FALL 1996

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NEWS FROM THE NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY

Plenary probes tough issues

The NRTEE examined critical new Round Table initiatives and related issues at its Plenary, held at Meech Lake, Québec, on August 8 and 9. Ecoefficiency, ocean resource management, voluntary environmental agreements, and balancing trade and the environment were key themes addressed by members and panels of experts.

One panel discussed the far-reaching potential of eco-efficiency and current challenges of translating the theory into practice and engaging business in the process. Panel members included Dr. Frank Frantisak, Senior Vice-President, Environment, Noranda Inc.; Molly Harris-Olson, President, The Natural Step (U.S.) and former Executive Director of the President's Council on Sustainable Development; and Ted Schrecker, Associate Director (Environmental Ethics) of the Westminster Institute for Ethics and Human Values.

The need to develop tangible approaches to pursue eco-efficiency was stressed and suggestions that were put forward included extended product responsibility, zero waste production, progressive emissions reduction, and the relationship between eco-efficiency and international competitiveness.

NRTEE Chair, Dr. Stuart Smith, proposed that the Round Table develop a national eco-efficiency measurement system through stakeholder meetings during the next two years. "By narrowing the broad eco-efficiency idea to more tangible input/output measures, we can have



The Honourable
Sergio Marchi,
Minister of the
Environment (right),
discusses the impact
of cooperative
agreements and
regulations with
Dr. Stuart Smith,
Chair of the National
Round Table during
the August Plenary
session.

industry set working targets for eco-efficiency that can be debated and discussed," said Dr. Smith.

Another panel discussion focussed on the impact and quality of various non-regulatory approaches, including cooperative and negotiated agreements, and eco-covenants. Panelist Norm Huebel, Ontario Regional Manager, Canadian Chemical Producers' Association, described major voluntary initiatives taken by his organization under the "Responsible Care" and "Recognizing and Encouraging Voluntary Action (REVA)" programs. He noted that industrial competitiveness was one key reason for considering voluntary approaches.

Paul Muldoon, Counsel for the Canadian Environmental Law Association, recommended that the

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New Executive Director

David McGuinty, formerly Director of Policy and Programs, has been appointed Executive Director and Chief Executive Officer of the Round Table, responsible for the NRTEE's programs and overall strategic direction.

Mr. McGuinty, an environmental law and policy specialist, has a strong record in sustainable development and has worked extensively with governments and businesses on international environmental matters. He also acts as the National Program Director for the LEAD Canada program, which trains future leaders in sustainable development.

Gene Nyberg, Corporate Secretary and now also Director of Operations, will oversee the Round Table's operations including communications and administration.

National Round Table on the Environment and the Economy



Table ronde nationale sur l'environnement et l'économie

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debate not be about a regulatory versus voluntary approach, but rather about improving the regulatory approach and, if possible, enhancing it with other measures.

Bruce Reid, of the Motor Vehicle Manufacturers' Association (MVMA) described the MVMA's Pollution Prevention Project as a unique cooperative relationship between two levels of government and the automotive industry. The project targeted chemical substances in the Great Lakes basin and demonstrated that, in addition to regulatory requirements, voluntary action could yield significant reductions in the use, generation and release of persistent toxic substances.

Linda Duncan, Program Manager, Commission on Environmental Cooperation, pointed out that voluntary mechanisms could work best if they focussed on areas where industry expressed a willingness to move beyond regulation.

On the second day of the Plenary, another group of panelists led by NRTEE member Dr. Arthur Hanson, President and CEO of the International Institute for Sustainable Development, gave an overview of successes and difficulties in current co-management ocean resource arrangements.

Scott Coffen-Smout, Project Coordinator for the International Ocean Institute, provided an in-depth review of current institutional co-management practices in Canada. Lynn Hunter of the Save the Wild Salmon Coalition pointed out the limitations of multistakeholder consultation, emphasizing the importance of understanding prevailing cultural attitudes in regions and coastal zones across Canada.

Rio + 5

The Plenary gave members an opportunity to discuss an invitation from the Earth Council to participate in the Rio + 5 forum in March 1997. Chaired by Maurice Strong, Rio + 5 will pool national experiences since the Earth Summit on sustainability five years ago.

First State of the Debate report tackles water and wastewater challenges

The NRTEE has just released its first State of the Debate report, which offers recommendations on how to resolve Canada's water and wastewater challenges and achieve a sustainable system. The report is a result of the Round Table's analysis and nationwide multistakeholder consultations on Canada's water and wastewater dilemma.

The State of the Debate on the Environment and the Economy: Water and Wastewater Services in Canada warns that Canada's water and wastewater systems are severely deteriorating, primarily due to shortages of capital and public funding. If the situation is not turned around, the health of the country's water resources — its ground water, lakes, and rivers — will be threatened.

"At the root of the problem is the fact that Canada has the lowest consumer prices for water and wastewater services in the industrialized world, but next to the highest rate of per capita use — a situation that is clearly contrary to sustainable development of the sector," states the report.

A more rational management of the water and wastewater system could solve Canada's potential water crisis, as well as bring about both environmental and economic gains for Canada, advises the report. Using the results of the national consultations, the report recommends the following two-part strategy:

- Raise water and wastewater treatment prices and establish a user pay system to reflect the full cost of environmental infrastructure; and
- Open the door to public-private partnerships that will give municipalities a new source of financing

and project management expertise. Stakeholders agree that a fair, full cost, user pay pricing system would encourage consumers to use less water and manage resources more efficiently. New public-private partnerships would help to attract the capital investment needed to maintain and enhance the country's water infrastructure. This would stimulate innovation, support the growth and competitiveness of Canada's environmental industry, and create new jobs for Canadians.

