These audits are listed in Appendix B.)

39. These audits provide valuable insights into the federal government's performance in managing individual environmental or sustainable development issues. Three key themes emerged from our review of them.

- **The implementation gap.** In many areas, the federal government's performance falls short of its stated objectives. This gap reflects the failure to translate policy direction into effective action. It ranges from instances of lack of conformity with the Environmental Assessment and Review Process to the failure to meet targets for key programs.

- **Lack of co-ordination and integration.** Many of the most pressing issues facing government today cut across departmental mandates and political jurisdictions. Managing these so-called horizontal issues has proved to be a particular challenge for governments. Recognizing the broad sharing of responsibility for the environment and sustainable development, in his 1990 Report to Parliament the Auditor General asked: "Who's minding the store?" That question could as easily be asked today.

- **Inadequate performance review and information to Parliament.** Performance review is an important management tool, and reporting to Parliament is critical for accountability. The Auditor General has found weaknesses in both areas. Both senior management in departments and parliamentarians lack information on the benefits Canadians are deriving from the government's environmental programs. For example, the Auditor General indicated that reporting on the federal government's efforts to "green" its operations was neither complete nor objective.

The Mandate of the Commissioner of the Environment and Sustainable Development

The need to improve accountability

40. Discussion of the need for a position of this kind can be traced back at least as far as 1989 (see Exhibit 2). In that year, a coalition of environmental, conservation and Aboriginal groups proposed the appointment of an environmental auditor general (EAG) as one part of a comprehensive environmental strategy for Canada. The proposed EAG would report directly to Parliament, and would focus on whether the federal government was complying with environmental laws and regulations.

Exhibit 2

Commissioner of the Environment and Sustainable Development: Key Dates

Summer 1989	A coalition of environmental, conservation and Aboriginal groups submitted an environmental plan to the federal government (<i>Greenprint for Canada</i>). In it, they proposed the appointment of an independent Environmental Auditor General (EAG) to review federal activities for compliance with environmental statutes and regulations.
Fall 1990	The House of Commons Standing Committee on Environment discussed the merits of an EAG to monitor the progress of federal departments and agencies in their setting and attaining targets for greenhouse gas emissions.
December 1990	A Private Member's Bill to establish an EAG was presented to Parliament. The EAG would audit government operations to ensure that any activity, program or initiative was compatible with the protection and enhancement of the environment.
February 1992	The House of Commons Standing Committee on Public Accounts asked the Auditor General for his opinion on the need for an EAG. The Auditor General noted that there were differences of opinion about the nature of the role of an EAG, and who should perform it. Most definitions went beyond the current mandate and resources of the Office of the Auditor General.
Summer 1993	The Liberal Party pledged to appoint an independent EAG reporting directly to Parliament. The EAG would monitor and report annually to the public on how successfully federal programs and spending were supporting the move to sustainable development.
March 1994	The government requested the Standing Committee on Environment and Sustainable Development to examine the concept of an EAG who would ensure that government's activities were carried out in a sustainable manner.
May 1994	The Standing Committee recommended the establishment of a Commissioner of the Environment and Sustainable Development. The proposed Commissioner would be independent of government, and would have two main roles: reviewing how well government policies, programs and spending support Canada's move to sustainable development; and providing liaison, monitoring and encouragement to government, Parliament and the public to support that move.
October 1994	The government responded to the Committee report, proposing creation of a Commissioner of the Environment and Sustainable Development in the Office of the Auditor General and requiring ministers to prepare sustainable development strategies for their departments and to table them in Parliament.
June 1995	The government released <i>A Guide to Green Government</i> to assist departments in their preparation of sustainable development strategies.
December 1995	Amendments to the <i>Auditor General Act</i> establishing the position of Commissioner of the Environment and Sustainable Development received royal assent.
June 1996	The first Commissioner of the Environment and Sustainable Development was appointed.
November 1996	The Commissioner's Advisory Panel was established, with members drawn from a cross-section of Canada's environmental and sustainable development community.
March 1997	The Commissioner's first annual report to Parliament is submitted on behalf of the Auditor General.

