**WINTER 1997** 

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

# Three new members join NRTEE

Jean Bélanger, Michael Harcourt and Carol Phillips were appointed by the Prime Minister to the Round Table in October 1996.

Jean Bélanger is the former President of the Canadian Chemical Producers' Association, a position he held from 1979 until mid-1996 when he retired. Prior to 1979, he was a Director in the federal government, responsible for Defence, External and Cultural Affairs in the Programs Branch of the Treasury Board Secretariat. Mr. Bélanger has also worked in the Department of National Defence and the Department of Trade and Commerce, and in the private sector with Shell Canada, Montreal.

Michael Harcourt, former Premier of British Columbia, is an Associate Director with the Sustainable Development Research Institute in Vancouver and an Adjunct Professor at the University of British Columbia. Mr. Harcourt began his political career as Alderman for the City of Vancouver in 1972. He was elected Mayor of Vancouver in 1980. Prior to taking public office, he practised law. Mr Harcourt is a member of the Board of the Asia Pacific Foundation and also acts as a member of the APEC '97 committee.

Carol Phillips is Director of Education and International Affairs for the Canadian Automobile Workers (CAW), the national automobile, aerospace, transportation and general workers' union of Canada. She also oversees the CAW Social Justice Fund, which has more than 70 projects worldwide. Since 1988, Ms. Phillips has held management and advisory positions with the Canadian Labour Congress and the CAW, working in areas related to political action, human rights, collective bargaining, women's issues and the environment.

# Towards a "greener" budget

NRTEE Chair,
Dr. Stuart Smith,
and
the Honourable
Paul Martin,
Canada's Minister
of Finance,
address
stakeholders at a
"Greening the
Budget" workshop
on September 20.



The NRTEE has provided recommendations to the federal government on "greening" the 1997 Budget. NRTEE Chair, Dr. Stuart Smith, presented a list of environmental tax reform initiatives to the Minister of Finance, the Honourable Paul Martin, on November 21. The proposals address two specific topics: the tax treatment of energy efficiency, and environmental restoration trust funds.

The NRTEE's proposals are the result of two studies and a national stakehold-

ers workshop held in Ottawa on September 20. The Finance Minister attended the workshop, which brought together 36 representatives from government, industry, academia, consultants and non-government agencies.

In the short term, the NRTEE's recommendations offer practical incremental changes to the current tax system. However, NRTEE members and stakeholders at the national workshop called for a more far-reaching reform of

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#### Vice-Chair

Lise Lachapelle became the new Vice-Chair of the Round Table in November.

Ms. Lachapelle is President and Chief
Executive Officer of the Canadian Pulp and
Paper Association, based in Montreal, and
has been a member of the NRTEE since
May 1995.

National Round Table on the Environment and the Economy 1 Nicholas Street, Suite 1500, Ottowa, Ontario, Canada, K1N 787



Table ronde nationale sur l'environnement et l'économie

1, rue Nicholas, bureau 1500, Ottawa (Ontario) Canada, K1N 7B7

# Plenary scrutinizes federal sustainable development strategies

The NRTEE's plenary session, held in Ottawa on November 7 and 8, focussed on the progress that federal government departments are making in producing their sustainable development strategies (SDS). Members examined potential roles for the Round Table in support of this activity.

Canada's newly appointed Commissioner of the Environment and Sustainable Development, Brian Emmett, discussed his approach to assessing SDS. The Commissioner plans to release his first report in February 1997.

Ann Davis and Rick Delaney, representatives of KPMG, who presented findings on their study of transdepartmental SDS issues, commissioned by the NRTEE, pointed to the need for agreed performance measures and indicators for the successful

implementation of departmental strategies. Noting the current lack of a consistent approach, Ms. Davis said, "There is no easy way for departments to facilitate work and address common issues and concerns such as climate change."

Laura Talbot Allan, Assistant Deputy Minister, Corporate Services, Environment Canada, presented a discussion paper on the department's strategy, noting that consultation and collaborative efforts have been carried out with many key stakeholders to help formulate the plan.

The NRTEE members considered a number of initiatives for the Round Table, but concluded that, other than monitoring the situation, nothing would be undertaken in the short term as departments prepare their SDS.

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the tax system to address sustainability. The Minister expressed his willingness to work with the NRTEE on long-term resolutions.

