

# Horizontal Evaluation of the Impact Assessment and Regulatory Processes Horizontal Initiative Final Report

**PREPARED FOR:**

**Impact Assessment Agency of Canada**

**PREPARED BY:**

**Goss Gilroy Inc.**  
Management Consultants  
Suite 900, 150 Metcalfe Street  
Ottawa, ON K2P 1P1  
Tel: (613) 230-5577  
Fax: (613) 235-9592  
E-mail: [ggi@ggi.ca](mailto:ggi@ggi.ca)

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**GOSS GILROY INC.**  
Management Consultants  
Conseillers en gestion

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# Acronyms

ADM	Assistant Deputy Minister
CanNor	Canadian Northern Economic Development Agency
CEAA 2012	<i>Canadian Environmental Assessment Act, 2012</i>
CER	Canada Energy Regulator
CIRNAC	Crown-Indigenous Relations and Northern Affairs Canada
DA	Department and agency
DFO	Fisheries and Oceans Canada
DG	Director General
DM	Deputy Minister
ECCC	Environment and Climate Change Canada
GBA Plus	Gender-based Analysis Plus
GC	Government of Canada
Gs&Cs	Grants and Contributions
HC	Health Canada
HRF	Horizontal Results Framework
IAA	<i>Impact Assessment Act</i>
IAAC	Impact Assessment Agency of Canada
IAC	Indigenous Advisory Committee
IARP	Impact Assessment and Regulatory Processes
ICCE	Indigenous Centre for Cumulative Effects
IHPP	Indigenous Habitat Participation Program
ISC	Indigenous Services Canada
MPMOI	Major Projects Management Office Initiative
NRCan	Natural Resources Canada
MOU	Memorandum of Understanding
MSP	Marine Spatial Planning
OGD	Other Government Department
OSDP	Open Science and Data Platform
PT	Province/territory
TC	Transport Canada
TISG	Tailored Impact Statement Guidelines



# Executive Summary

## Overview of the Impact Assessment and Regulatory Processes Horizontal initiative

An evaluation of the Impact Assessment and Regulatory Processes (IARP) horizontal initiative was undertaken in 2021–22 to assess the implementation of the new initiative and the extent to which it is designed and delivered in a way that will facilitate the achievement of its intended outcomes. The IARP horizontal initiative delivers over 50 activities related to the implementation of Bill C-68 (an Act to amend the *Fisheries Act* and other Acts in consequence) and Bill C-69 (an Act to enact the *Impact Assessment Act* (IAA) and the *Canadian Energy Regulator Act*, to amend the *Navigation Protection Act* and to make consequential amendments to other Acts). This initiative is led by the Impact Assessment Agency of Canada (IAAC) with eight partner departments and agencies (DAs) also receiving funding to deliver the IARP horizontal initiative. Total funding over five years (from 2018–19 to 2022–23) is \$1.0 billion. The IARP horizontal initiative has six themes:

1. **Impact Assessment:** includes an early planning phase to increase early engagement in project design and consideration of a broader range of effects, including both positive and negative impacts on the environment and social, economic, and health conditions.
2. **Partnering with Indigenous Peoples:** providing meaningful opportunities for partnership with Indigenous peoples in support of the Government’s commitment to reconciliation and to moving beyond meeting the legal duty to consult.
3. **Cumulative Effects, Open Science, and Evidence:** developing a better understanding of the cumulative effects of resource development through regional and strategic initiatives and sharing science products and evidence (data and Indigenous knowledge, as appropriate) with Canadians through an Open Science and Data Platform (OSDP).
4. **Protection of Fish and Fish Habitat in Canada:** restoring lost protections and incorporating modern safeguards to protect fish and fish habitat in Canada.
5. **Protection of the Public Right to Navigation:** protecting the public right to navigation on all navigable waters, while enabling reconciliation and new partnerships with Indigenous peoples and introducing modern safeguards to create greater transparency.
6. **Regulation of Energy:** helping restore investor confidence, building public trust, and advancing Indigenous reconciliation, while ensuring good projects go ahead and Canada’s energy resources get to markets responsibly.

The results for the IARP horizontal initiative were articulated in a Horizontal Results Framework (HRF), including the overall shared outcome and the outcomes for each of the six themes. Interdepartmental governance focused on impact assessment is led by IAAC at the Deputy



Minister, Assistant Deputy Minister, and Director General levels and involves all eight partner departments and agencies (DAs) as well as ten non-funded federal organizations who are involved in the implementation of the IAA.

## Evaluation Objectives, Scope and Methodology

The objective of the evaluation is to assess the relevance, effectiveness, and efficiency of the IARP horizontal initiative from 2018–19 to 2021–22. Although funding for the IARP horizontal initiative was received later in 2018–19, the initiative did not come into effect until August 28, 2019. Given this, the focus of the evaluation is on its implementation, emphasizing the extent to which the activities and outputs have facilitated the progress towards the achievement of the intended outcomes as identified in the HRF.

The evaluation scope covers just over three years, from 2018–19 to 2021–22. The evaluation covers most of the \$551M of planned expenditures expected by the end of the 2021–22 fiscal year. Only one grants and contributions (Gs&Cs) program was explicitly scoped into the evaluation: Fisheries and Oceans Canada’s (DFO) Indigenous Habitat Participation Program (IHPP). The scope of the evaluation covers:

- All six themes;
- Early progress towards the shared outcome;
- Impact assessments and Marine Spatial Plans started during the period covered by the evaluation; and
- Matters of interest pertaining to the horizontal nature of the initiative (e.g., governance and collaboration between departments, Indigenous engagement, cumulative effects, progress towards implementation, and early HRF outcomes).

Five evaluation questions were assessed for the evaluation and explored: design and implementation (including progress towards outcomes); Indigenous engagement and partnership; factors facilitating and hindering progress towards outcomes; clarity of roles and responsibilities and appropriateness of governance; and adequacy of performance measurement. The following methodologies were employed:

- A review of documents and data provided by all partner DAs;
- Key informant interviews (63 interviews with 90 individuals), including 32 interviews with respondents from funded federal government organizations, 6 interviews with unfunded federal government departments, 17 interviews with external stakeholders, and 8 interviews with Indigenous respondents;
- Case studies (5 cases, including 35 interviews with 55 individuals) across all themes of the IARP except Theme 5): two impact assessment projects (Gazoduq and Webequie), one grants and contributions program (Indigenous Habitat Participation Program), Marine Spatial Planning and the OSDP.

An important limitation of the methodology was that fewer key informant interviews were conducted with external stakeholders and Indigenous respondents than initially planned due to challenges with recruitment among respondents. The views in the report are therefore reflective of the people interviewed and their communities/organizations; other communities/organizations may have different views. The inclusion of external and Indigenous respondents in case studies mitigated this limitation.

As well, all methods were limited insofar as the IARP horizontal initiative is still in the early stages of its implementation and, therefore, limited evidence could be gathered regarding impact assessment processes beyond the planning phase as well as outcome information resulting from activities undertaken in all themes.

## Findings

### Design and Implementation

The IARP horizontal initiative is designed to offer greater clarity about impact assessment and regulatory processes, more opportunities for engagement, and allow the Government of Canada (GC) to consider the impacts of projects more holistically. In that sense, the initiative is designed to respond to some of the most pressing concerns raised with the previous regime (i.e., the environmental assessment approach and previous regulatory frameworks). However, it is unclear the extent to which the new approach translates into input from external stakeholders, Indigenous partners, and DAs experts being meaningfully addressed and acted upon, in part because it is too early to see how input is used but also because the process to incorporate feedback is not transparent.

The IARP horizontal initiative resources have been expended at a slower pace than expected given a prolonged ramp-up phase and COVID-19. However, some respondents could identify ongoing activities that were not funded under the IARP horizontal initiative (amongst funded and non-funded DAs). Some respondents explained that some activities that have not yet been implemented in full will require additional funding for DAs to respond to important demands.

The IARP horizontal initiative roles, responsibilities and accountabilities are described in the legislation and, in the case of impact assessments, articulated in Memoranda of Understanding (MOUs) between organizations. However, less than half of respondents of all types fully agreed that roles and responsibilities are clear, well understood and appropriate. Respondents raised issues of duplication and overlap across DAs, as well as a lack of leadership for collaborative interdepartmental work. Senior management respondents consider that the IARP horizontal initiative governance structure functions well, but other internal respondents who are at the working level have concerns with committee management and administration.

In terms of performance measurement, the HRF is used to report on progress made to date against planned activities and outputs. Most DAs reported that they have the necessary systems and processes in place to collect data, including financial and non-financial data (although some

data is still outstanding). Decision-makers reported that they have the information they need to make decisions. However, there are many opportunities for improvement, especially to better capture what external stakeholder and Indigenous input is collected throughout the implementation of the IARP horizontal initiative and how that input is used. The IARP horizontal initiative lacks mechanisms to gather feedback in a systematic way on engagement activities. Although the HRF is useful to capture progress against activities and outputs, it is less clear whether it accurately reflects (or will reflect) progress for theme-level and shared outcomes. The HRF is limited in terms of clearly articulating the logic of the initiative and the links (and assumptions) between all activities and the outcomes.

## Indigenous Engagement

The IARP horizontal initiative has introduced a stronger emphasis on Indigenous engagement across all themes and activities of the initiative. Indigenous respondents appreciate and view this commitment as progress to some extent, but they note that Indigenous communities and groups are looking for a more concrete and profound change in the GC's approach. There remains an important divide between GC processes and the needs and realities of Indigenous communities and organizations. Meaningful engagement is difficult to achieve within the confines of GC processes (including siloed engagement) and timelines, especially given the large scope of issues the reform aims to tackle. Incorporation of Indigenous knowledge and recognition of rights/jurisdictions are ongoing challenges. Indigenous respondents further noted that some GC communications are not culturally appropriate or adapted to the context of communities. Furthermore, communities continue to face a systemic lack of capacity, overburdening, and engagement fatigue. There remain important capacity limitations that affect Indigenous partners' ability to meet aggressive timelines. Communities face multiple priorities, a steep technical learning curve, and the need to gather and/or develop sufficient expertise to contribute, as well as adequately consult and engage Elders and community members.

## Progress to Date<sup>1</sup>

Progress on activities and outputs has been slower than originally expected, but a little over half (42 of 74) of the activity-level indicators in the HRF are considered 'met' or 'on track.' DA teams are making progress across all themes and activities of the IARP horizontal initiative; the evaluation identified no significant gaps or obstacles to implementation.

Under Theme 1 (Impact Assessment), new impact assessment planning phase processes have been successfully implemented, including the provision of expertise by government organizations and engagement of external stakeholders and Indigenous partners. Theme 3 (Cumulative Effects, Open Science, and Evidence) has seen progress under a number of activities, including the OSDP, regional and strategic assessments, Marine Spatial Planning (MSP), and the creation of the Indigenous Centre for Cumulative Effects (ICCE). Progress has been made under Theme 4 (Protection of Fish and Fish Habitat), namely related to supporting Indigenous participation in

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<sup>1</sup> Progress against Theme 2, Indigenous Engagement, is presented in the Indigenous Engagement section.



fish and fish habitat protection via the IHPP. Theme 5 (Protection of the Public Right to Navigation) has progressed towards the full implementation of the new *Canadian Navigable Waters Act*, but engagement has been significantly impacted by COVID-19. However, efforts are being made to continue engaging virtually with stakeholders and Indigenous peoples. Finally, most activity targets have been met under Theme 6 (Regulation of Energy), where the CER and NRCan have developed most of the required policies, regulations, and processes and have increased engagement with stakeholders and Indigenous peoples.

Other than the impact of COVID-19 on activities, hindering factors identified in the evaluation mainly relate to impact assessment process timelines and resulting pressures on DAs, coordination issues across government, and expected resourcing issues. Facilitating factors include adequate or additional resourcing (for some DAs and activities), effective internal structures within DAs, clear articulation of roles, formalized agreements between DAs and Indigenous groups or external stakeholders, strong senior management support, and the development of implementation tools (e.g., guidance documents, training, templates) by IAAC and other partners.

## Conclusions

### Design

The evaluation found that the IARP horizontal initiative's design is appropriate and includes the right set of activities and partners. The design of the new impact assessment regime addresses the main concerns under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012) regime, specifically focusing on:

- Providing more leadership, clarity and policy direction about impact assessment and regulatory processes;
- More opportunities for engagement and opportunities to provide input, including engagement with and input from Indigenous partners; and
- Enabling the GC to consider the impacts of projects more holistically (including more consideration of health, socio-economic and Gender-based Analysis Plus [GBA Plus] dimensions).

The initiative introduced various mechanisms to gather input from different groups, including Indigenous peoples (such as the Registry and engagement sessions). However, the extent to which the new approach translates into input being meaningfully addressed and acted upon is unclear. To an extent, it is still too early to assess whether impact assessments will address the concerns of stakeholders and communities. The evaluation also found there to be a lack of transparency regarding whether and how input is considered. Although the implementation of the initiative is still in its early stages, there is an opportunity to put mechanisms in place now to address the need for more accountability in this area.

Funding for the IARP horizontal initiative was expended more slowly than expected, resulting in significant lapses, especially in the first year of the initiative (2018–19), but continuing into the second year as well. Nonetheless, many key informant respondents project that resources will eventually be lacking to implement the IARP horizontal initiative as planned (due to the demand for larger teams for project reviews, unexpected requests (such as doing work outside the expected scope of involvement) and the demand for more guidance materials/templates).

While the horizontal initiative roles, responsibilities and accountabilities are well documented, opportunities remain to provide further clarity to minimize areas of overlap observed to date. Possible avenues for improved coordination (particularly pertaining to Indigenous engagement) include leveraging existing governance mechanisms or developing a community of practice. Senior-level interviewees perceive the governance structure to be appropriate and functioning well. However, working-level internal respondents feel there are opportunities to make governance more effective and efficient, including more advanced notice of meetings and timelier circulation of materials.

With respect to performance measurement, the HRF provides a comprehensive framework for monitoring and reporting on activities, and most DAs reported collecting data against the framework. While decision-makers are generally satisfied with the information available, the evaluation evidence indicated that the framework could better capture feedback on engagement activities; how input is considered and whether it is used; and progress towards theme-level and shared outcomes. In the absence of a logic model or theory of change, the HRF serves to identify activities, outputs, outcomes, and indicators. However, the HRF does not explicitly describe the assumptions and risks that connect activities and outputs with the expected outcomes. It does not explain how DA-specific activities contribute to theme-level outcomes or where there might be gaps.