41. A common thread in subsequent discussion surrounding an EAG was the need for the federal government to improve its performance in protecting the environment and fostering sustainable development and to be more accountable for that performance. Parallels were drawn with the Auditor General's role in helping Parliament to hold the government accountable for the collection and spending of public funds.

42. A number of variants of the EAG concept were discussed by parliamentarians. Much of the debate centred on the need to avoid duplication of roles and responsibilities with other participants in the public policy process, such as environmental groups, Environment Canada and the Auditor General.

43. The federal government chose a package of initiatives aimed at enhancing public accountability and public involvement. Among these were the amendments to the *Auditor General Act* that provided for the creation of a Commissioner of the Environment and Sustainable Development (see Appendix A). The Commissioner assists the Auditor General in performing the duties set out in the Act that relate to the environment and sustainable development.

A mandate to assist parliamentarians

44. The amendments to the *Auditor General Act* respected the traditional lines of ministerial accountability to Parliament. Ministers are responsible for policy choices. The role of the Commissioner of the Environment and Sustainable Development is to assist parliamentarians in their oversight of the federal government's efforts to protect the environment and to foster sustainable development.

45. More specifically, the Commissioner has responsibilities in four main areas:

- **Monitoring sustainable development strategies.** Twenty-four federal departments and agencies are required to prepare sustainable development strategies and to table them in the House of Commons by 15 December 1997 (see Appendix C). The Commissioner is responsible for monitoring the extent to which departments have implemented the action plans and met the objectives associated with their strategies.

- **Audits and special studies of environmental and sustainable development issues.** The environment and sustainable development are now formal considerations in the Auditor General's determination of which issues to review and report on to the House of Commons.

- **Petitions.** The Commissioner receives petitions on environmental matters that are the responsibility of federal departments and agencies, and monitors the government's responses to them.

- **Reporting.** The Commissioner reports annually to the House of Commons on these and other matters relating to the environment and sustainable development that he believes should be brought to the attention of the House.

Work Plan for the Commissioner's Office

Objectives

46. There are four objectives that will guide the work of the Commissioner's office over the next two years:

- To provide objective, independent analysis and recommendations to members of Parliament to help them examine the government's environmental and sustainable development activities and hold it to account.

- To work with federal departments and agencies to help strengthen their capacity to manage environmental and sustainable development issues by promoting the adoption of best management practices.
- To address both environmental protection and sustainable development, by emphasizing better decision making within the federal government. In the shorter term, particular attention will be paid to the federal government's efforts to protect the environment.
- To continue to focus on key weaknesses in the federal government's management of sustainable development issues identified in previous work by the Office of the Auditor General, and the success and failure of departments in dealing with them. These weaknesses include: the implementation gap; a lack of co-ordination and integration among departments and across jurisdictions; and inadequate performance review and information to Parliament.

Work plan

47. The Commissioner's work plan has four main components; the key elements of the work plan are summarized in Exhibit 3.

Exhibit 3

Environment and Sustainable Development Issues: The Commissioner's Work Plan

Task	In 1997-98	In 1998-99
Departmental sustainable development strategies	Develop audit criteria Develop and implement a sustainable development strategy for the Office of the Auditor General	Audit 12 departmental strategies
Integrating the fourth "E" across the Office of the Auditor General	Develop guidelines for incorporating environmental considerations in all the audit work of the Office Complete audits of: <ul style="list-style-type: none"> • Control of Transboundary Movements of Hazardous Waste • Energy Efficiency • Atlantic Groundfish/Sustainable Fishery • Ozone Depletion • Parks Capital Assets • Salmon Fisheries Habitat • Environmental Assessment • Prairie Farm Rehabilitation Administration 	Complete audits of: <ul style="list-style-type: none"> • Environment Performance Reporting • Environment Compliance and Enforcement • Climate Change • Ensuring a Sustainable Salmon Fishery • Sustainable Fisheries -- East Coast
Special studies	Complete studies of: <ul style="list-style-type: none"> • Canada's International Commitments • Environmental Performance in the Public and Private Sectors • Performance Measurement • Accounting for Sustainable Development 	1998-99 studies program to be determined in 1997-98

	Establish studies program for 1998-99	
Petitions	Monitor on behalf of the Auditor General	Monitor on behalf of the Auditor General

Review of sustainable development strategies

48. Departmental sustainable development strategies are critical for advancing the federal government's sustainable development agenda, and for measuring progress against it. Over the next year, in consultation with departments and agencies, the specific criteria for reviewing departmental strategies will be developed.