The budget recommendations include:

- Increasing the yearly capital cost allowance (CCA) from 4% to 30% of the declining balance for investments in new and existing commercial buildings that improve energy performance. To qualify, new commercial buildings must have energy performance levels that are 50% better than the new National Energy Code for Buildings (NECB) reference level. Improvements to existing commercial buildings must meet the latest NECB levels for new buildings.
- Giving new home buyers a tax credit of up to \$2,000 if they purchase new homes with energy performance at least 20% better than the federal government's R-2000 program reference levels.

- Permitting homeowners to borrow up to \$7,000 from their Registered Retirement Savings Plan to invest in renovations for energy efficiency and heating/cooling from renewable energy. This is subject to certification that energy performance will be improved by at least 10%.
- Extending tax exemptions of contributions made to trust funds for environmental restoration beyond mining to other industrial sectors such as landfills, salvage sites, aggregates, and materials recycling and refining.
- Permitting owners of large rental residential buildings to qualify for an investment tax credit of up to \$2,000 per unit for investing in renovations for energy efficiency and heating/cooling from renewable energy. This is subject to certification that energy performance will be at least 20% better than NECB reference levels.

# **Update on programs**

#### Financial Services

The NRTEE has produced a preliminary report on two specific program themes: the redevelopment of brownfields and improving site-specific data on the environmental condition of land. The report builds on findings from three multistakeholder workshops, held successively across the country from October to November 1996. The report will be debated further at two additional stakeholder meetings, one in Calgary on February 20, and another in Montreal on March 6. The full results will be published in a State of the Debate report in 1997.

Contact: **Tony Cassils** (613) 789-1090

# Foreign Policy

In preparation for the Asia Pacific Economic Cooperation (APEC) Summit in November 1997, hosted by Canada, the NRTEE is anchoring its Foreign Policy program on the theme of sustainable cities. This topic is central to the APEC Summit and several APEC Ministerial meetings on energy, transportation and sustainable development that will be held before the Summit. The Round Table will sponsor a multistakeholder workshop in February to promote debate. Findings will be presented to APEC officials in advance of a Ministerial meeting in April.

On October 17, the NRTEE hosted the first ever business-focussed workshop for the 20th World Conservation Congress of the IUCN (World Conservation Union), held in Montreal. Canadian business leaders from the energy sector and non-industry experts debated factoring sustainable development into corporate planning.

The NRTEE has published a discussion paper used at the workshop to spur debate: Business Strategies for Sustainable Development in the Canadian Energy Sector, which is available through Renouf Publishing Co. Ltd.

Contact: **David Morgan** (613) 943-2054

#### Rio + 5

The Round Table has accepted a request by the Earth Council to spearhead a national and regional consultation in support of the Rio + 5 forum in March 1997 that will explore lessons learned since the Earth Summit. The NRTEE's regional consultation was held in Montreal on November 22 in collaboration with the U.S. President's Council and the Mexican National Consultative Council on Sustainable Development. The three groups addressed the role of national councils on sustainable development in seeking solutions to specific issues. The national consultations will be held in Ottawa and will focus on three key domestic issues: Forests, January 21; Energy, January 24; and Oceans/Fisheries, February 11, 1997.

Contact: **David Morgan** (613) 943-2054

# Transportation and Energy

Issues surrounding sustainable transportation in Canada are highlighted in a newly released backgrounder by the NRTEE. (Please see article on p. 4.) It is aimed at stimulating thought and debate among Canadian stakeholders in preparation for upcoming workshops on January 14-15 and February 11-12.

The outcome of these multistakeholder meetings will be a State of the Debate report that will assist governments in the articulation of sustainable transportation policies.

Contact: David McGuinty (613) 992-7155

# **Private Woodlots**

On November 15, the NRTEE sponsored a multistakeholder session in Waverly, Nova Scotia, to help identify important concerns and trends related to overcutting on private woodlots in the Maritimes. The findings are now being incorporated into an issues paper for further debate at a second stakeholder meeting scheduled for February 1997. This will lead to a State of the Debate report in 1997.

Contact: Elizabeth Atkinson (613) 943-0394

# Ocean Environment and Resources

Through extensive consultations with stakeholders in round table workshops and participation at major conferences, including the IUCN World Conservation Congress in Montreal last October, the NRTEE has assembled a database of over 1,000 individuals and organizations with an interest in ocean co-management. This includes participants at a Pacific round table held in Steveston, British Columbia, on November 23. The stakeholders addressed community capacity building and examined co-management principles recently applied in the Fraser Basin Management initiative.