## Indigenous Engagement

The evaluation found strong evidence of a significant focus on Indigenous engagement by the federal government, IAAC and other partner DAs. Indigenous respondents appreciated and viewed this commitment as progress to some extent, but Indigenous partners expect additional improvements in the GC's approach. Both internal and Indigenous respondents noted that meaningful engagement is difficult to achieve within the confines of GC processes, siloes, and timelines, especially given the large scope of issues the new regime aims to address. The majority of respondents also note that there is a persistent lack of coordination between DAs as well as between the federal and provincial and territorial (PT) jurisdictions when it comes to engaging Indigenous partners, which means that communities continue to be over-solicited. Respondents also noted that approaches to Indigenous engagement vary from one federal DA to another, and that the GC is yet to apply a common framework to Indigenous engagement. As well, principles of co-creation and co-delivery, which were identified as effective frameworks for meaningful partnership, are not applied consistently.

Key areas of improvement highlighted by Indigenous respondents include:

- More time for engagement to ensure meaningful engagement of the right players;
- More culturally appropriate communications and plans that fully consider how to engage the right communities, at the right level of detail at the right time;
- Continued and increased availability of funding for capacity building within communities and organizations;
- A process for considering Indigenous knowledge that is co-created; and
- Stronger legal frameworks to define Indigenous jurisdictions and co-governance that would facilitate true partnerships with Indigenous peoples.

## Progress to Date

Given the extent of lapsing in expenditures, progress on the implementation of activities and production of outputs has been slower than originally expected. Despite this, the evaluation found good progress on activities described in the HRF, across all themes. Over half of indicators are considered 'met' or 'on track.' Generally, partner DAs are making progress, especially on the provision of expertise and advice, various components of the IARP horizontal initiative (e.g., MSP, OSDP, funding programs), and successful implementation of new impact assessment and regulatory processes.

Progress towards theme-level outcomes is harder to confirm across themes. As well, the evaluation found that it is too early to comment on progress toward the shared outcome. However, most of those consulted for the evaluation, who could comment, felt that activities are likely to lead to the achievement of the shared outcome eventually, subject to improved decision-making, increased trust between Indigenous peoples and the GC, and increased coordination across DAs.

## Recommendations

Goss Gilroy Inc. makes the following recommendations:

1. IAAC, in collaboration with partner DAs, should define a consistent approach to Indigenous engagement in the context of the IARP horizontal initiative, one that reflects Reconciliation principles, including co-development. The resulting approach should allow the federal government to engage communities at the right time, at the right level, with consideration of individual communities' needs and context and with consideration of co-developing the approach. Fundamentally, this also requires increased, sustained capacity-building funding for Indigenous communities and organizations.
2. IAAC, in collaboration with partner DAs, should take steps to improve the coordination of engagement activities (across themes, if possible), particularly (but not only) with Indigenous communities and organizations. This may include leveraging existing governance structures

but could also include establishing new communities of practice for this purpose. Where possible, engage provincial/territorial partners to minimize overlap and confusion regarding roles and responsibilities and coordinate activities.

3. IAAC should develop a mechanism to more clearly communicate how stakeholder and Indigenous input is considered throughout the impact assessment process.
4. IAAC, in collaboration with partner DAs, should improve the efficiency of existing interdepartmental governance structures (e.g., more advance notice of meetings, timelier circulation of materials) and consider broadening the scope to include cross-cutting policy or regulatory discussions.
5. IAAC should improve performance measurement, for example, by (a) developing a logic model with partner DAs or otherwise confirming the theory of change to facilitate the understanding of how the themes work together to contribute to the shared outcome; (b) requiring all partner DAs to gather immediate feedback from participants (of all types) on the meaningfulness of engagement activities they lead, and; (c) revisiting performance indicators to ensure they continue to be relevant and appropriate and allow for the measurement of progress against outcomes.

# Management Response and Action Plans

IAAC is the lead for the implementation of the IARP horizontal initiative, specifically in terms of the implementation of the IAA. As part of the ongoing renewal process, this horizontal initiative has been reduced in scope to focus more specifically on the Impact Assessment regime as defined by the IAA. This Management Response and Action Plan (MRAP) reflects this scope.

## Recommendation 1:

IAAC, in collaboration with partner DAs, should define a consistent approach to Indigenous engagement in the context of the IARP horizontal initiative, one that reflects Reconciliation principles, including co-development. The resulting approach should allow the federal government to engage communities at the right time, at the right level, with consideration of individual communities' needs and context and with consideration of co-developing the approach. Fundamentally, this also requires increased, sustained capacity-building funding for Indigenous communities and organizations.

## Statement of agreement or disagreement

All departments/agencies agree with this recommendation.

## Management Response

IAAC recognizes the need to provide meaningful opportunities for partnership with Indigenous peoples in support of the Government's commitment to advance Reconciliation. As such, the following management response is framed by Reconciliation principles and opportunities for co-development.

- IAAC leads a collaborative approach with partner departments/agencies as well as Indigenous communities, which might provide examples of good approaches that departments/agencies can use in their own processes as well, particularly in the regulatory phase of a project. For example: IAAC is currently collaborating with other departments and Indigenous communities for the Regional Assessment of the St. Lawrence River Area, where the Mohawk Council of Kahnawà:ke and other interested First Nations and the Gouvernement du Quebec are collaborating with IAAC to co-develop planning of the regional assessment; IAAC and Ontario's Ministry of Environment, Conservation and Parks and Ministry of Northern Development, Mines, Natural Resources and Forestry jointly developed the written submission to the Joint Review Panel appointed to assess the proposed Marathon Palladium Mine project--both parties jointly presented the submission to the Panel over four days in 2022 of community hearings in Biigtigong Nishnaabeg; and IAAC is currently collaborating with the Cree National Government on the environmental assessment for le Projet de mine de lithium Baie James.
- IAAC continues to provide longer term sustained capacity building funding to Indigenous communities and organizations through the Indigenous Capacity Support Program, in place for the current fiscal year. Project-specific Participant Funding is a long-standing program, which will continue to apply.
- IAAC looks for opportunities to be flexible to provide sufficient time for Indigenous groups to respond within a comment period, which are often limited by legislated time limits. IAAC will endeavor to work with Indigenous groups to improve this process while respecting legislated time limits.
- Coordinating between Federal DAs and IAAC, and between IAAC/the provinces/territories is evident in many current process. For example, IAAC leads whole-of-government coordination of consultations for assessments such as in the recent case of the Regional Assessment in the Ring of Fire Area where a whole-of-government series helped keep departments informed and Indigenous consultation on project-level impact assessments in the area was coordinated. With respect to Indigenous Knowledge, IAAC, Fisheries and Oceans Canada, Transport Canada and the Canada Energy Regulator are collaborating in the development of an Indigenous Knowledge Policy Framework, which will provide the basis for aligned approaches across the four implicated departments.

Although there are many initiatives underway to foster effective, coordinated Indigenous engagement, improvement is needed to identify and create efficiencies particularly across the federal family, which reduce the burden to Indigenous communities. This includes work being led by CIRNAC on updated guidelines related to the duty to consult.

<b>Management Action Plan</b>		
<b>Action or Deliverable</b>	<b>Expected Completion Date</b>	<b>Accountability</b>
IAAC will lead a discussion at the interdepartmental IA committees (DGIA and ADMIA) on improving coordination of engagement activities and increasing flexibility for responses from Indigenous groups during comment periods.	March 31, 2023	Vice-President, Operations
If/as appropriate, IAAC will define, communicate, and implement the approach resulting from these discussions	March 31, 2024	Vice-President, Operations
Report back to DM IA on the results of discussions with partners regarding progress in advancing guidelines for Indigenous consultation and accommodation	October 31, 2023	Vice-President, Operations

<b>Recommendation 2:</b>
IAAC, in collaboration with partner DAs, should take steps to improve the coordination of engagement activities (across themes, if possible), particularly (but not only) with Indigenous communities and organizations. This may include leveraging existing governance structures but could also include establishing new communities of practice for this purpose. Where possible, engage provincial/territorial partners to minimize overlap and confusion regarding roles and responsibilities and coordinate activities.
<b>Statement of agreement or disagreement</b>
All departments/agencies agree with this recommendation.
<b>Management Response</b>
<p>There are a variety of engagement activities throughout the early phases of the impact assessment process, this can include public sessions, posting on the Registry, participant funding, and engaging on the Public Participation Plan. Due to the COVID-19 pandemic, DAs transitioned from in-person to virtual engagement activities to prioritize the health and safety of communities participating in impact assessments. The COVID-19 pandemic put constraints on IAAC and partner DAs engagement activities; however, confidence for hosting virtual engagement activities increased with experience, and showed benefits over time. Virtual engagement activities, such as public sessions on Zoom or Microsoft Teams, are cost effective, convenient for members of the public, and maintain the ability to engage participants throughout the IA process. Going forward, engagement activities will benefit from using both in-person and virtual engagement approaches to contribute to meaningful participation in impact assessments, where appropriate.</p> <p>IAAC is committed to advancing coordination of engagement activities with Indigenous communities and organizations, provincial and territorial partners, and external stakeholders in collaboration with partner DAs.</p> <p>IAAC engages with provincial/territorial partners to minimize overlapping engagement with Indigenous communities and organizations, and the public in several areas, including regional assessments, where IAAC establishes a coordinated approach with the provincial/territorial interest. Likewise, there are several examples of coordination of project-level assessments where joint, coordinated or substituted processes have been developed, creating efficiencies for consulting with Indigenous communities and organizations, and the public. These partners have indicated the need for further coordination, and IAAC is continuously looking for opportunities to improve. Conversations with other DAs is a key next step to coordinate efforts.</p>

The Training Program at IAAC provides training to federal authorities directly involved in impact assessment. This is an opportunity to inform federal authorities of their roles and responsibilities, as well as discuss collaboration of engagement activities throughout the impact assessment process.

IAAC engages Indigenous peoples on policy development, particularly on policies directly concerning Indigenous rights and interests. IAAC does this in a coordinated fashion to the extent possible, including by:

- Involving federal authorities in consultations with Indigenous partners and by seeking input from federal authorities at the working level and through ADM and DM IA committees; and
- Sharing draft policies with provincial/territorial partners directly and through presentations to IAAC's federal-provincial-territorial Environmental Assessment (EA) Administrators Committee, and inviting when possible PT participation in policy consultations with Indigenous partners.

IAAC is also working to establish communities of practice among Indigenous organizations through Capacity Support Funding and related conferences. This is in the early stages and presents an opportunity in the future for broader involvement of stakeholders such as provinces/territories, academia, and industry.

Continuing to coordinate with consultations undertaken by other federal authorities will help address any confusion that might exist around roles and responsibilities, as well as increasing efforts to involve provincial/territorial representatives, and using briefing materials laying out division of powers and jurisdictions in relation to environmental and impact assessment.

IAAC coordinates the federal-provincial-territorial EA Administrators Committee, which serves as a mechanism to facilitate communication between the federal, provincial and territorial governments, encourage the development of best practices, and identify opportunities to coordinate on assessment-related issues. The committee, which meets quarterly, includes a representative from each province and territory with accountability for administering the EA process in the jurisdiction. Follow-up bilateral discussions may take place when issues of common interest are identified. We will continue to use this forum to coordinate and collaborate with provinces and territories, including exploring new opportunities to engage DAs.

#### Management Action Plan

Action or Deliverable	Expected Completion Date	Responsibility
IAAC will lead a discussion at the interdepartmental IA committees on improving coordination of engagement activities	March 31, 2023	Vice-President, External Relations and Strategic Policy
If/as appropriate, IAAC will define, communicate, and implement the steps to improve the coordination of engagement activities	March 31, 2024	Vice-President, External Relations and Strategic Policy

#### Recommendation 3:

IAAC, in collaboration with partner DAs, should develop a mechanism to more clearly communicate how stakeholder and Indigenous input is considered throughout the impact assessment process.

#### Statement of agreement or disagreement

All departments/agencies agree with this recommendation.

#### Management Response

When the Agency or a review panel requests input from the public, the purpose is to inform the development of certain documents, which are part of the impact assessment process, such as: the Tailored Impact Statement Guidelines; the Impact Assessment Report or Panel Report to the Minister, or to inform the review of documents submitted during the process, such as the proponent's Impact Statement.

In the course of completing IAs, the Agency ensures that stakeholder and Indigenous input is considered. For example, during the planning phase, the Agency provides the proponent of a designated project with a summary of

issues raised during the initial comment period, including issues that are raised by the public or by any jurisdiction or Indigenous group. These issues are to be responded to by proponents in their Detailed Project Description.

For IAs conducted by the Agency, before the Impact Assessment Report is finalized, the Agency holds a comment period on the draft, which allows the public an opportunity to see and comment on the draft report before it is finalized by the Agency. In addition, in order to enhance engagement, the Agency may organize a public meeting or take other means to explain the process and purpose of the comment period to external parties. Under the IAA, the Impact Assessment Report or Panel Report to the Minister must set out a summary of any comments received from the public. The Agency or a review panel consider this input in developing their conclusions and recommendations.

The Agency's website describes the points during the IA process at which stakeholders or Indigenous peoples are able to participate in the assessment by providing input, and the IA documents that the Agency, a review panel or a proponent must produce. However, it may not be clear to those who are less familiar with IAA and the IA process how that input is considered by the Agency, a review panel or a proponent in developing those IA documents.

In response to this recommendation, and in order to communicate clearly to stakeholders how input is considered throughout the impact assessment process, the Agency will develop an external document, which will be posted the Agency's website, which will explain how stakeholder and Indigenous input is used to inform each step of the process.

#### Management Action Plan

Action or Deliverable	Expected Completion Date	Responsibility
IAAC will develop an external document outlining how stakeholder and Indigenous input is considered at various steps of the impact assessment process	May 31, 2023	Vice-President, Operations
IAAC will implement an approach to report at a high-level within six months of the end of the planning phase on how public and Indigenous input was used	November 30, 2023	Vice-President, Operations
IAAC will expand reporting on how public and Indigenous input was used in other processes, as appropriate (e.g., regional assessments, policies/guidance, etc.)	May 31, 2024	Vice-President, Operations

#### Recommendation 4:

IAAC, in collaboration with partner DAs, should improve the efficiency of existing interdepartmental governance structures (e.g., more advance notice of meetings, timelier circulation of materials) and consider broadening the scope to include cross-cutting policy or regulatory discussions.

#### Statement of agreement or disagreement

All departments/agencies agree with this recommendation.

#### Management Response

As the secretariat for the IA committees, IAAC is committed to working with partner departments and agencies to ensure the committees operate as efficiently as possible and provide the appropriate level discussion to address project specific issues, as well as crosscutting policy or regulatory issues and other topics or areas of concern relevant to the implementation of the IAA. IAAC has recently taken steps to try to facilitate internal briefings (e.g., sharing background notes and draft agenda items, developing templates).