49. The framework set out in *A Guide to Green Government* will be used as the starting point. The Guide indicates that each strategy should be:

- **comprehensive**, dealing both with departmental policies and programs and with the management of the department's internal operations;
- **results-oriented**, identifying in sustainable development terms the main results the department will achieve, and how it will measure performance toward them; and
- **developed in consultation** with the department's clients, partners and other stakeholders.

50. The *Guide* suggests an approach for departments to use in preparing their strategies. The main elements are set out in Exhibit 4. The government has also released other documents dealing with more specific elements of departmental strategies: *Directions on Greening Government Operations* and the *Environmental Management System (EMS) Self-Assessment Guide*. These documents will form part of the framework for assessing strategies.

Exhibit 4

Preparing a Sustainable Development Strategy

i.	Departmental Profile Identification of what the department does and how it does it.
ii.	Issue Scan Assessment of the department's activities in terms of their impact on sustainable development.
iii.	Consultations Seeking the perspective of clients, partners and other stakeholders on departmental priorities for sustainable development and how to achieve them.
iv.	Goals, Objectives and Targets Identification of the department's goals and objectives for sustainable development, including benchmarks it will use for measuring performance.
v.	Action Plan How the department will translate its sustainable development targets into measurable results, including specific policy, program, legislative, regulatory and operational changes.
vi.	Measurement, Analysis and Reporting of Performance Mechanisms the department is establishing to monitor and improve performance.

Source: Government of Canada, *A Guide to Green Government*, 1995

51. Strategies will also need to address the management of environmental and sustainable development issues that cut across departmental mandates and political jurisdictions. A number of mechanisms have been put in place to share information and experience among departments on the preparation of sustainable development strategies. We will determine how well they work.

52. In December 1996, deputy ministers and heads of agencies were asked to complete a brief questionnaire on the status of their preparation of sustainable development strategies. Most of the respondents are in the early stages of preparing their strategies, although some departments have already conducted internal and external consultations. Three or four departments are sufficiently advanced that they plan to table their strategies well before the December 1997 deadline.

53. In responding to the questionnaire, departments cited performance measurement, issues that cut across departmental mandates, and awareness/understanding of requirements within the department as the three main difficulties in preparing strategies.

Integrating the fourth “E” into the work of the Office

54. The principal activity of the Office of the Auditor General is legislative auditing, which includes auditing and reporting on the federal government's financial statements; its compliance with federal statutes and regulations; its safeguarding of public assets; its collection of revenue; and its implementation of its policies and programs. The latter category is called “value-for-money” auditing.

55. Traditionally these audits have been conducted in terms of *economy, efficiency and effectiveness* — known as the three “E”s. As a result of the amendments to the *Auditor General Act*, the “environment” formally joins the three “E”s that the Auditor General takes into consideration in deciding what to report to the House of Commons. An explanation of the four “E”s is contained in Exhibit 5.

Exhibit 5

The Four “E”s

In conducting an audit, the auditor asks questions such as:

- Has money been spent with due regard to *economy*?
- Has money been spent with due regard to *efficiency*?
- Are procedures in place to measure and report on the *effectiveness* of programs?
- Has money been spent with due regard to the *environmental* effects of those expenditures?

56. Three priorities have been established for the review of environmental and sustainable development issues. In order of importance, they are:

- **Improved decision making.** Environmental problems and unsustainable development are ultimately failures of decision making. A number of federal government activities affect how decisions are made, within the federal government and across society. Over the next two years, three such activities will be audited: environmental assessment, environmental reporting and environmental compliance and enforcement.

- **Key issues of concern to Canadians.** A number of key environmental and sustainable development issues will also be reviewed. Examples include the transboundary movement of hazardous waste, ozone depletion, climate

change and sustainability of fisheries. For these key issues, questions of accountability and best practices are particularly important.