The report advises that measures should be taken to ease the transition. Low-income households should be protected from higher water charges and small, rural, and remote municipalities will require transitional and ongoing support.

Further recommendations include increasing public awareness of the costs of water and wastewater services; phasing out capital and operational support for water and wastewater services to large and mid-sized municipalities; and strengthening the province's role in regulating water quality and setting environmental standards.

The NRTEE report summarizes the extent of consensus among stakeholders and reasons for disagreement, and offers advice to help advance the debate on outstanding issues. Participants in the National Round Table consultations included representatives from municipalities, provinces, and the federal government, the environmental industry, labour, environmental groups, financiers, and infrastructure companies.

To order a copy of the report, please see insert.●

The Round Table examined convening a cross-country consultation to assess progress so far and to identify key issues

that groups are continuing to pursue, or should pursue over the next year.

Update on selected programs

Ocean Environment and Resources

This new program began with a multistakeholder forum in Rimouski, Québec, on August 12 and 13. The forum coincided with the CZC'96 (Coastal Zone Canada) Conference, a major international conference on coastal zone management that drew key stakeholders on ocean management from around the world.

CZC'96 participants took part in the NRTEE's two round table sessions, which focussed on co-management issues relating to key federal ocean policy activities.

One of the objectives of the NRTEE ocean program is to identify common characteristics or principles of successful co-management systems and the role of stakeholders in their design and implementation.

Future round tables will build on the Rimouski momentum and will be held on the Pacific Coast, in Winnipeg and at other locations, to include as many stakeholders as possible.

Contact: Nancy Averill (613) 235-8126

Private Woodlots

Prince Edward Island recently joined the NRTEE task force that is exploring the issue of over-cutting on private woodlots

in the Maritimes. The Round Table plans to sponsor a first multistakeholder meeting in October. As the individual provincial Round Tables examine topics that are distinctive to their region, the NRTEE will look into matters of broader concern such as federal taxation of private woodlots, a national certification standards system, interprovincial trade, forestry regimes across Canada and best woodlot management practices. The NRTEE will help to synthesize the issues and foster public understanding.

Contact: Elizabeth Atkinson (613) 943-0394

Education

As part of its education program, the NRTEE will host a meeting of the Canadian Federation of Business School Deans Secretariat in December 1996. A mini round table session is planned to explore how business schools are dealing with the integration of the environment and the economy. This is part of the Round Table's strategy to bridge business and sustainable development training in centres of higher learning. The Round Table is also focussing on educational tools for professional associations, and is currently working with stakeholders to convene a workshop with professional engineers.

In August the Committee presented a "training the trainer" workshop on round table processes and sustainable development to teachers from across Newfoundland at a summer education institute hosted by Westviking College.

Contact: Carla Doucet (705) 749-0415 Upcoming workshops and sessions for other NRTEE programs are as follows:

Foreign Policy

The NRTEE will hold a workshop in Montreal on October 17 as part of the International Union for the Conservation of Nature (IUCN) World Conservation Congress. The workshop will examine the challenges and potential for Canadian energy firms to factor sustainable development principles into corporate strategy.

Contact: David Morgan (613) 943-2054

Greening the Budget

On September 20, the NRTEE will convene a multistakeholder workshop on greening the 1997 Federal Budget, at the Sheraton Hotel in Ottawa. The workshop will focus on tax policies affecting environmental trust funds and investments in energy efficiency.

Contact: Bunli Yang (416) 592-7096

Financial Services

The Round Table will convene the first of a series of multistakeholder information meetings on October 24 at the Sheraton Centre in Toronto. Two other meetings

scheduled for this year include one in Moncton on October 30 and another in Vancouver on November 14. Stakeholders will focus on re-development of brownfields and improving site-specific data on the environmental condition of land.

Contact: Tony Cassils (613) 789-1090 ●

Sustainability: the ultimate insurance

National efforts to influence certain environmental and economic activities can have a tremendous impact on the insurance industry and our future needs, notes NRTEE member Angus Ross, President, SOREMA Management. Mr. Ross, who chairs the NRTEE task force that is examining financial services and sustainability, has explained, in an article for *Canadian Underwriter* magazine, how many Round Table programs impact the financial services industry. Following is an abridged version of his comments reprinted with the kind permission of the magazine:

There are substantial opportunities for our industry to participate in the work of the NRTEE. One program, for example, has examined the need to upgrade Canada's declining water infrastructure. Property damage relating to deteriorating water systems is one of many topics of interest to insurers.

Others include creative financing and management methods, which could open investment opportunities.

Another task force is studying tax policies to promote energy efficiency. How does this affect insurers? Consider the long-term implications of energy inefficiency. Numerous studies show that greenhouse gas emissions are having a significant impact on the world's climate. It is very revealing that this decade, which has seen some of the most striking changes in climate, has also had to withstand the most frequent and costly weather-related natural disasters ever in human history. Insurers would benefit by supporting measures that will lead to reductions in greenhouse gas emissions. Their input is welcome.

The NRTEE's Financial Services program has the most direct bearing on our industry. The task force that I was pleased to be asked to chair is exploring the evolution of contaminated sites policy, the challenges and opportunities of brownfield sites and improving site-

specific data on the environmental condition of land. A series of up to five workshops/round tables will be held in major cities across the country over the coming fall and winter months to discuss and debate these issues, based on background papers now being prepared.

It is our chance to have an effective input into the environmental future of insurers – and Canadians.

Stay informed with our web site

You don't have to travel far to visit the NRTEE's World Wide Web site. Our Internet address is:

http://www.nrtee-trnee.ca

This will give you instant access to this *Review* and other information on Round Table programs and activities. If you are receiving a hard copy of the *Review* and would prefer to read it through your E-mail or Internet, let us know so that we can update our distribution list.

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