Recognizing that the secretariat relies on subject matter experts (from IAAC or from partner departments/agencies), IAAC will put in place, and communicate, service standards for materials to be received so the secretariat can continue to meet the operational practice of providing initial materials of at least five days in advance of IA committee meetings. The secretariat will also engage with its working level network to identify potential opportunities to improve engagement and coordination.

To improve the clarity of the roles and responsibilities of the IA committees, IAAC will collaborate with partner departments/agencies to review the mandate, roles and responsibilities of all committees. This collaboration will include consulting internally, and with partner departments/ agencies on additional improvements that could be made to governance structures, and exploring opportunities to work with or support other committees on common goals, if appropriate.

IAAC will continue to collaborate with partner departments/agencies to ensure a variety of items are discussed at all IA committee meetings.

**Management Action Plan**

Action or Deliverable	Expected Completion Date	Responsibility
IAAC will develop, implement, and communicate service standards	October 31, 2022	VP, Corporate Services
IAAC will hold consultations with the working level network, and implement appropriate actions	March 31, 2023	VP, Corporate Services
IAAC will lead internal consultations and consultations with partner departments/agencies to identify other potential ways to improve the governance structures	October 31, 2023	VP, Corporate Services

**Recommendation 5:**

IAAC, in collaboration with partner DAs, should improve performance measurement, for example, by (a) developing a logic model with partner DAs or otherwise confirming the theory of change to facilitate the understanding of how the themes work together to contribute to the shared outcome; (b) requiring all partner DAs to gather immediate feedback from participants (of all types) on the meaningfulness of engagement activities they lead, and; (c) revisiting performance indicators to ensure they continue to be relevant and appropriate and allow for the measurement of progress against outcomes.

**Statement of agreement or disagreement**

All departments/agencies agree with this recommendation.

**Management Response**

As part of the process to renew the funding for the implementation of the IAA, IAAC has been collaborating with partner departments/agencies to revisit the HRF. This includes reviewing all of the outputs/outcomes and associated indicators at all levels (shared outcome, theme-level, department/ agency-specific), based on lessons learned since 2018–19, and with a view to strengthening the indicators. As part of this renewal process, the number of partner departments/agencies has increased from eight to 13, which is also being considered in the updates to the HRF. Specifically, the HRF updates were informed by logic models for each of the applicable themes (Impact Assessment, Partnering with Indigenous Peoples, and Cumulative Effects, Open Science and Evidence).

As part of these revisions to the HRF, all departments/agencies are required by IAAC to identify how/why (i.e., the assumptions/theory) the department/agency-specific outputs or outcomes are expected to contribute to one or more of the theme-level outcomes, and how/why (i.e., the assumptions/theory) the theme-level outcomes are expected to contribute to one or more of the shared outcomes. This will ensure there is a clear articulation of a theory of change for how/why this horizontal initiative is anticipated to be effective, and be able to demonstrate attribution or contribution to the achievement of the intended results identified in the HRF.

In addition, the revised HRF includes indicators specifically intended to measure the effectiveness of engagement activities, and the perceptions of stakeholders and Indigenous groups on the assessment process. A survey has been developed that will be administered at the end of every engagement session (e.g., an exit survey) and will be implemented consistently across regions over the next fiscal year.

As well, IAAC will be developing an Indigenous data collection tool to be able to collect and assess the perspectives of Indigenous groups throughout the assessment process, outside of the above-mentioned engagement sessions. This includes collecting information to enable the monitoring and reporting on measures such as, of Indigenous groups agreeing there have been opportunities to work in partnership or collaboratively, the extent to which their rights are protected, and that Indigenous Knowledge and perspectives are being considered in assessment reports. This data collection tool will be developed in 2022–23, and implemented in the second quarter of 2023–24 at the latest.

**Management Action Plan**

Action or Deliverable	Expected Completion Date	Responsibility
IAAC will implement engagement session exit survey	November 30, 2022	VP, External Relations and Strategic Policy, VP, Operations, and VP, Corporate Services
IAAC will revise the Horizontal Results Framework	March 31, 2023	VP, Corporate Services and All partner departments/agencies
IAAC will develop and implement Indigenous data collection tool	September 30, 2023	VP, Operations VP, Corporate Services

# Introduction

This report presents the findings, conclusions, and recommendations of the horizontal evaluation of the Impact Assessment and Regulatory Processes (IARP) horizontal initiative, covering the period from 2018–19 to 2021–22. Goss Gilroy Inc. was contracted by the Impact Assessment Agency of Canada (IAAC) to conduct this independent evaluation under the oversight of an interdepartmental evaluation advisory committee.<sup>2</sup> Data collection for the evaluation was conducted between June and November 2021. It responds to a Treasury Board commitment to support reporting on the horizontal initiative and to inform key decisions, such as renewal. The evaluation was conducted in accordance with the Treasury Board *Policy on Results* (2016) and section 42.1 of the *Financial Administration Act*.

## 1.1 Background and Initiative Description

### 1.1.1 Context

In the December 2015 Speech from the Throne, the Government of Canada (GC) committed to introducing new environmental assessment processes, where the expected results included: public input will be sought and considered, harmful environmental impacts will be understood and minimized, decisions will be informed by scientific evidence, and Indigenous peoples will be more fully engaged in reviewing and monitoring major resource development projects. An overarching objective of these changes was to rebuild public trust. In January 2016, the government put in place interim principles for project reviews and launched a comprehensive process in June 2016 to review existing laws and seek Canadians' input on how to improve the environmental and regulatory system.<sup>3</sup>

At the same time, other Ministers were asked to review legislation with these specific outcomes envisioned. For the *Fisheries Act*, the Minister of Fisheries, Oceans and the Canadian Coast Guard was mandated to review the 2012 changes to the *Fisheries Act* to restore lost protections and incorporate modern safeguards. Introduced in Parliament in February 2018, the related pieces of legislation enacting these changes were Bill C-68 (an Act to amend the *Fisheries Act* and other Acts in consequence) and Bill C-69 (an Act to enact the *Impact Assessment Act (IAA)* and the *Canadian Energy Regulator Act*, to amend the *Navigation Protection Act* and to make consequential amendments to other Acts).

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<sup>2</sup> The horizontal evaluation advisory committee consisted of evaluation representatives from all DAs funded to deliver this horizontal initiative, including: Impact Assessment Agency of Canada, Crown–Indigenous Relations and Northern Affairs Canada, Indigenous Services Canada, Environment and Climate Change Canada, Fisheries and Oceans Canada, Health Canada, Canada Energy Regulator, and Transport Canada.

<sup>3</sup> These interim principles did not apply to Fisheries and Oceans Canada.



Following this, Budget 2018 announced about \$1 billion over five years, starting in 2018–19, to:

- Support the proposed new impact assessment system and Canada Energy Regulator;
- Increase scientific capacity in federal departments and agencies (DAs);
- Implement changes required to protect water, fish, and navigation; and
- Increase Indigenous and public participation.

Before these pieces of legislation (i.e., those set out in Bills C-68 and C-69) came into force, the GC launched the IARP horizontal initiative (or the initiative).<sup>4</sup> This initiative is led by IAAC, with eight partner departments and agencies (DAs) receiving funding to deliver the IARP horizontal initiative. These eight partner DAs are:

- Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC);
- Indigenous Services Canada (ISC);
- Environment and Climate Change Canada (ECCC);
- Fisheries and Oceans Canada (DFO);
- Health Canada (HC);
- Canada Energy Regulator (CER);
- Natural Resources Canada (NRCan); and
- Transport Canada (TC).

### 1.1.2 Horizontal Initiative Profile

The shared outcome, reflecting the broad goal of the IARP horizontal initiative, is that “Impact assessment and regulatory processes in Canada reflect a commitment to social, economic and environmental sustainability and respect our partnership with Indigenous peoples.”

#### Themes

The IARP horizontal initiative delivers more than 50 activities across the following six themes:<sup>5</sup>

1. **Impact Assessment:** includes an early planning phase to increase early engagement in project design and consideration of a broader range of effects, including both positive and negative impacts on the environment and social, economic, and health conditions.
2. **Partnering with Indigenous Peoples:** providing meaningful opportunities for partnership with Indigenous peoples in support of the Government’s commitment to reconciliation and to moving beyond meeting the legal duty to consult.

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<sup>4</sup> Note that some aspects of Bills C-68 and C-69 do not relate to the IARP horizontal initiative.

<sup>5</sup> Theme definitions are taken from the 2020–21 IAAC Departmental Plan and were originally sourced from the HRF.

3. **Cumulative Effects, Open Science, and Evidence:** developing a better understanding of the cumulative effects of resource development through regional and strategic initiatives and sharing science products and evidence (data and Indigenous knowledge, as appropriate) with Canadians through an Open Science and Data Platform (OSDP).
4. **Protection of Fish and Fish Habitat in Canada:** restoring lost protections and incorporating modern safeguards to protect fish and fish habitat in Canada.
5. **Protection of the Public Right to Navigation:** protecting the public right to navigation on all navigable waters, while enabling reconciliation and new partnerships with Indigenous peoples and introducing modern safeguards to create greater transparency.
6. **Regulation of Energy:** helping restore investor confidence, building public trust, and advancing Indigenous reconciliation, while ensuring good projects go ahead and Canada's energy resources get to markets responsibly.

## Resources

Table 1 identifies the total planned spending for the IARP horizontal initiative over five years. The lead organization for each of these themes is also identified.

**Table 1: Total Planned Spending for IARP horizontal initiative, 2018–19 to 2022–23 (\$)**

Organization	Theme						Internal Services	Total
	Impact Assessment	Partnering with Indigenous people	Cumulative Effects, Open Science, Evidence	Protection of Fish and Fish Habitat	Protection of Public Right to Navigation	Regulation of Energy		
<b>IAAC</b>	108,344,451 Lead	81,595,595	32,850,267	-	-	-	35,785,094	258,575,407
<b>CIRNAC</b>	-	12,863,625 Lead	15,331,658*	-	-	-	1,203,632	29,398,915
<b>DFO</b>	-	-	62,738,222	263,663,248 Lead	-	-	24,847,580	351,249,050
<b>ECCC</b>	15,622,538	-	77,356,815 Lead	-	-	-	7,050,642	100,029,995
<b>HC</b>	29,168,322	-	1,807,664	-	-	-	2,742,081	33,718,067
<b>ISC</b>	795,540	2,894,804		-	-	-	560,214	4,250,558
<b>CER</b>	-	15,301,006	6,850,000	-	-	28,398,101 Lead	4,940,045	55,489,152
<b>NRCan</b>	7,948,382	-	63,294,750	-	-	7,926,152	6,966,152	86,135,436
<b>TC</b>	10,451,406	4,921,605	2,476,316	-	66,940,787 Lead	-	12,887,742	97,677,856
<b>Total</b>	<b>172,330,639</b>	<b>117,576,635</b>	<b>262,705,692</b>	<b>263,663,248</b>	<b>66,940,787</b>	<b>36,324,253</b>	<b>96,983,182</b>	<b>1,016,524,436</b>

Organization	Theme						Internal Services	Total
	Impact Assessment	Partnering with Indigenous people	Cumulative Effects, Open Science, Evidence	Protection of Fish and Fish Habitat	Protection of Public Right to Navigation	Regulation of Energy		

\* As a result of the restructuring of ISC and CIRNAC programs in January 2020, ISC assumed all responsibilities for the funding and the associated activities under Theme 3, Cumulative Effects, Open Science, and Evidence, which was previously under the responsibility of CIRNAC.

**Source:** Horizontal Results Framework (HRF)

## Governance

Under the lead of IAAC, three interdepartmental impact assessment committees have been struck at the Deputy Minister (DM), Assistant Deputy Minister (ADM), and Director General (DG) levels. The responsibilities of each of these committees are described below.

- DM Impact Assessment committee: provides oversight and strategic direction on issues and risks related to the implementation of the IAA and projects still being reviewed under the (now repealed) *Canadian Environmental Assessment Act, 2012* (CEAA 2012).
- ADM Impact Assessment committee: provides direction and advice on matters pertaining to the IAA and supports the DM Impact Assessment committee.
- DG Impact Assessment committee: oversees operational and policy implementation issues related to impact assessments, identifies/provides advice on system-wide strategic issues, and supports the ADM Impact Assessment and DM Impact Assessment committees.

These committees are comprised of all federal organizations involved in the implementation of the IAA. This includes the nine organizations that received funding to deliver the IARP horizontal initiative (see Table 1) as well as those that did not specifically receive funding but, as expert federal organizations, are involved in the implementation of the initiative. These organizations include the Canadian Nuclear Safety Commission; Employment and Social Development Canada; Innovation, Science and Economic Development; Department of Justice; Parks Canada; Privy Council Office; Department of Finance; Treasury Board of Canada Secretariat; Women and Gender Equality Canada; and Canadian Northern Economic Development Agency (CanNor).

Each partner DA may have department-specific governance established to oversee and manage their horizontal initiative funded activities.

## Expected Results

The results for the IARP horizontal initiative were articulated in a Horizontal Results Framework (HRF),<sup>6</sup> including the overall shared outcome and the outcomes for each of the six themes (please refer to Appendix A for these outcomes outlined in the HRF).

## 1.2 Evaluation Objectives and Scope

The objective of the evaluation is to assess the relevance, effectiveness, and efficiency of the IARP horizontal initiative from 2018–19 to 2021–22. Although funding for the IARP horizontal initiative was received later in 2018–19, the initiative did not come into effect until August 28, 2019. Given this, the focus of the evaluation is on its implementation, with the assessment of effectiveness emphasizing the extent to which the activities and outputs have facilitated the progress towards the achievement of the intended outcomes as identified in the HRF.

The evaluation scope covers just over three years, from 2018-19 to as close to current as possible (i.e., to in-year 2021-22). The evaluation covers most of the \$551M of planned expenditures expected to the end of the 2021-22 fiscal year. Only one grants and contributions (Gs&Cs) program was explicitly scoped into the evaluation: DFO's Indigenous Habitat Participation Program (IHPP). The scope of the evaluation covers:

- All six themes;
- Early progress towards the shared outcome;
- Impact assessments and Marine Spatial Plans started during the period covered by the evaluation; and
- Matters of interest pertaining to the horizontal nature of the initiative (e.g., governance and collaboration between departments, Indigenous engagement, cumulative effects, progress towards implementation, and early HRF outcomes).