- **Program issues.** Finally, other, more specific program issues with an important environmental or sustainable development dimension will be audited. Examples include energy efficiency and the capital assets in our national parks.

Studies of special interest to Parliament

57. Another part of the Commissioner's work involves exploring environmental and sustainable development issues of significant interest to Parliament. A series of studies on "cutting edge" issues will be conducted, and the results will be presented in future annual reports to Parliament.

58. The purpose behind these studies is three-fold:

- to help build the capacity of federal departments to prepare and implement strategies for sustainable development;
- to review key elements of government performance in protecting the environment and fostering sustainable development that may not lend themselves to a strict audit framework; and
- to develop criteria for audits and for examining sustainable development strategies.

59. In the coming year, special studies will be conducted on the following topics:

- **Meeting our international obligations.** Canada is a signatory to a wide range of international agreements to safeguard and improve the environment. This study will provide an inventory of those agreements, and an initial assessment and overview of the extent to which Canada is meeting its commitments under them.

- **Public and private sector performance.** A 1995 audit reported that the private sector organizations interviewed were generally further advanced than federal departments and agencies in implementing comprehensive environmental management systems. Nevertheless, very few of the system elements were fully developed in either the public or private sector. Further studies on the differences between public and private sector performance will be conducted to identify best practices and assess their transferability between the two sectors.

- **Performance measurement.** As part of preparing their sustainable development strategies, departments are required to identify goals and objectives for sustainable development, including benchmarks for measuring performance. This study is intended to advance the state of the art in applying performance measurement to the management of environmental and sustainable development issues.

- **Accounting for sustainable development.** Wise decisions affecting the environment and sustainable development require an understanding of the relative costs and benefits of action and inaction. In some areas, these costs and benefits can be measured and taken into account as decisions are made. In others, the ability to measure is currently quite limited. An assessment of the current state of knowledge will be prepared to identify best practices.

Petitions

60. Openness and transparency are two of the key elements of a sustainable development approach to public policy. The Commissioner, on behalf of the Auditor General, is charged with co-ordinating the receipt of petitions from Canadians, monitoring responses by the appropriate minister and reporting to the House of Commons on the subject matter and status of petitions.

61. Exhibit 6 sets out the steps in the petition process. To date, one petition has been received concerning the environmental assessment of a project sponsored by the Atlantic Canada Opportunities Agency. The petition was forwarded to the Minister responsible for the Atlantic Canada Opportunities Agency (ACOA). The Minister has formally responded to the petition, and a copy has been received by the Commissioner.

Exhibit 6

Summary of the Petition Process

- A resident of Canada who has a concern about an environmental matter that is the responsibility of a federal department may send a petition in writing to the Auditor General.
- The Commissioner, on behalf of the Auditor General, makes a record of the petition and forwards it within 15 days to the appropriate minister for response.
- The minister sends an acknowledgement to the petitioner and the Commissioner within 15 days.
- The minister has 120 days from the date of receipt from the Commissioner to respond.
- If required, the minister may notify the petitioner and the Commissioner within the 120 days that a response will be delayed.

Making a Difference

62. Like the Auditor General, I took this job because I want to make a difference. At the end of my term as Commissioner, I want to be able to point to concrete achievements to which we have contributed — that the environment is healthier, and that we are closer to making sustainable development a reality. The priorities and work program set out in this first report are means to that end.

APPENDIX A
EXCERPTS FROM THE AUDITOR GENERAL ACT

**An Act respecting the Office of the Auditor General of Canada and
sustainable development monitoring and reporting**

INTERPRETATION

Definitions	2. In this Act,
“appropriate Minister”	“appropriate Minister” has the meaning assigned by section 2 of the <i>Financial Administration Act</i> ;
“category I department”	“category I department” means <ul style="list-style-type: none">(a) any department named in Schedule I to the <i>Financial Administration Act</i>,(b) any department in respect of which a direction has been made under subsection 24(3), and(c) any department, as defined in the <i>Financial Administration Act</i>, set out in the schedule;
“Commissioner”	“Commissioner” means the Commissioner of the Environment and Sustainable Development appointed under subsection 15.1(1);
“sustainable development”	“sustainable development” means development that meets the needs of the present without compromising the ability of future generations to meet their own needs;
“sustainable development strategy”	“sustainable development strategy”, with respect to a category I department, means the department's objectives, and plans of action, to further sustainable development.