The NRTEE is currently preparing an issues paper that will analyse ocean comanagement themes emerging from these meetings. It will serve as a basis for discussion at a national round table scheduled for March 1997.

Contact: **Nancy Averill** (613) 235-8126

#### **Green Procurement**

Following the release of a study examining green procurement criteria, the Round Table has turned its attention to the international arena. An issues paper has been produced by TerraChoice to assess the link between federal requirements for environmentally preferable products and services and the competitiveness of firms in selected industries. The discussion paper will serve to promote debate at a workshop in February 1997.

Contact: **Gene Nyberg** (613) 995-7581

**David Morgan** (613) 943-2054

#### Education

The Chair of the Canadian Federation of Business School Deans met with the Education Committee on December 2 to explore the integration of environmental and economic themes in business curricula, with a focus on MBA programs. The Round Table is also working with other professional organizations to advance this theme. On December 17, the

NRTEE, in partnership with the Association of Professional Engineers and Geoscientists of British Columbia, hosted a pilot workshop in Vancouver called "Engineering and Geoscience for Sustainability: Moving from Principles to Practice."

Contact: Carla Doucet (705) 749-0415

#### **Economic Instruments**

Having submitted its 1997 Budget recommendations in November, the NRTEE is moving ahead to pursue two key themes: the potential effectiveness of performance agreements for improving industrial energy efficiency, and barriers to recycling in Canada. Two multistakeholder workshops are being held in December to advance these themes and to examine different approaches used by such countries as Denmark, the Netherlands, New Zealand and the United States.

In January 1997, the Council of Canadian Ministers of the Environment and the NRTEE will co-sponsor a workshop on the use of economic instruments in a time of declining government resources.

Contact: **Bunli Yang** (416) 592-7096

# Environmental Technologies

The NRTEE's recently released report The State of the Debate on the Environment and the Economy: Water and Wastewater Services in Canada is available from Renouf Publishing Co. Ltd. (Please see the enclosed publications list.) The program is now exploring the environmental and economic implications of restructuring within electric utilities.

Contact: Gene Nyberg (613) 995-7581

Elizabeth Atkinson (613) 943-0394

# Steering transportation toward a sustainable path

A backgrounder commissioned by the NRTEE's Task Force on Transportation and Energy has just been released. The new backgrounder presents a review of the domestic and international literature on sustainable transportation.

It states that Canada's current path of transportation is unsustainable. Factors include population growth, low-density urban settlement patterns, the explosion of global communications and the competitive advantages of energy-intensive modes of transport. These factors have deep roots in Canadian social values and lifestyles as well as in the country's economic system and political structure.

According to the report, achieving sustainable transportation will require integrated policy instruments that rely on a variety of approaches. These include: regulations, economic incentives, education and information, transportation and land-use planning, and technology development. Also essential is a coordinated approach involving all levels of government and other stakeholders to ensure that policy packages are consistent with jurisdictional responsibilities, avoid duplication, and exploit synergies among policy instruments.

Sustainable Transportation in Canada: Backgrounder is available through Renouf Publishing Co. Ltd. (Please see the enclosed publications list.)



# Visit our web site

The NRTEE's web site provides updates on Round Table programs and activities, and a complete listing and summaries of all NRTEE publications. These continue to be available through Renouf Publishing Co. Ltd., which is conveniently linked to our web site. Our Internet address is:

http://www.nrtee-trnee.ca

Users can give feedback via e-mail on recent task force documents relating to the NRTEE's current Ocean Environment and Resources program activity.

Recent issues of Review are also online. If you are receiving a hard copy, let us know if you have changed your address or would prefer to read Review through your e-mail or the Internet.

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For more information, contact:

#### The National Round Table on the Environment and the Economy

1 Nicholas St., Suite 1500 Ottawa, Ontario Canada K1N 7B7

Tel: (613) 992-7189 Fax: (613) 992-7385

E Mail: admin@nrtee-trnee.ca Web: http://www.nrtee-trnee.ca

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Printed on Evolution, Glacier (Rolland) Canadian Environmental Choice, recycled paper, using vegetable inks.

Aussi disponible en français.

ISSN 1200-0442

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