## 1.3 Evaluation Methodology and Limitations

### 1.3.1 Evaluation Questions

The evaluation questions assessed in the evaluation include:

1. To what extent is the IARP horizontal initiative designed and implemented in a way that will facilitate the achievement of the intended outcomes as outlined in the HRF?
  - a. What progress has been made by partner DAs to implement the planned activities and deliver the expected outputs of the IARP horizontal initiative, as outlined in the HRF?

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<sup>6</sup> The HRF was established before Bills C-68 and C-69 came into force.



- b. To what extent has the IARP horizontal initiative made progress towards the outcomes defined under each of the six themes in the HRF<sup>7</sup> and the strategic outcome?
2. How are partner DAs carrying out Indigenous engagement and partnership activities?
  - a. What are the strengths and weaknesses of these approaches?
  - b. Are there lessons learned or best practices that can be broadly applied?
3. What factors have facilitated or hindered the implementation of activities and progress towards HRF outcomes and to what extent? Were hindrances effectively managed?
4. To what extent are roles and responsibilities well understood and appropriate and horizontal governance mechanisms efficient and effective?
5. To what extent is financial and non-financial performance information being collected and reported to support the HRF?
  - a. How, and to what extent, is this information being used to inform senior management decision-makers?
  - b. Does the performance information collected in the HRF fully and clearly report on progress? How can it be improved?

### 1.3.2 Data Collection Methods and Limitations

The evaluation used findings from a document and data review, key informant interviews, and case studies to assess the evaluation questions outlined above. Technical reports or evidence matrices were developed for each data collection method, and a systematic approach to data analysis, including analysis both by method and across methods, was undertaken. The data collection methods employed are described below.

#### Document and Data Review

The document and data review covered a very large number of sources, including IARP horizontal initiative documentation, sources from all partner DAs, HRF Reports, and other relevant internal and publicly available documents and data. The documents and data examined provided historical and contextual information for the IARP horizontal initiative, assisted in developing the data collection instruments and responded directly to nearly all of the evaluation questions.

#### *Limitations*

Documentation was not available to answer some of the indicators meant to be covered by the document review, and some aspects of the IARP horizontal initiative were not documented clearly or reflected in the HRF. For example, few documents spoke to the way implementation of the IARP horizontal initiative has unfolded so far, making it difficult to describe the extent to which targets

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<sup>7</sup> Including theme and activity outcomes.



and plans are being met. To mitigate this limitation, the evaluation team relied on interviews to fill these gaps.

## Key Informant Interviews

A total of 63 interviews were conducted with the following key informant groups:

- Internal – Federal government representatives from each of the nine partner DA respondents,<sup>8</sup> including senior management (i.e., ADM or above) respondents (32 interviews conducted with 90 individuals);
- Other Government Departments (OGDs) (organizations not directly funded to deliver the IARP horizontal initiative), including the Canadian Nuclear Safety Commission, Innovation, Science and Economic Development Canada, Women and Gender Equality Canada, Employment and Social Development Canada, Canadian Northern Economic Development Agency, Canadian Coast Guard (six interviews conducted);
- Respondents external to the federal government such as academics, industry associations, non-governmental organizations, provinces/territories (PTs) and proponents (but not representing Indigenous interests) (17 interviews conducted); and
- Respondents from Indigenous organizations or otherwise representing Indigenous interests such as community representatives, Indigenous organizations and IAAC Indigenous Advisory Committee members (eight interviews conducted).

Most interviews with federal government representatives (including internal, senior management and OGDs) were group interviews.

Qualitative results are presented in the report using descriptive terms to provide the reader with a sense of the weight of evidence. The following terms and definitions were used:

- A few – Where fewer than 25% and at least two respondents shared an opinion;
- Some – Where more than 25% and fewer than 50% of respondents shared an opinion;
- Half – Where 50% of respondents shared an opinion;
- Most – Where more than 50% and fewer than 90% of respondents shared an opinion; and
- Almost all – Where 90% or more of respondents shared an opinion.

### *Limitations*

Fewer key informant interviews were conducted with external stakeholders and Indigenous respondents than initially planned due to challenges with recruitment among respondents. Many Indigenous communities had other priorities given the context of the COVID-19 pandemic. As a

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<sup>8</sup> Note that one representative from the unfunded DA, the Public Health Agency of Canada, was interviewed with individuals from HC and their views were integrated with those of the others in the interview.

result, some information about the IARP horizontal initiative's relevance, delivery, effectiveness, and efficiency may have been missed from these stakeholders. The views in the report are therefore reflective of the people interviewed and their communities/organizations; other communities/organizations may have different views. The inclusion of external and Indigenous respondents in case studies mitigated this limitation.

In addition, the level of familiarity with the IARP varied by respondent, with some being familiar with the IARP horizontal initiative overall and some with familiarity limited to their involvement. In addition, many external and some internal key informants had no experience with the previous regime or struggled to differentiate what observations applied strictly to the IARP horizontal initiative. As such, not all respondents could comment on all of the evaluation questions.

Finally, elements of the new regime are yet to occur in practice, which means that the information available on parts of the new process is limited. As a result, limited (or no) information was available beyond the early stages (e.g., the planning phase) of the new regime.

## Case Studies

Case studies were selected based on criteria approved by the HEAC, including having one focused on cumulative effects, having at least two with Indigenous engagement, having a mix of regions/provinces, and including most if not all themes and partner DAs to the extent possible. Partner DAs were asked to nominate case study subjects, and a meeting was held with the HEAC to discuss the options against the criteria and arrive at a final set of case studies.

A total of five case studies were conducted.<sup>9</sup> The topics of those case studies are listed below, with the associated themes, departmental lead, and applicable region(s) in parentheses:

- Gazoduc Project (relevant to Themes 1, 2, 3, and 6; IAAC is the lead department; Ontario and Quebec);
- IHPP (relevant to Theme 4; DFO is the lead department; national);
- Marine Spatial Planning (MSP) (relevant to Theme 3; DFO is the lead department; British Columbia);
- OSDP (relevant to Theme 3; NRCan and ECCC are co-lead departments for the OSDP; national); and
- Webequie Supply Road Project (relevant to Themes 1 and 2; IAAC is the lead department; Ontario)

The case studies were based on a review of relevant documentation as well as key informant interviews. The interviews were in addition to those of the main key informant interview line of

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<sup>9</sup> Theme 5 (Protection of Public Right to Navigation) was not included since TC did not provide a nomination for a case study. Additionally, the overall funding is relatively small for this theme and the HEAC determined that other themes warranted a case study.

evidence, although some respondents were consulted both with regard to the overall IARP horizontal initiative and a specific case. Table 2 presents the number and type of interviews for each case study.

**Table 2: Number and Type of Interviews Conducted, by Case Study**

Case Study	Number of Interviews	Categories of Respondents
<b>Gazoduq Project</b>	11 interviews (14 individuals)	Six federal DAs (IAAC, CER, HC, ECCC, DFO, NRCan), three Indigenous organizations, one provincial interview, one non-governmental association
<b>Indigenous Habitat Participation Program (IHPP)</b>	7 interviews (10 individuals)	Lead federal DA (DFO), and two recipients (one national, one regional)
<b>Marine Spatial Planning (MSP)</b>	4 interviews (7 individuals)	Two federal DAs (DFO, TC)
<b>Open Science Data Platform (OSDP)</b>	6 interviews (11 individuals)	Five federal DAs (NRCan, ECCC, DFO, IAAC, HC), one external association
<b>Webequie Supply Road Project</b>	7 interviews (13 individuals)	Three Indigenous communities, three federal DAs (DFO, HC, IAAC), one NGO

The case studies provide specific examples of how the IARP horizontal initiative activities are contributing to, or are expected to contribute to, theme outcomes. They provide context-specific information to supplement and enrich the information collected through the other lines of evidence.

#### *Limitations*

Some initiatives covered by the case studies (i.e., OSDP, MSP, and, to some extent, the IHPP) are in relatively early stages of implementation and others (i.e., Gazoduq and Webequie) only covered the planning phase of those impact assessment process. In addition, some case studies were unable to include interviews with certain key informant groups, due to a lack of response and/or availability during the evaluation period. In the case of Gazoduq, no interview with the proponent side took place; the MSP case study did not include interviews with representatives from Indigenous communities or organizations; and, in the case of IHPP, interviews took place with representatives of funded Indigenous non-profit organizations, but not with representatives of funded or non-funded communities.

## 2.0 Findings

### 2.1 Design and Implementation

**SUMMARY:**

The IARP horizontal initiative is designed to offer greater clarity about impact assessment and regulatory processes, more opportunities for engagement, and allow the GC to consider the impacts of projects more holistically. In that sense, the initiative is designed to respond to some of the most pressing concerns raised with the previous regime (i.e., the environmental assessment approach and previous regulatory frameworks). However, it is unclear the extent to which the new approach translates into input from external stakeholders, Indigenous partners, and DAs experts being meaningfully addressed and acted upon, in part because it is too early to see how input is used but also because the process to incorporate feedback is not transparent.

The IARP horizontal initiative resources have been expended at a slower pace than expected given a prolonged ramp-up phase and COVID-19. However, some respondents could identify ongoing activities that were not funded under the IARP horizontal initiative (amongst funded and non-funded DAs). Some respondents explained that some activities that have not yet been implemented in full will require additional funding for DAs to respond to important demands.

The IARP horizontal initiative roles, responsibilities and accountabilities are described in the legislation and, in the case of impact assessments, articulated in Memoranda of Understanding (MOUs) between organizations. However, less than half of respondents of all types fully agreed that roles and responsibilities are clear, well understood and appropriate. Respondents raised issues of duplication and overlap across DAs, as well as a lack of leadership for collaborative interdepartmental work. Senior management respondents consider that the IARP horizontal initiative governance structure functions well, but other internal respondents who are at the working level have concerns with committee management and administration.

In terms of performance measurement, the HRF is used to report on progress made to date against planned activities and outputs. Most DAs reported that they have the necessary systems and processes in place to collect data, including financial and non-financial data (although some data is still outstanding). Decision-makers reported that they have the information they need to make decisions. However, there are many opportunities for improvement, especially to better capture what external stakeholder and Indigenous input is collected throughout the implementation of the IARP horizontal initiative and how that input is used. The IARP horizontal initiative lacks mechanisms to gather feedback in a systematic way on engagement activities. Although the HRF is useful to capture progress against activities and outputs, it is less clear whether it accurately reflects (or will reflect) progress for theme-level and shared

outcomes. The HRF is limited in terms of clearly articulating the logic of the initiative and the links (and assumptions) between all activities and the outcomes.

### 2.1.1 Design

According to all lines of evidence, the design of the IARP horizontal initiative responds to many of the most pressing concerns raised with the previous environmental assessment regime under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012). The IARP horizontal initiative, as designed, also aims to address issues raised concerning regulatory frameworks for navigation, the protection of fish habitat, and energy regulation. Concerns about the previous environmental assessment legislative/regulatory framework included a lack of transparency, a slow and unpredictable process, and insufficient integration of different perspectives, including Indigenous voices. The IARP horizontal initiative was designed to implement the legislative changes adopted to address those concerns. Specifically, the IARP horizontal initiative:

- Offers greater leadership, clarity and policy direction about impact assessment and regulatory processes;
- Provides more opportunities for engagement and opportunities to provide input, including engagement with and input from Indigenous partners; and
- Enables the GC to consider the impacts of projects more holistically.

### Transparency

In terms of leadership, clarity and policy direction, the document review found that training about the IARP horizontal initiative and the online Canadian Impact Assessment Registry (the Registry) were implemented to increase transparency. IAAC developed and delivered training to interested parties on requirements, expectations, and obligations under the new legislation. In its first year (the 2019–20 fiscal year), the training program delivered a total of 83 sessions to more than 3,200 members of the public, federal authorities, and Indigenous groups from coast to coast.

The online Registry was updated to be a modern, user-focused “one-stop-shop” for information related to projects, impact assessments, and other relevant regulatory/permitting processes. The Registry includes information submitted by project proponents, such as detailed project descriptions and comments from the public, stakeholders, Indigenous groups, and expert federal authorities. Additionally, an interactive map embedded in the website enables users to explore, visualize, and analyze geographic assessment data. All records received and generated throughout the impact assessment process are available online. The renewed Registry also offers greater transparency than there was previously related to assessments of proposed projects on federal lands and it enables the public to participate in environmental effects determination.

During interviews, some internal respondents specifically mentioned that the new impact assessment and regulatory regime is more transparent regarding leadership, policy direction and predictable processes, although a similar proportion felt it was too early to comment on the

design of the IARP horizontal initiative. While a few respondents noted that there is improved interdepartmental collaboration and engagement, a few others felt that coordination could be further strengthened, especially at the working levels. About half of internal respondents who formulated ideas for improvement suggested creating a working-level interdepartmental coordination mechanism (perhaps interdepartmental committees or working groups) to improve engagement, role clarity and issue resolution.

A few respondents from within and outside of the GC suggested the creation of communities of practice to improve coordination, with membership from government, academia, industry, and Indigenous communities.

Most OGD respondents felt that the new regime integrates interdepartmental collaboration, which improves policy implementation, visibility, awareness, and clarity on how decisions are made. Despite this, a few OGD respondents were also critical of coordination in terms of making sense of how the different analyses coming from DAs would be rolled-up/coordinated. As well, few OGD respondents were critical of the coordination with central agencies when OGDs request additional funds for IARP horizontal initiative-related activities (i.e., rather than several DAs that did not receive dedicated funding seeking HI-related funding from central agencies, these DAs should coordinate their requests).

External respondents had mixed views on the design of the IARP horizontal initiative. Some reported increased clarity on the process, whereas others have outstanding concerns, including: clarity regarding offshore projects; the roles of PTs and lifecycle regulators;<sup>10</sup> and the extent to which environmental protections eliminated during the previous regime will be restored. Indigenous respondents were generally positive about decreased administrative burden for accessing funds.

Under the IAA, projects are designated in two ways. First, through the *Physical Activities Regulations* (i.e., Project List), which includes project types for which the federal IA process would add incremental value, over and above other federal regulatory oversight mechanisms, such as authorizations, licenses, and permits. Second, the IAA includes a discretionary authority that enables the Minister of Environment and Climate Change to designate a proposed project not on the Project List, based on project characteristics or location, if the project may cause adverse effects within federal jurisdiction or public concerns related to those effects warranting designation. A few internal and external respondents noted that, during the early implementation of IARP horizontal initiative, the Minister designated more projects than anticipated, thus increasing the level of effort to implement the initiative. As well, a couple of respondents

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<sup>10</sup> Lifecycle regulators have roles throughout the impact assessment process for project that they regulate. Lifecycle regulators are meant to collaborate with the Agency through an integrated assessment process that meets the *Impact Assessment Act* and their own regulatory requirements. Lifecycle regulators include the Canada Energy Regulator (CER), the Canadian Nuclear Safety Commission (CNSC), and the Offshore Petroleum Boards.

specifically raised concerns about the inclusion of offshore exploratory drilling on the designated Project List (unless exempt using a Regional Assessment).