DUTIES

Examination	5. The Auditor General is the auditor of the accounts of Canada, including those relating to the Consolidated Revenue Fund and as such shall make such examinations and inquiries as he considers necessary to enable him to report as required by this Act.
Idem	6. The Auditor General shall examine the several financial statements required by section 64 of the <i>Financial Administration Act</i> to be included in the Public Accounts, and any other statement that the President of the Treasury Board or the Minister of Finance may present for audit and shall express his opinion as to whether they present fairly information in accordance with stated accounting policies of the federal government and on a basis consistent with that of the preceding year together with any reservations he may have.
Annual and additional reports to the House of Commons	7. (1) The Auditor General shall report annually to the House of Commons and may make, in addition to any special report made under subsection 8(1) or 19(2) and the Commissioner's report under subsection 23(2), not more than three additional reports in any year to the House of Commons <ul style="list-style-type: none">(a) on the work of his office; and,(b) on whether, in carrying on the work of his office, he received all the information and explanations he required.

Idem

(2) Each report of the Auditor General under subsection (1) shall call attention to anything that he considers to be of significance and of a nature that should be brought to the attention of the House of Commons, including any cases in which he has observed that

- (a) accounts have not been faithfully and properly maintained or public money has not been fully accounted for or paid, where so required by law, into the Consolidated Revenue Fund;
- (b) essential records have not been maintained or the rules and procedures applied have been insufficient to safeguard and control public property, to secure an effective check on the assessment, collection and proper allocation of the revenue and to ensure that expenditures have been made only as authorized;
- (c) money has been expended other than for purposes for which it was appropriated by Parliament;
- (d) money has been expended without due regard to economy or efficiency;
- (e) satisfactory procedures have not been established to measure and report the effectiveness of programs, where such procedures could appropriately and reasonably be implemented; or
- (f) money has been expended without due regard to the environmental effects of those expenditures in the context of sustainable development.

STAFF OF THE AUDITOR GENERAL

**Appointment of
Commissioner**

15.1 (1) The Auditor General shall, in accordance with the *Public Service Employment Act*, appoint a senior officer to be called the Commissioner of the Environment and Sustainable Development who shall report directly to the Auditor General.

**Commissioner's
duties**

(2) The Commissioner shall assist the Auditor General in performing the duties of the Auditor General set out in this Act that relate to the environment and sustainable development.

SUSTAINABLE DEVELOPMENT

Purpose

21.1 The purpose of the Commissioner is to provide sustainable development monitoring and reporting on the progress of category I departments towards sustainable development, which is a continually evolving concept based on the integration of social, economic and environmental concerns, and which may be achieved by, among other things,

- (a) the integration of the environment and the economy;
- (b) protecting the health of Canadians;
- (c) protecting ecosystems;
- (d) meeting international obligations;
- (e) promoting equity;
- (f) an integrated approach to planning and making decisions that takes into account the environmental and natural resource costs of different economic options and the economic costs of different environmental and natural resource options;

- (g) preventing pollution; and
- (h) respect for nature and the needs of future generations.

Petitions received **22.** (1) Where the Auditor General receives a petition in writing from a resident of Canada about an environmental matter in the context of sustainable development that is the responsibility of a category I department, the Auditor General shall make a record of the petition and forward the petition within fifteen days after the day on which it is received to the appropriate Minister for the department.

Acknowledgement to be sent (2) Within fifteen days after the day on which the Minister receives the petition from the Auditor General, the Minister shall send to the person who made the petition an acknowledgement of receipt of the petition and shall send a copy of the acknowledgement to the Auditor General.

Minister to respond (3) The Minister shall consider the petition and send to the person who made it a reply that responds to it, and shall send a copy of the reply to the Auditor General, within

- (a) one hundred and twenty days after the day on which the Minister receives the petition from the Auditor General; or
- (b) any longer time, where the Minister personally, within those one hundred and twenty days, notifies the person who made the petition that it is not possible to reply within those one hundred and twenty days and sends a copy of that notification to the Auditor General.