## Engagement and Opportunities for Input

### *Engagement*

Most interview and case study respondents, including those internal to government as well as external stakeholders and Indigenous respondents, agreed that the new impact assessment and regulatory regime is characterized by increased engagement. This includes engagement with proponents, the public, and stakeholders, as well as engagement with Indigenous partners and communities. Most external respondents also noted that they felt that the necessary actors and relationships are in place to implement the IARP horizontal initiative.

IAAC leads most engagement activities related to impact assessments and has developed a number of documents and supports to guide engagement, including an Annual Events Plan, and an Engagement Toolkit. According to the Annual Events Plan, the Agency planned to leverage various types of events (conventions, seminars, conferences, formal gatherings, presentations, etc.) to engage with Indigenous groups and stakeholders across categories of audiences (e.g., industry associations, non-governmental organizations, municipalities, academia, the public, etc.). The Engagement Toolkit includes virtual engagement tools and planning phase products (e.g., a framework for engagement, guiding questions, agenda templates for community meetings, valued components handout for participants, etc.).

In addition, IAAC's Registry was improved, equipping it with a new online engagement platform that allows Canadians to provide input on projects that concern them and reduces the processing time to render information public.

While IAAC is the lead for engagement on impact assessment, most other partner DAs also conduct outreach and engagement with stakeholders and Rights holders in the context of DA-specific work funded under the IARP horizontal initiative. Engagement takes many forms (Indigenous participation funding programs, Indigenous monitoring, training, gathering input and advice, development of Indigenous Centre for Cumulative Effects, fora/events, partnerships) and reaches many different audiences (Indigenous peoples, scientists, PTs, industry, associations, the general public).

### *Opportunities for Input to Impact Assessments*

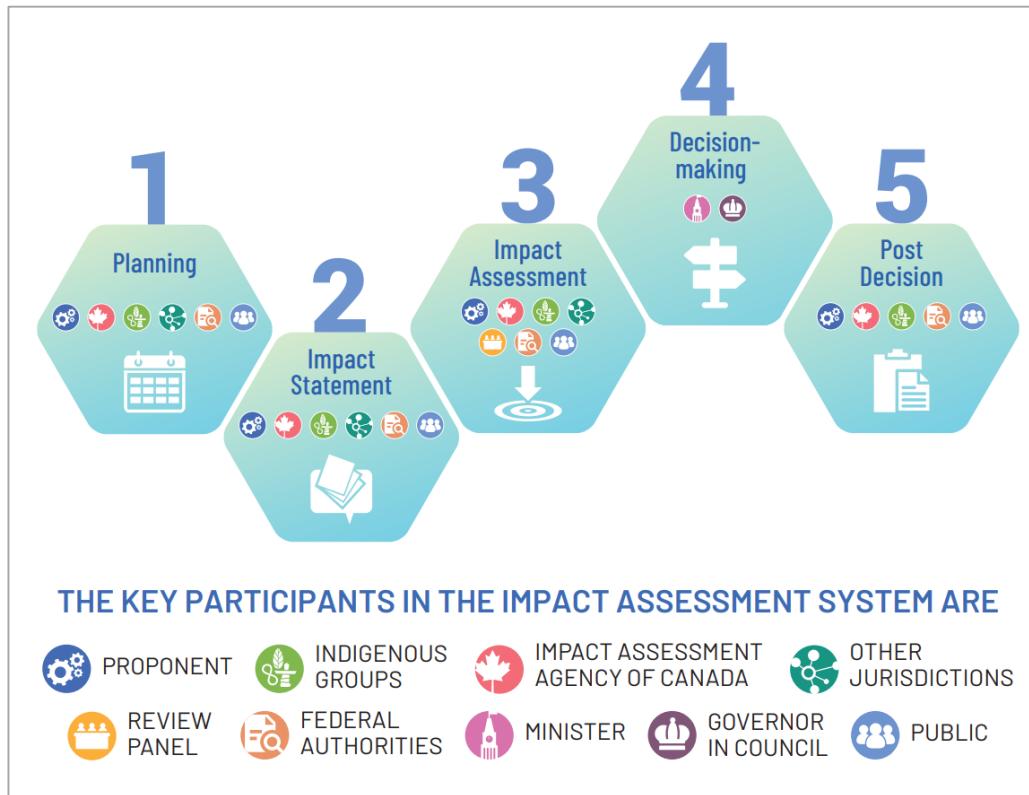
While input is being sought through these various engagement mechanisms, there have been few opportunities to integrate public and Indigenous knowledge given that, at the time of this evaluation, no assessment has advanced to the impact assessment phase. According to Section 22(1) of the IAA, the impact assessment of a project must take into account the following factors:

- Indigenous knowledge and community knowledge provided with respect to the designated project;
- Comments received from the public; and

- The intersection of sex and gender with other identity factors.

At the time of the evaluation, most projects managed under the new IA regime had only undergone part of the planning phase (Phase 1 in the figure below). Some projects completed the planning phase, leading to the publication of Tailored Impact Statement Guidelines (TISG), signalling the end of Phase 1). The TISG are meant to guide the conduct of the assessment by the project proponent in the Impact Statement phase (Phase 2). Only a few projects had moved into this Phase.<sup>11</sup> The purpose of the Impact Statement is to identify and assess the impacts and benefits of a project and the measures proposed to mitigate negative effects, which forms the basis of the impact assessment phase (Phase 3), resulting in an Impact Assessment Report. The Impact Assessment report summarizes the impact assessment process and takes into consideration the information and analysis provided in the Impact Statement as well as the perspectives of expert federal departments, Indigenous groups, the public, and PTs.

Figure 1: Phases of the Impact Assessment Process



Source: [Impact Assessment Process Overview - Canada.ca](https://www2015.international.gc.ca/iaac/iaac-iaac/iaac-iaac.aspx)

<sup>11</sup> IAAC. [Impact Assessment Process Overview - Canada.ca](https://www2015.international.gc.ca/iaac/iaac-iaac/iaac-iaac.aspx)



Public input has been sought through different project planning phases. IAAC has been gathering and compiling comments on initial project descriptions, detailed project descriptions, and the TISG, amongst other project-specific materials submitted for public review. IAAC has held project-specific public engagement sessions,<sup>12</sup> as well as meetings with Indigenous communities—inviting other DAs to participate to share their expertise.

Beyond the impact assessment process specifically, the new *Canadian Navigable Waters Act* requires the owner of any proposed work that might affect navigable waters to issue a public notice and provide information on their project before construction can begin. This allows people to voice concerns during the development process. TC developed a new online public registry as a tool for Canadians to be informed of proposed work in their communities and for greater transparency in navigation-related decision-making and processes.

Despite the IARP horizontal initiative's early stage of implementation, most internal respondents said they have been fully integrating input from the public and Indigenous groups into their impact assessment or regulatory processes.

Most Indigenous respondents acknowledged that there are more opportunities to provide input and observed a willingness to integrate Indigenous knowledge into impact assessments and other components of the IARP horizontal initiative. However, most Indigenous respondents also pointed out that integrating Indigenous knowledge requires proper capacity, funds, time and clear roles and responsibilities among both Indigenous communities and federal DAs. All of those elements were deemed to be lacking. DAs often lack the capacity to recognize and interpret Indigenous knowledge properly. One respondent highlighted the challenge that Indigenous knowledge is place-based, whereas impact assessments are intended to consider national interests. For Indigenous communities, capacity challenges related to Indigenous knowledge focused on having enough time to build relationships with knowledge-keepers and collect the information and data, as well as to communicate the knowledge.

All case studies included elements of engagement meant to gather input from stakeholders and Indigenous partners and act on it. However, most case study external respondents indicate it is too early to conclude whether the needs and concerns raised through those various initiatives will indeed be addressed. Additionally, external respondents are often not sure whether and how feedback has been considered. In some cases, (OSDP, IHPP) there seems to have been missed opportunities to engage more broadly and earlier in the design phase with the external users and stakeholders. The findings from the external and Indigenous interviews and some of the case studies reveal that there is a lack of transparency regarding how and whether external input is being considered.

Views from external respondents were mixed about whether input from industry or the public is being sufficiently integrated into new impact assessment and regulatory processes. Some external

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<sup>12</sup> IAAC (no date). Project Tracking Spreadsheet, Engagement Team.

respondents indicated that, while public input was well managed, input from different industry representatives was not sufficiently taken into account in the legislative reform and the implementation of the IARP horizontal initiative.

Some internal respondents raised concerns with the 180-days timeline for the impact assessment planning phase, which they reported hampered the ability of some federal DAs, OGDs, partners, and stakeholders to provide in-depth, tailored, coordinated expert input. Some external and Indigenous respondents echoed this concern with the timelines. The impact of the timelines, according to these respondents, is the extent of engagement that can take place and the quality of the input received. One example provided by an Indigenous respondent was that there are different species to consider in different seasons, but what is being looked at may not be in season at the time of the consultation. Since not all the knowledge is necessarily written down, the input given at a certain time of year may not reflect all that is known about the species over 13 moon cycles.

### *Gender-Based Analysis Plus*

The application of Gender-based Analysis Plus (GBA Plus) is an internationally recognized best practice to look at differential project effects across potentially impacted groups. Under the new IAA, sex, gender and intersecting identities are among the factors now required to be considered in the impact assessment of a designated project (paragraph 22(1)(s)). The addition of GBA Plus will not change the basic review processes that Agency staff and federal authorities conduct once they receive a proponent's impact statement. Agency staff will assess the impact statement for conformity with the TISG and conduct a technical review to assess the quality of the impact statement. The TISG, issued at the end of the planning phase, provides project-specific guidelines to the proponent and incorporates GBA Plus into the analysis of effects (e.g., environmental, health, social, economic). This includes an analysis of disproportionate effects on diverse or potentially vulnerable subgroups, when and where applicable. Ultimately, GBA Plus is meant to facilitate the analysis of health, social, economic, and environmental effects and impacts on Indigenous rights throughout the process.<sup>13</sup>

The new regime thus provides opportunities to take into account GBA Plus, particularly during the planning phase of impact assessments. However, views are mixed as to the extent to which this has been operationalized successfully. On the one hand, there is evidence that DAs, OGDs, and external organizations are providing GBA Plus expertise and input. It is reported that TISGs developed to date reflect GBA Plus.<sup>14</sup> The Webequie and Gazoduq case studies confirm that the expanded scope of impact assessments under the new regime has brought greater consideration for GBA Plus elements. As well, there is dedicated funding to ensure GBA Plus is considered.

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<sup>13</sup> IAAC (no date). [Guidance: Gender-based Analysis Plus in Impact Assessment - Canada.ca](#)

<sup>14</sup> Since no impact statement have been submitted under the new regime at the time the case studies were conducted, it was not possible to assess the extent to which TISGs such as the ones developed for Webequie and Gazoduq reflect GBA Plus.

On the other hand, GBA Plus approaches and expertise seem to vary widely by funded DA. About half of internal respondents report that they are still formulating processes to encompass GBA Plus fully. Most non-funded OGDs who commented reported they have implemented comprehensive GBA Plus lenses in all of their activities. It was also heard that the GBA Plus terminology does not resonate with Indigenous partners.

## Holistic View of Impacts

An extensive review process was undertaken between 2016 and 2017, kicked off with the December 2015 Speech from the Throne where the Government committed to introducing new environmental assessment processes.

The review process led the Government of Canada to table new legislation on February 8, 2018. Bill C-69 was developed and introduced to enact the IAA and the *Canadian Energy Regulator Act* to amend the *Navigation Protection Act* and make consequential amendments to other Acts.

The new IA was developed to respond to the concerns noted above by broadening the focus of project reviews and moving from environmental assessments to impact assessments with a focus on sustainability. The new impact assessment framework is meant to “look at more than just environmental impacts,”<sup>15</sup> to assess each project’s potential environmental, health, economic, and social impacts. The goal of the new regime is to provide a more holistic picture of a project’s impacts on communities and the environment to enable better-informed decision-making.

Most of those consulted for the evaluation through interviews and case studies and across respondent types (government, external, Indigenous) agreed that the new regime does include broader consideration of the factors influencing impacts. A few respondents across types noted this was driven in large part by the increased involvement of more and varied federal DAs. Some also noted that the IARP horizontal initiative has applied a sustainability and inclusivity lens to impact assessments. Case studies raised the associated challenge that with more impacts to consider and more involvement of other DAs, operationalizing impact assessments is difficult. As well, the level of effort attached to impact assessments increased relative to environmental assessments.

## 2.1.2 Resources

A review of the IARP horizontal initiative financial data across all themes reveals that most partner DAs have spent less than their allocated IARP horizontal initiative budget since the beginning of the initiative (see Table 3). Before the COVID-19 pandemic, lapses were quite large, ranging from between a third to a half of the expected budget. Reasons for the lapses included delays in interpreting and clarifying the new legislative requirements,<sup>16</sup> delays in staffing, and

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<sup>15</sup> Government of Canada (2018). [Better Rules for Major Projects Review, to protect Canada’s environment and grow the economy](#). Electronic Handbook. Updated September 5, 2018.

<sup>16</sup> The length of time Parliament took to consider the IAA was longer than anticipated.

lower than anticipated spending on travel or in program areas (e.g., Gs&Cs funding). The lapses continued in 2020–21, albeit at a slower pace, and were largely due to the COVID-19 pandemic, which affected procurement, human resources, travel for engagement activities, and the implementation of certain activities, including research.