Multiple petitioners (4) Where the petition is from more than one person, it is sufficient for the Minister to send the acknowledgement and reply, and the notification, if any, to one or more of the petitioners rather than to all of them.

Duty to monitor **23.** (1) The Commissioner shall make any examinations and inquiries that the Commissioner considers necessary in order to monitor

- (a) the extent to which category I departments have met the objectives, and implemented the plans, set out in their sustainable development strategies laid before the House of Commons under section 24; and
- (b) the replies by Ministers required by subsection 22(3).

Commissioner's report (2) The Commissioner shall, on behalf of the Auditor General, report annually to the House of Commons concerning anything that the Commissioner considers should be brought to the attention of that House in relation to environmental and other aspects of sustainable development, including

- (a) the extent to which category I departments have met the objectives, and implemented the plans, set out in their sustainable development strategies laid before that House under section 24;
- (b) the number of petitions recorded as required by subsection 22(1), the subject-matter of the petitions and their status; and
- (c) the exercising of the authority of the Governor in Council under any of subsections 24(3) to (5).

Submission and tabling of report (3) The report required by subsection (2) shall be submitted to the Speaker of the House of Commons and shall be laid before that House by the Speaker on any of the next fifteen days on which that House is sitting after the Speaker receives it.

Strategies to be
tabled

24. (1) The appropriate Minister for each category I department shall cause the department to prepare a sustainable development strategy for the department and shall cause the strategy to be laid before the House of Commons

(a) within two years after this subsection comes into force; or

(b) in the case of a department that becomes a category I department on a day after this subsection comes into force, before the earlier of the second anniversary of that day and a day fixed by the Governor in Council pursuant to subsection (4).

Updated strategies
to be tabled

(2) The appropriate Minister for the category I department shall cause the department's sustainable development strategy to be updated at least every three years and shall cause each updated strategy to be laid before the House of Commons on any of the next fifteen days on which that House is sitting after the strategy is updated.

Governor in Council
direction

(3) The Governor in Council may, on that recommendation of the appropriate Minister for a department not named in Schedule I to the *Financial Administration Act*, direct that the requirements of subsections (1) and (2) apply in respect of the department.

Date fixed by
Governor in Council

(4) On the recommendation of the appropriate Minister for a department that becomes a category I department after this subsection comes into force, the Governor in Council may, for the purpose of subsection (1), fix the day before which the sustainable development strategy of the department shall be laid before the House of Commons.

Regulations

(5) The Governor in Council may, on the recommendation of the Minister of the Environment, make regulations prescribing the form in which sustainable development strategies are to be prepared and the information required to be contained in them.

APPENDIX B
**Previous Environmental and Sustainable Development Work by the Office of the Auditor General,
1987 to 1996**

Reference	Title	Departments/Agencies
November 1996 Chapter 22	Federal Contaminated Sites — Management Information on Environmental Costs and Liabilities	Treasury Board Secretariat, Environment, National Defence, Transport, Indian Affairs and Northern Development
November 1996 Chapter 26	Canada Infrastructure Works Program — Lessons Learned	Treasury Board Secretariat, Industry, Indian Affairs and Northern Development, Western Economic Diversification, Federal Office of Regional Development — Quebec, Atlantic Canada Opportunities Agency
November 1996 Chapter 31	Parks Canada: Preserving Canada's National Heritage	Heritage
November 1996 Chapter 39	Other Audit Observations — AECL	Atomic Energy of Canada Limited
May 1996 Chapter 2	The Implementation of Federal Environmental Stewardship	Environment, all Departments
May 1996 Chapter 9	Animal and Plant Health: Inspection and Regulation	Agriculture and Agri-Food
October 1995 Chapter 11	Environmental Management Systems: A Principle-Based Approach	Treasury Board Secretariat, Environment
October 1995 Chapter 15	Northumberland Strait Crossing Project	Public Works and Government Services
May 1995 Chapter 2	Managing the Legacy of Hazardous Waste	Environment
May 1995 Chapter 3	Federal Radioactive Waste Management	Natural Resources, Atomic Energy Control Board
1994 Chapter 9	Science and Technology — Overall Management of Federal Science and Technology Activities	Some Departments
1994 Chapter 10	Science and Technology — Management of Departmental Science and Technology Activities	Environment, Fisheries and Oceans, Industry, National Research Council, Natural Resources
1994 Chapter 11	Science and Technology — The Management of Scientific Personnel in Federal Research Establishments	Environment, Fisheries and Oceans, Industry, Natural Resources, Treasury Board Secretariat
1994 Chapter 12	Aspects of Federal Real Property Management	National Defence, Public Works, Correctional Services Canada, Foreign Affairs and International Trade
1994 Chapter 15	Atomic Energy Control Board — Canada's Nuclear Regulator	Atomic Energy Control Board
1994 Chapter 19	Environmental Partners Fund	Environment
1994 Chapter 20	Environment Canada — Ice Services	Environment
1994 Chapter 27	National Defence — Infrastructure Management	National Defence
1994 Chapter 34	Management and Operation of Crown-owned Office Buildings	Public Works
1993 Chapter 13	Agri-Food Policy Review	Agriculture

Reference	Title	Departments/Agencies
1993 Chapter 14	The Control and Clean-up of Freshwater Pollution	Environment
1993 Chapter 15	Northern Cod Adjustment and Recovery Program	Fisheries and Oceans
1993 Chapter 16	Department of Forestry	Forestry
1993 Chapter 26	Pulp and Paper Regulations	Environment
1992 Chapter 12	Participation In the World Bank Group and the IMF	Finance
1992 Chapter 14	Energy Megaprojects	Energy, Mines and Resources
1992 Chapter 24	Emergency Preparedness in the Federal Government	Emergency Preparedness, Transport, Environment, Employment and Immigration, Communications, National Defence, Health and Welfare, Energy Mines and Resources, Industry Science and Technology
1991 Chapter 7	Vehicle Fleet Management	Supply and Services, National Defence, Royal Canadian Mounted Police, Transport, Agriculture, Public Works
1991 Chapter 11	Conservation and Protection	Environment
1991 Chapter 13	Central and Arctic Operations	Fisheries and Oceans
1991 Chapter 15	Customs and Excise (Hazardous Materials)	National Revenue
1990 Chapter 18	Department of the Environment	Environment
1990 Chapter 19	Northern Affairs Program	Indian Affairs and Northern Development
1990 Chapter 26	RCMP — Federal Law Enforcement	Royal Canadian Mounted Police
1989 Chapter 11	Canadian Parks Service	Environment
1989 Chapter 17	Federal Regulatory Review Process	Environment, Transport, Health and Welfare, Labour
1989 Chapter 22	Canadian Coast Guard	Transport
1988 Chapter 7	Canadian Forestry Service	Agriculture
1988 Chapter 8	Food Production and Inspection Branch	Agriculture
1988 Chapter 13	Atlantic Operations, Inspection and Corporate Functions	Fisheries and Oceans
1987 Chapter 15	Special Audits: Emergency Preparedness	Emergency Preparedness, All Departments
1987 Chapter 15	Major Capital Projects: Lake Louise	Environment

Appendix C

Departments and Agencies Required to Prepare Sustainable Development Strategies

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

Appendix D
Advisors to the Commissioner of Environment and Sustainable Development
Membership of the Panel of Environmental Advisors

Randy C. Billing
Ernst & Young Environmental Services Inc., Toronto

Jean-Pierre Gauthier
City of Montreal

Yves Gauthier
KPMG, Montreal

Chris Henderson
The Delphi Group, Ottawa

Tony Hodge
Victoria, B.C.

Susan Holtz
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Claude-André Lachance
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Ken Ogilvie
Pollution Probe, Toronto

Robert Page
University of Calgary

Richard Paton
The Canadian Chemical Producers' Association, Ottawa

Elizabeth Rose
Nortel, Mississauga

Glen Toner
Carleton University, Ottawa

Stephen Thompson
University of New Brunswick, Fredericton

Peter Victor
York University, North York