**Table 3: Planned and Lapsed IARP Horizontal Initiative Spending 2018–19 to 2020–21, by Theme**

Theme	2018–19 <sup>17</sup>		2019–20 <sup>18</sup>		2020–21		Total	
	Planned	Lapsed	Planned	Lapsed	Planned	Lapsed	Planned	Lapsed
Impact Assessment	\$17,174,555	\$5,744,715 (33.5%)	\$30,500,242	\$4,840,463 (15.9%)	\$41,737,523	\$1,449,592 (3.5%)	\$89,412,320	\$12,034,770 (13%)
Partnering with Indigenous Peoples	\$8,682,118	\$5,251,114 (60.5%)	\$18,125,826	\$3,258,731 (18%)	\$29,067,526	\$1,333,776 (4.6%)	\$55,875,470	\$9,843,621 (18%)
Cumulative Effects, Open Science, and Evidence	\$25,001,098	\$8,134,278 (32.5%)	\$55,376,419	\$11,189,068 (20.2%)	\$62,743,999	\$9,328,417 (14.9%)	\$143,121,516	\$28,651,763 (20%)
Protection of Fish and Fish Habitat	\$21,914,313	\$6,577,332 (30%)	\$56,143,837	\$17,340,884 (30.9%)	\$62,087,141	\$11,487,333 (18.5%)	\$140,145,291	\$35,405,549 (25%)
Protection of the Public Right to Navigation	\$3,746,712	\$2,211,163 (59%)	\$12,745,156	\$6,254,942 (49.1%)	\$12,763,940	\$7,053,408 (55.2%)	\$29,255,808	\$15,519,513 (53%)
Regulation of Energy	\$7,483,390	\$3,613,500 (48.3%)	\$9,350,563	-\$1,272,801 (-13.6%) <sup>19</sup>	\$7,920,084	\$2,836,324 (35.8%)	\$24,754,037	\$5,177,023 (21%)
<b>Total, all Themes</b>	<b>\$84,002,183</b>	<b>\$31,532,102 (37.5%)</b>	<b>\$182,242,043</b>	<b>\$41,611,287 (22.8%)</b>	<b>\$216,320,213</b>	<b>\$33,488,850 (15.5%)</b>	<b>\$482,564,439</b>	<b>\$106,632,239 (22%)</b>

<sup>17</sup> 2018–19 DRR SIT - Horizontal Initiative

<sup>18</sup> 2019–20 DRR SIT - Horizontal Initiative

<sup>19</sup> Overspending is due to reprofiled funds from 2018-19 that were not included in the 2019-20 planned spending amount.

During interviews, respondents confirmed what was evident in the documents, regarding the prolonged ramp-up phase and delays due to the COVID-19 pandemic.

Despite the persistent lapsing of funds, just under a third of internal respondents felt they received sufficient resources to match their workload. In particular, about half of internal respondents explicitly stated they will need additional funding to respond to important demands and work related to the IARP horizontal initiative that have not been resourced adequately. For example, it was mentioned that larger teams of experts than expected are often needed to perform the work that is proving to be more complex, requiring more diversity in expertise. Some also mentioned being asked to do work outside of the expected scope of their involvement. As well, there has been an unexpected requirement to develop additional materials to guide reviews (such as review guidelines or templates). Some DAs did not receive funding for some activities but are playing important roles (e.g., ISC,<sup>20</sup> DFO,<sup>21</sup> Public Health Agency of Canada). In cases where DA resources were insufficient for the work performed, funds have been reallocated from other sources to cover the shortfall.

Among OGDs, most indicated that they are fulfilling their expected responsibilities under the IARP horizontal initiative by reallocating funds from other activities, but a few also felt they could do more with dedicated funding. Only one OGD interviewed said they had received temporary funding from the Treasury Board to support IARP horizontal initiative-related activities.

## 2.1.3 Roles and Responsibilities

### Roles and Responsibilities

Improving and clarifying roles and responsibilities was a recommendation from the 2020 evaluation of the Major Projects Management Office Initiative (MPMOI),<sup>22</sup> which was taken into account when the IARP horizontal initiative was designed. The new legislation on impact assessment and regulatory processes establishes specific responsibilities for federal departments and agencies. Articulation of these roles and responsibilities, plus additional clarifications, are also found in MOUs signed or developed between IAAC and DAs delivering the IARP horizontal initiative, including organizations not funded under the initiative. These MOUs are applicable across projects and specify organizations' responsibilities and accountabilities during the different phases of impact assessments, or in specific impact assessment circumstances. For

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<sup>20</sup> ISC was not funded for the role they play in impact assessment project reviews (including any role played by the First Nations and Inuit Health Branch) due to how funds were divided when ISC and CIRNAC were created.

<sup>21</sup> DFO did get funding under the IARP horizontal initiative, but not for their role in impact assessment reviews.

<sup>22</sup> The MPMOI was a federal horizontal initiative established in 2007 (and sunset after 2019-20) to improve the accountability, transparency, timeliness, and predictability of the regulatory system for major resource projects by addressing a number of shortcomings of the review process that existed at that time. The design of the IARP took into account the conclusions of the MPMOI evaluations.

example, IAAC has an MOU in place with the CER and the CNSC for the purpose of integrated assessments.

The case studies provide examples of effective operationalization of these roles and responsibilities. For instance, effective collaboration between IAAC and the CER for Gazoduq facilitated the development of the joint review process. The formalized partnership between NRCan and ECCC, as the OSDP co-leads, enabled the project to move forward successfully.

Overall, on paper, the roles, responsibilities, and accountabilities are clearly documented. However, less than half of internal respondents across interview groups fully agreed that roles and responsibilities are clear, well understood, and appropriate. The reasons for this feedback are diverse. Some comments reflect that the legislative reform introduced changes in roles and relationships to which actors are still adjusting. This is true for the DAs new to IA but also for the established partners, given IAAC's new leadership role. Generally, DA respondents agree with the articulation of roles between their organization and IAAC but explain that 'making it work in practice' on specific files sometimes remains challenging.

Other comments capture some of the growing pains associated with the implementation of a new initiative. Some internal respondents identified areas of overlap between DAs, especially on Indigenous engagement and the provision of technical expertise on environmental impacts. Federal experts involved in the Gazoduq planning phase noted that improved interdepartmental coordination could have helped minimize duplication and strengthen the value of expert comments in shared areas of expertise. At the time of the evaluation, a few respondents flagged outstanding uncertainties as to whether the CER or other partners would provide certain technical expertise (e.g., on navigation).

As noted above under design and transparency, some internal respondents noted a lack of leadership for collaborative interdepartmental work. The respondents described that interdepartmental communication and governance are helpful to understanding the work done independently by organizations, but that there is sometimes no lead to implementing working-level coordination on some key files. A common suggestion made by internal respondents was the creation of a community of practice (or multiple communities of practice) to improve coordination and drive joint activities. On the other hand, a few internal respondents mentioned being involved in existing committees or working groups that touch on some of the same key areas, particularly Indigenous engagement.<sup>23</sup>

A number of respondents also recognized that external stakeholders and Indigenous partners and communities are confused and frustrated by unclear roles and responsibilities (or a lack of

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<sup>23</sup> It was not clear whether these are IARP horizontal initiative committees. One example noted by a couple of respondents is communities of practice to facilitate collaboration and learning from other DAs on various topics, including cumulative effects and Indigenous knowledge. Another example provided by one respondent was regional environmental assessment groups.

coordination) between federal organizations. This was also illustrated in interviews with external and Indigenous respondents and is discussed below in Section 2.2.

Finally, looking at roles and responsibilities for impact assessments in relation to external stakeholders, a few respondents described overlap between federal DAs and provincial partners. Respondents indicated there might be further opportunities for coordination.

## Governance

As described in the introduction to this report, three horizontal governance bodies oversee and guide the IARP horizontal initiative. IAAC provides secretarial support to the interdepartmental impact assessment committees at the DM, ADM, and DG levels. All federal organizations involved in the implementation of the IAA sit on those committees, including the nine funded DAs, as well as other expert federal organizations involved in the implementation of the Act.

The three IARP horizontal initiative governance committees are not decision-making bodies. The terms of reference for the DM Impact Assessment Committee states, “The Committee will provide advice and direction, but not fetter member departments’ and agencies’ respective decision-making authorities.” Further, each DA has established its own internal governance structure(s) to oversee and manage IARP horizontal initiative activities.

Senior management interview respondents confirmed that the horizontal governance committees noted above are well functioning and that discussions are relevant and well managed. Senior management respondents also agree that the composition of the committees is appropriate. However, working-level internal respondents identified areas for improvement. On committee management and administration, respondents commented on poor coordination, short notice for meetings, and late circulation of meeting materials. Respondents also reported some overlap among IARP Impact Assessment committees and described an underutilization of these committees for broader and more strategic conversations. Those respondents explained that the committees tend to focus on discreet impact assessment projects, rather than crosscutting policy or regulatory discussions.

### 2.1.4 Availability and Quality of Performance Information

#### Performance Measurement through the HRF

The IARP horizontal initiative’s performance framework was developed to address concerns related to financial and non-financial performance information raised under the previous environmental assessment system. These concerns were also documented in the [2020 Horizontal Evaluation of the MPMOI](#) (now sunsetted) which recommended that DAs, moving forward:

- Develop a logic model and a set of performance measures;
- Establish strong monitoring and reporting to reflect ongoing progress;



- Improve tracking of financial and human resources; and,
- Establish public-facing project monitoring systems for greater transparency.

The IARP horizontal initiative’s performance framework was developed in light of those recommendations (however, it does not appear that FTEs are being tracked using the HRF). Although the IARP horizontal initiative does not have a logic model or theory of change, activities and expected outcomes are defined in the HRF that was approved by the deputy heads of all nine funded DAs. The HRF identifies performance indicators for the shared outcome, theme-level outcomes, and DA-specific outputs or outcomes under each theme. DAs have implemented processes to collect and report against the HRF. Reporting occurred in the 2018–19, 2019–20, and 2020–21 fiscal years, including the tracking of financial information. The interdepartmental impact assessment committees are responsible for ensuring that the reporting is completed and timely. The IARP horizontal initiative also included modifications to the Registry and other platforms administered by DAs in an effort to increase transparency to the public.

At the working level, when looking at different activities of the IARP horizontal initiative implemented by DAs, it appears that most teams have the necessary data to track, monitor and report on their work. Some DA performance measurement frameworks are still being refined. At the senior levels, respondents generally indicated that the available data is useful to track the progress of the initiative.

Most HRF indicators relevant to the current stage of the initiative have been reported against. Data is sometimes unavailable because activities were delayed or because the reporting organization is yet to establish targets (in the absence of a baseline, where processes have not yet occurred). In addition, given the early stage of the initiative, key milestones have not yet been reached, or reporting is planned for 2021–22. As a result, it is too early to report on a number of the HRF indicators.

## Opportunities for Improvement to Performance Measurement

The evaluation identified three areas for performance measurement improvement: 1) tracking and reporting on the way external input is received and considered; 2) collecting direct, on-the-ground feedback from stakeholders and Indigenous partners engaged through IARP horizontal initiative processes; and 3) improvements to identifying and articulating the logic of the IARP horizontal initiative and opportunities to improve selected indicators.

### *Tracking and Reporting on External Input*

There is no consistent tracking or reporting mechanism for IAAC and other government partners to show what external input has been received through impact assessment or regulatory processes. Given respondents’ comments on the lack of transparency of the impact assessment process, it would be particularly important for IAAC to capture and report on the amount, the diversity (or convergence), and relevance of the external input received, including performance measures to track how external input was treated and responded to (i.e., whether it was acted



upon or not). The information gathered through such performance measures could help better assess engagement reach and ensure that impact assessments are no longer seen as a ‘black box.’

### *Feedback on Engagement*

There are very few HRF indicators meant to capture feedback directly from stakeholders and Indigenous communities or organizations on the effectiveness of engagement activities. The evaluation itself demonstrated the limitations of trying to obtain feedback on engagement long after the fact. All components of the IARP horizontal initiative should include consistent mechanisms to gather feedback from external stakeholders and Indigenous groups as engagement activities take place. This is needed to allow for course correction in real-time but also to effectively report on effectiveness as a whole. Given the number of people engaged externally in the context of IARP activities, all DAs who conduct engagement should seek and compile feedback right away. One of the shared outcome indicators is the percentage of participants in selected impact assessment and regulatory process engagement activities that indicate they had the opportunity to provide input. This indicator falls short of really measuring whether the IARP horizontal initiative engagement activities are successful in terms of meaningfulness and ultimately increasing trust with stakeholders and Indigenous peoples.

### *IARP Horizontal Initiative Logic and Indicators*

The evaluation found the HRF to be, as a whole, a good tool to capture progress to date on activities and outputs. However, it is still a work in progress and it will remain difficult to effectively reflect progress on outcomes (i.e., the ‘so-what’ behind activities and outputs). Internal key informant respondents suggested some improvements to performance measures, namely to add specificity and value to outcome indicators. In April 2021, IAAC recommended some changes to the HRF indicators, namely to adjust target dates and make some indicators more meaningful.

Finally, the HRF is limited in terms of clearly articulating the logic of the initiative, including the links and assumptions between the numerous activities and the outcomes. The evaluation found no major disconnect between the activities being carried out and the expected outcomes in the HRF. However, in the absence of a logic model or theory of change, there is no authoritative reference document unpacking the complexity and nuances of the IARP horizontal initiative.

## 2.2 Indigenous Engagement

### ***SUMMARY:***

The IARP horizontal initiative has introduced a stronger emphasis on Indigenous engagement across all themes and activities of the initiative. Indigenous respondents appreciate and view this commitment as progress to some extent, but they note that Indigenous communities and groups are looking for a more concrete and profound change in the GC’s approach. There remains an important divide between GC processes and the needs and realities of Indigenous communities and organizations. Meaningful engagement is difficult to achieve within the confines of GC processes (including siloed engagement) and timelines, especially given the large scope of issues the reform aims to tackle. Incorporation of Indigenous knowledge and

recognition of rights/jurisdictions are ongoing challenges. Indigenous respondents further noted that some GC communications are not culturally appropriate or adapted to the context of communities. Furthermore, communities continue to face a systemic lack of capacity, overburdening, and engagement fatigue. There remain important capacity limitations that affect Indigenous partners' ability to meet aggressive timelines. Communities face multiple priorities, a steep technical learning curve, and the need to gather and/or develop sufficient expertise to contribute, as well as adequately consult and engage Elders and community members.

### 2.2.1 Federal Government Efforts in Indigenous Engagement

The document review, interviews with respondents of all types (internal, external, and Indigenous), and case studies confirm that the GC has been making significant efforts towards increasing the frequency and quality of Indigenous engagement. IAAC and partner DAs recognize the importance of Indigenous engagement and carry out different types of engagement activities in the context of impact assessments and regulatory processes, as defined by the new regime.<sup>24</sup>

The different phases of the new impact assessment process integrate DA commitments and obligations to engage with Indigenous peoples. For IAAC, commitments and obligations are reflected in cooperation agreements, such as the 2019 Impact Assessment Cooperation Agreement between Canada and British Columbia, and project-specific agreements developed with Indigenous groups.

One mechanism for Indigenous engagement is through formal committees. Of note, shortly before the coming into force of the new legislation, IAAC's Indigenous Advisory Committee (IAC) was established.<sup>25</sup> This committee is composed of First Nations, Inuit, and Métis individuals, and provides expert advice for the development of key policy and guidance on the new impact assessment regime. Members also advise on approaches for collaboration and engagement with Indigenous peoples on policy and guidance products. The committee provides non-political advice reflecting the interests and concerns of the Indigenous peoples of Canada.

The CER has also established its own IAC, as required by the CER Act.<sup>26</sup> IAC members represent First Nations, Inuit, and Métis interests and contribute to enhancing the involvement of Indigenous peoples of Canada and Indigenous organizations in respect to CER-regulated facilities. The overarching mandate of the IAC at the CER is to advise the Board of Directors on how the CER can build a renewed relationship with Indigenous peoples.

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<sup>24</sup> Note that extensive Indigenous engagement was carried-out prior to the implementation of the new regime to gather input into its design. These engagement activities are outside the scope of the evaluation.

<sup>25</sup> Indigenous Advisory Committee - [Terms of Reference - Canada.ca](#).

<sup>26</sup> CER (no date). Management Discussion, 2019–20 Budget 2018 Funding.

As an early first step (beyond the establishment of committees with Indigenous representation), between October 2019 and October 2020, IAAC initiated a call for funding to support policy collaboration on impact assessment under the Policy Dialogue Program. This program enabled IAAC to seek feedback that contributed to the implementation of policy and regulatory development, methodology, and technical guidance, including updates to the “Practitioner’s Guide to Federal Impact Assessments under the *Impact Assessment Act*.” IAAC provided funding through Policy Dialogue Program to support 119 groups. As of January 2021, over 40 Indigenous communities and organizations had provided policy dialogue submissions.<sup>27</sup> Based on advice received from the policy dialogue submissions, IAAC will update the draft Interim Guidance found in the Practitioner’s Guide to Federal Impact Assessments under the IAA. The Agency plans to update these documents in 2021–22.<sup>28</sup> The responses and updated documents were not available for inclusion in the evaluation report.

Another important initiative was the development of an Indigenous Knowledge Policy Framework. Between February and June 2019, IAAC, the CER, DFO, NRCan, and TC collaboratively undertook engagement with Indigenous peoples across Canada to support the development of a draft Indigenous Knowledge Policy Framework.<sup>29</sup> The engagement activities included 25 engagement sessions on various topics (such as Indigenous knowledge, Bills C-68 and C-69, technical sessions, and presentations). In addition to these engagement sessions with Indigenous peoples, IAAC released a Discussion Paper on May 16, 2019, for public comment. A total of 55 submissions were received, including 37 from Indigenous groups, organizations, governments, and individuals. IAAC then sought feedback from Indigenous peoples on the draft Indigenous Knowledge Policy Framework. IAAC sent a letter to Indigenous leadership on May 20, 2021, inviting comments from Indigenous communities until October 8, 2021.<sup>30</sup> At the time of writing this evaluation report, input was still being reviewed.

IAAC also provides the proponent of a designated project with a Summary of Issues that it considers relevant with respect to that project, including issues that are raised by the Indigenous groups consulted under Section 12 of the IAA.<sup>31</sup> Proponents of designated projects are required to provide a detailed description of the designated project, which includes the proponent’s response to the Summary of Issues.

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<sup>27</sup> Annex III - What We Heard Report - Practitioner’s Guide to Federal Impact Assessments under *Impact Assessment Act*.

<sup>28</sup> Annex III - What We Heard Report - Practitioner’s Guide to Federal Impact Assessments under *Impact Assessment Act*.

<sup>29</sup> What we heard report IK Framework Final Sept 2020 (1).

<sup>30</sup> As of the end of the data collection period for the evaluation, additional information about this consultation process was not available.

<sup>31</sup> Section 12 of the IAA states: For the purpose of preparing for a possible impact assessment of a designated project, the Agency must offer to consult with any jurisdiction that has powers, duties or functions in relation to an assessment of the environmental effects of the designated project and any Indigenous group that may be affected by the carrying out of the designated project.

In the early implementation of the new regime, Indigenous participation in specific projects has occurred mainly in the pre-planning and planning phases. The documentation shows that IAAC and partner DAs conducted engagement activities in which Indigenous groups have participated. The Gazoduq and Webequie case studies further confirmed this. More broadly, IAAC also worked with communities on the development of Indigenous Engagement and Partnership Plans for different projects and received written submissions from communities commenting on project descriptions, summaries of issues, TISGs, etc. IAAC has also provided financial support to at least 122 different Indigenous governing bodies in 37 different project reviews across the country<sup>32</sup> to support their participation in the impact assessment process (through IAAC's Participant Funding Program). As of 2019–20, IAAC had established 26 funding agreements nationally to help provide capacity for Indigenous groups to influence the development of policies.

Other partner DAs also have activities identified under Theme 2 and have been active in this regard.

- CIRNAC, as the lead DA for Theme 2, is responsible under the IAA to contribute expertise to IAAC, review panels, and committees in relation to regional, strategic, and impact assessments.<sup>33</sup> CIRNAC's Consultation and Accommodation Unit has also been active in providing guidance to federal DAs on Indigenous engagement in impact assessments, information on Indigenous groups, and input to impact assessments (through regional subject matter experts). CIRNAC operates a Northern Participant Funding Program, which has supported 25 Indigenous and northern groups to participate in six environmental assessments in Yukon, Nunavut, and the Northwest Territories. The program also supported two Indigenous women's organizations to build their capacity to provide input into environmental assessments from an Indigenous GBA Plus lens.
- ISC is identified in the IAA as an expert federal authority, which is a new responsibility for the department and is meant to provide expertise at every phase of an assessment.<sup>34</sup> However, due to a reorganization shortly after the launch of the IARP horizontal initiative, the department did not receive funding targeted for implementing the IAA. Among other key activities, ISC provides input, develops tools, guidance, and capacity support for Indigenous organizations and communities, and participates in Indigenous and public engagement activities as necessary. The department has been directly involved in at least 38 projects initiated under the IAA, with different regional offices playing a leadership role.<sup>35</sup> ISC's First Nations and Inuit Health Branch (FNIHB) has supported projects under the First Nation's community-based baseline program. ISC has also been providing funding for First Nations

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<sup>32</sup> Horizontal Initiative SIT 2019–20 Horizontal Initiative SIT Input.

<sup>33</sup> MOU CIRNAC- IAAC.

<sup>34</sup> ISC (2021). Indigenous Services Canada's responsibilities under the *Impact Assessment Act*. Presentation to the ISC Senior Management Committee. Draft for Discussion April 28, 2021.

<sup>35</sup> Ibid

communities for capacity building and conducting their own research projects, namely through the Indigenous Center for Cumulative Effects (ICCE, incorporated in November 2019).

- TC is also identified under Theme 2 as providing expertise in the context of engagement led by IAAC with Indigenous groups. The department provides knowledge and expertise in keeping with Federal Authority requirements of the IAA as part of IAAC-led engagement and consultation processes and considers a project's potential to impact Indigenous rights in areas under TC's mandate. Under Theme 5, changes made to the *Canadian Navigable Waters Act*<sup>36</sup> have also created new involvement opportunities for Indigenous peoples regarding navigable waters, including regarding the definition of navigable waters, monitoring, decision-making that acknowledges traditional knowledge, consideration of impacts on Indigenous rights, etc.
- In addition to creating an IAC, the CER also delivered skills and cultural competencies training to more than half of its employees, equipping them to better understand Indigenous issues and concerns and to identify ways to co-design regulatory approaches with Indigenous peoples. Reporting from the CER indicates that resources were also allocated towards the development of a national Indigenous lifecycle monitoring policy.
- To engage and involve Indigenous leadership, DFO initiated outreach activities (workshops, interviews) with Indigenous peoples for the MSP Technical Assessment.<sup>37</sup> From January to May 2019, more than 40 people were engaged, including representatives of 16 Aboriginal Aquatic Resource and Oceans Management Programs and 12 communities and officials of two Indigenous governments.
- As a foundation for future engagement with Indigenous groups on the development of new information resources, the HC Impact Assessment program held a workshop with program staff to take stock of existing expertise and information resources related to Indigenous health. Program staff also provided input into new IAAC policies and guides related to consultation and engagement. HC participated in 30 Indigenous engagement activities related to 13 projects in 2019–20. In 2019, prior to the coming into force of the IAA, HC established an MOU to facilitate collaboration with ISC's First Nations and Inuit Health Branch on health expertise related to Indigenous peoples. The HC 2019–20 HRF report also indicates that HC expertise in supporting Indigenous concerns related to impacts on traditional fisheries was reflected in the report prepared for the first regional study initiated under the IAA.
- In 2019–20, NRCan reported holding 73 engagement sessions with Indigenous groups related to Bill C-69, Indigenous Knowledge, and new regulations.

Most GC interview respondents believe they have built strong relationships with Indigenous groups or monitors. Given legislated timelines<sup>38</sup> and the level of effort and expertise required for

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<sup>36</sup> The *Canadian Navigable Waters Act* - Nav E-Handbook.

<sup>37</sup> National Indigenous Fisheries Institute. Marine Spatial Planning Technical Assessment Report. June 2019.

<sup>38</sup> NRCan. OSDP ADM 2019-2020 Year-End Report. And Health Canada. Environmental Health and Internationally Protected Persons Programs Mid-Year Review virtual presentation. Fall 2020.

Indigenous groups to participate at different phases of the assessment process, capacity limitations in DAs<sup>39</sup> and communities<sup>40</sup> constitute an important challenge to meaningful engagement. Areas for improvement suggested by some respondents include:

- Greater transparency and accountability regarding how Indigenous input is considered and incorporated;<sup>41</sup>
- Ongoing need to continue to build Indigenous peoples' technical capacity so they can participate fully in collaborative co-creating, co-design, and co-delivery of solutions (including a call for more funding for this purpose); and
- Establishment of a structured and robust work plan to maximize engagement with Indigenous communities.

Less than half of external respondents (who were not Indigenous) could comment on Indigenous engagement. While some identified a few strengths (strong commitment by GC, early engagement, consideration, and protection of Indigenous knowledge), all saw opportunities for improvement. The suggestions for improvement focused on more recognition of Indigenous self-governance and involvement (e.g., conducting their own assessments of projects).

## 2.2.2 Views of Indigenous Partners

Almost all Indigenous interview and case study respondents<sup>42</sup> offered positive feedback about their experience providing input to the GC on impact assessment, policy development, and regulatory processes. These respondents noted that the GC's collaboration principles were good, that efforts were made to forge partnerships with Indigenous peoples, and that interactions were respectful and supportive. The reach of these engagement activities has also been considerable. As an example, in the case study for Gazoduq, by the time the planning phase officially began and before the beginning of the pandemic, IAAC had already engaged (two or three times each, in-person) almost all Indigenous communities affected by this large project to present the new impact assessment regime. In the MSP Pacific North Coast case study, collaborative development and implementation of formal agreements with Indigenous peoples were seen to have contributed to preserving pre-established partnerships with First Nations.

However, while most had positive things to say, no Indigenous respondent was completely satisfied. All felt that the government had more work to do with respect to meaningful Indigenous engagement. Opportunities for improvement included:

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<sup>39</sup> Mentioned in several documents, including Presentation to the ISC Senior Management Committee, April 28 2021.

<sup>40</sup> CIRNAC Documentation.

<sup>41</sup> Also mentioned previously in the report under "Engagement and opportunities for input."

<sup>42</sup> Including Indigenous individuals, communities, organizations and groups.



- *More time for engagement.* Half of the interview respondents felt that the time dedicated to engagement and dialogue with Indigenous peoples was insufficient, with one suggesting a longer-term horizon for the process. Case study respondents from communities involved in Webequie and Gazoduq explained that meaningful participation requires time and resources to (among other things) secure the expertise required to understand the files; gather community input and engage Elders; carefully consider cultural impacts and impacts on Treaty rights; and think about cumulative effects.
- *More education for government representatives and proponents on conducting culturally appropriate engagement.* For example, do not use PowerPoint presentations as the main approach to communication during virtual meetings. In addition, respondents identified a need for government to develop a deeper understanding of Indigenous knowledge. They also noted that face-to-face interactions are important to traditional knowledge holders, are culturally appropriate, and play an important role in building relationships and trust.<sup>43</sup> Respondents further suggested having federal representatives present during engagement sessions who are either the direct users of the information and/or decision-makers (rather than having to relay the information back to someone else).
- *Developing effective, adaptable approaches to engagement in complex cases involving a large number of communities.* Webequie, Gazoduq, and MSP cases reveal the complexity of determining which communities should be engaged and in what way, depending on the project or initiative. On the one hand, there should be recognition that the federal government has adopted a broad engagement approach not limited to the communities most closely affected by projects. On the other hand, some communities still feel they are not engaged at the right time, or, for communities that are less directly impacted, they would only want to have minimal involvement. A few interview respondents cautioned against a pan-Indigenous approach and mentioned that community-level engagement is more appropriate than focusing on the three national organizations since the national organizations cannot speak to the impacts on local communities.
- *Continued focus on capacity building for Indigenous communities.* While respondents agreed that participant funding programs help address communities' capacity to engage, they also noted that the continuation and increase of this type of funding are critical to support the continuous involvement of and capacity building within communities. The IHPP, for instance, represents one way of supporting participation and building capacity. Prior to the IHPP, there was no funding available to Indigenous communities/organizations to support their engagement in project reviews or more general fish/fish habitat-related engagement. Interviewees insisted that this programming must be continued (for both grants and contributions). GC respondents also noted the need to continue to build technical capacity.

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<sup>43</sup> While the pandemic has necessitated virtual interactions, one Indigenous interview respondent observed that there was hesitancy among some federal government to conduct site visits for a short duration.



- *The co-creation of a proactive, practical process for considering Indigenous knowledge.* Webequie case study respondents further elaborated on the ongoing challenges of having to communicate Indigenous knowledge (especially related to the interconnectedness of environmental, social, economic, and health effects) into mainstream reporting.
- *Introduction of stronger legal frameworks that define Indigenous jurisdiction and governance that would facilitate true partnerships with Indigenous peoples.* Several Gazoduq and Webequie case study respondents noted the absence of regulations defining Indigenous jurisdictions (Section 114 of the IAA). Similarly, MSP case study respondents stressed that formal governance agreements are needed to ensure meaningful partnerships with Indigenous communities. Representatives from DFO noted that governance arrangements must align with the existing legal framework. These representatives also stated that governance arrangements typically involve DFO and Indigenous groups providing advice and recommendations to decision-makers.

Almost half of the respondents interviewed identified short timelines as the most common challenge affecting the quality of engagement with Indigenous partners. For example, one Indigenous interview respondent noted the following:

*“The principle is to implement two-eye seeing, but the timescale may not be compatible for Indigenous peoples for relationship building. Cumulative effects is a broad area for sure. It takes time by the nature of it. Indigenous communities have been doing this work for a long time – they have been capturing the changes but the work isn’t organized in a way that can be included by decision makers. We need time to collect the data in a more scientific way and follow those bureaucratic processes.”*  
 – Indigenous interview respondent

The issue of tight timelines was often raised along with concerns around capacity limitations and the over-solicitation of Indigenous partners. In addition, as noted above under the discussion on performance measurement, Indigenous respondents in interviews and case studies specifically indicated there should be more transparency around how the GC considers Indigenous input.

### 2.2.3 Coordination of Indigenous Engagement

One common area of concern raised in the documents as well as by federal and Indigenous respondents through interviews and case studies is the issue of coordination of Indigenous engagement (previously noted during the discussion on roles and responsibilities, above). This includes coordination between federal DAs, between national and regional offices within DAs, as well as between the federal government and PTs. In the work related to MSP, it was noted that the complexity of the initiative and its various activities requires an ongoing commitment to

collaboration between DAs for successful implementation and that this can be challenging.<sup>44</sup> Documentation from different DAs signaled that uncertainty remains regarding roles and responsibilities for Indigenous engagement.<sup>45</sup> Planning documents identified the coordination of input from different sectors within DAs as a priority,<sup>46</sup> as was relationship building and cooperation between all partners.<sup>47</sup>

When asked to comment on roles and responsibilities related to Indigenous engagement, most of the GC interview respondents, of those who could comment, felt that there is weak interdepartmental coordination. Only a few indicated that there was good interdepartmental coordination. Most of those who criticized the degree of coordination said there is a lack of clarity on roles and responsibilities and a need for IAAC to provide clarification. Some thought there was disjointed messaging when addressing Indigenous issues and some called for a singular government reconciliatory tone set at the top level and entrenched across all sectors. A few attributed the lack of coordination to the need for greater policy coordination/vision. Some respondents suggested that strengthening governance structures would help address coordination challenges.

Almost all case studies indicate there are issues regarding coordination between federal bodies related to engaging Indigenous communities. A few Indigenous interview respondents echoed this concern, noting that it is not always clear with respect to if and how different federal DAs communicate with each other; however, a few respondents also felt there had been improvements in this respect over time. According to case study respondents, the duplication and complexity that results from this lack of coordination also contribute to overburdening communities.

A few interviews with Indigenous respondents and in both the Gazoduq and Webequie case studies also mentioned that federal and PT processes are not clear or streamlined, which further increases the demands on communities.

## 2.2.4 Progress Against HRF Indicators

DAs' commitment and obligations to engage with Indigenous peoples are built into the different stages of the new impact assessment process. For IAAC, commitments and obligations are reflected in cooperation agreements, such as the 2019 Impact Assessment Cooperation Agreement *between* Canada and British Columbia, and project-specific agreements developed with Indigenous groups.

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<sup>44</sup> DFO (2020). Marine Spatial Planning: Implementation Phase. Presentation to the Aquatic Ecosystems Sector Coordinating Committee (AESCC). July 16.

<sup>45</sup> ECCC (2020). IAA Tiger Team (Draft) Final Report & Recommendations July 2019 – July 2020. Version 3, dated July 24, 2020.

<sup>46</sup> Health Canada. Safe Environments Directorate DRAFT 2020-21 Key Directorate Operational Priorities. October 2019.

<sup>47</sup> *ibid*

Two theme-level indicators in the HRF speak to the effectiveness of Theme 2 under the new regime:

- Percentage of impact assessments and regulatory processes that engage Indigenous groups as per engagement plan; and
- Percentage of project impact assessment decisions that articulate how the Indigenous perspectives were addressed.

According to the reporting done to date against the HRF, no project has progressed far enough for these indicators to be reported against.

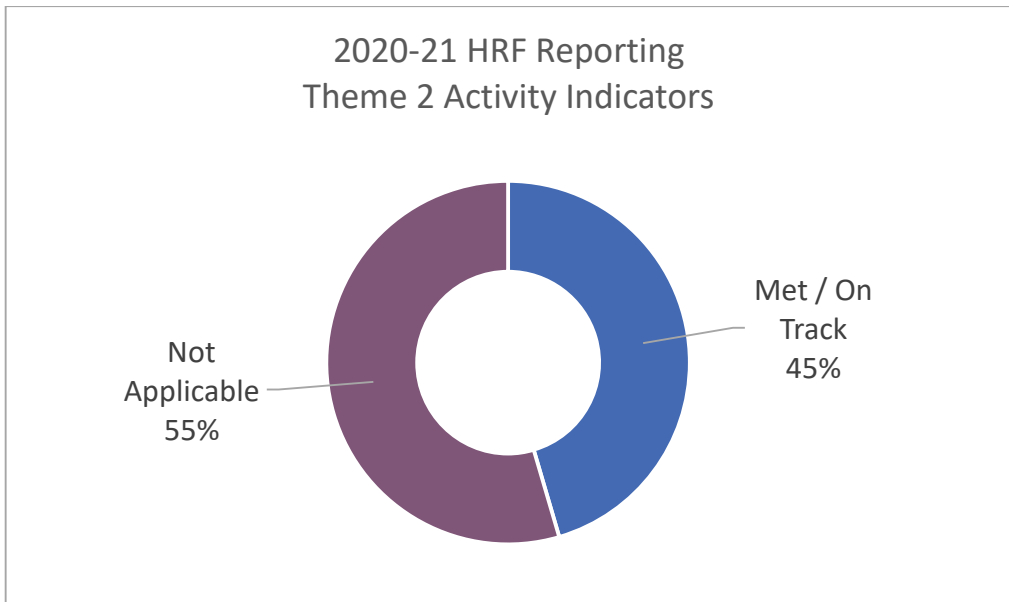
For DA-level indicators pertaining to Indigenous participation, DAs have made progress towards achieving targets<sup>48</sup>. Specifically,

- The CER and the British Columbia Oil and Gas Commission finalized a one-year pilot project with the Aboriginal Liaison Program. Each CEO has signed a Service Agreement and the CER transferred \$150,000 to the British Columbia Oil and Gas Commission. The CER's involvement will create new opportunities for collaboration with participating Indigenous communities and provincial agencies;
- CIRNAC's Northern Participant Funding Program engaged all of the affected Indigenous groups/individuals in the assessment process
- All determinations in which perspectives of recipients of CIRNAC's Northern Participant Funding Program are considered by co-management boards; and
- TC supported Indigenous consultations in all impact assessments where TC has identified a need to participate in the impact assessment.

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<sup>48</sup> As of March 2021, IAAC was yet to receive a first impact statement conducted under the new legislative framework. This means that downstream indicators related to the content of impact statements or project compliance with decisions are not applicable at this time.

Figure 2: 2020-21 HRF Reporting - Theme 2 Activity-Level Indicators



HRF reporting also reflects that IAAC has increased the number of opportunities for Indigenous engagement in impact assessments and established new formal relationships for policy work. According to interviews with Indigenous respondents, some believed impact assessments considered Indigenous interests to some degree, but that there is still a gap. Opportunities for improvement include introducing an Indigenous impact assessment process that is within Indigenous control, and better consideration of cumulative impacts. As noted in the 'progress to date' section below, some indicators related to Indigenous engagement and partnerships are also reported on under Themes 3, 4, 5, and 6, demonstrating where there has been progress against targets or challenges in reaching objectives.

However, HRF indicators, for the most part, do not speak to the meaningfulness of engagement, nor the extent to which Indigenous Right Holders and organizations who participate in these processes are satisfied with the processes. Under this theme, in particular, there is perhaps a more significant gap between performance indicators and the desired outcomes.

### 2.3 Progress to Date<sup>49</sup>

**SUMMARY:**  
Progress on activities and outputs has been slower than originally expected, but a little over half (42 of 74) of the activity-level indicators in the HRF are considered 'met' or 'on track.' DA

<sup>49</sup> Note that progress against Theme 2, Indigenous Engagement, is presented in Section 2.2.

teams are making progress across all themes and activities of the IARP horizontal initiative; the evaluation identified no significant gaps or obstacles to implementation.

Under Theme 1 (Impact Assessment), new impact assessment planning phase processes have been successfully implemented, including the provision of expertise by government organizations and engagement of external stakeholders and Indigenous partners. Theme 3 (Cumulative Effects, Open Science, and Evidence) has seen progress under a number of activities, including the OSDP, regional and strategic assessments, MSP, and the creation of the ICCE. Progress has been made under Theme 4 (Protection of Fish and Fish Habitat), namely related to supporting Indigenous participation in fish and fish habitat protection via the IHPP. Theme 5 (Protection of the Public Right to Navigation) has progressed towards the full implementation of the new *Canadian Navigable Waters Act*, but engagement has been significantly impacted by COVID-19. However, efforts are being made to continue engaging virtually with stakeholders and Indigenous peoples. Finally, most activity targets have been met under Theme 6 (Regulation of Energy), where the CER and NRCan have developed most of the required policies, regulations, and processes and have increased engagement with stakeholders and Indigenous peoples.

Other than the impact of COVID-19 on activities, hindering factors identified in the evaluation mainly relate to impact assessment process timelines and resulting pressures on DAs, coordination issues across government, and expected resourcing issues. Facilitating factors include adequate or additional resourcing (for some DAs and activities), effective internal structures within DAs, clear articulation of roles, formalized agreements between DAs and Indigenous groups or external stakeholders, strong senior management support, and the development of implementation tools (e.g., guidance documents, training, templates) by IAAC and other partners.

The evaluation used 2019–20 and 2020–21 HRF data to assess progress on activities and outcomes, in combination with interviews and case studies.

The IARP horizontal initiative is still in its early days, but a large amount of work has been undertaken to implement legislative changes. Despite delays in the rollout and the challenges posed by the COVID-19 pandemic, the evaluation found no significant gaps or failures. Activities under the six themes of the IARP horizontal initiative are moving forward. Progress on activities and outputs has been slower than originally expected, but over half (42 of 74) of the activity-level indicators in the HRF are considered ‘met’ or ‘on track.’

It is still too early for all categories of respondents to draw firm conclusions on the impacts of the IARP horizontal initiative, and perspectives vary depending on which part of the initiative respondents have been involved with. Some external respondents are disappointed by delays in implementation or describe instances where transparency, coordination, or responsiveness to their concerns has been lacking. Nevertheless, many respondents are satisfied to see positive

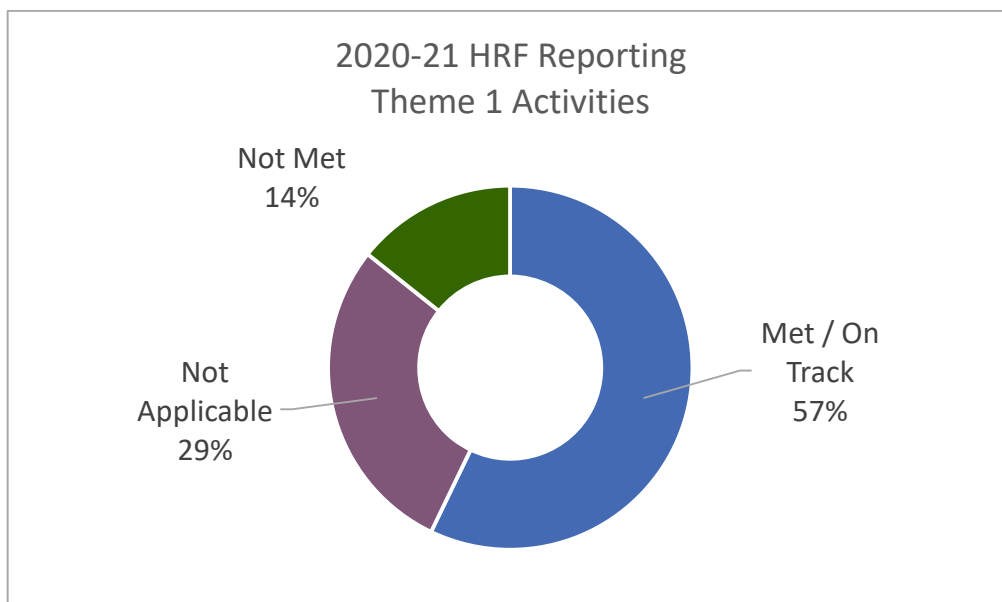
change within the increased scope of impact assessments, improved regulations, and stronger engagement.

Progress to date against activities and outcomes, as well as strengths and weaknesses of the IARP horizontal initiative, are described in more detail below, by theme. Evaluation Question 2 covered thoroughly progress against Theme 2 – Indigenous Engagement.

### 2.3.1 Theme 1 – Impact Assessment

IAAC leads Theme 1, under which ECCC, HC, ISC, NRCan, and TC also play a role. Progress made on impact assessment relates mainly to the implementation of the planning phase for projects initiated under the new regime. As of March 2021, IAAC was yet to receive an impact statement conducted under the new legislative framework. This means that downstream indicators related to the content of impact statements or project compliance with decisions are not applicable at this time. As of March 2021, IAAC had accepted three detailed project descriptions under the new regime and indicated that those descriptions were not modified significantly following stakeholder input.

Figure 3: 2020-21 HRF Reporting for Theme 1 Activity-Level Indicators



On improving predictability and timeliness of impact assessment processes, IAAC reported timely completion of all impact assessment steps undertaken under the new regime and completed during the evaluation period. There was, however, a need for an extension (as allowed under the IAA) to finalize the agreement with Quebec in the case of Gazoduq. The HRF includes indicators regarding the timely reception of expert advice during the impact assessment planning phase for HC, ECCC, TC, NRCan, and ISC. Reporting against the HRF (confirmed through the key informant

interviews) shows that expertise has been provided within those timelines, with few exceptions.<sup>50</sup> Most internal respondents consider this a success. However, internal respondents also underlined that generating tailored, in-depth, and coordinated advice within those tight legislated timelines is challenging, especially given that outgoing advice has to be approved before going to IAAC. IAAC reported that all TISGs reflected issues of importance identified in the planning phases; however, respondents are concerned that the TISGs might be too generic. This was exemplified in the Gazoduq case study, where some respondents noted that the planning phase would have benefited from more thorough issue definition, tighter coordination between expert departments, and more work to reduce duplication and remove content altogether irrelevant to the project.

The other overall objective of Theme 1 is to arrive at impact assessment decisions based on science and evidence and consider environmental, economic, and social impacts. Since no impact assessment decisions have been rendered, this is yet to be confirmed. However, key informant interviews confirmed that the overall IARP horizontal initiative continued to support a science-based approach. As noted in Section 2.1, respondents' views were positive regarding the expanded scope of impact assessments to encompass environmental, economic, and social impacts, as well as beginning to consider GBA Plus elements.

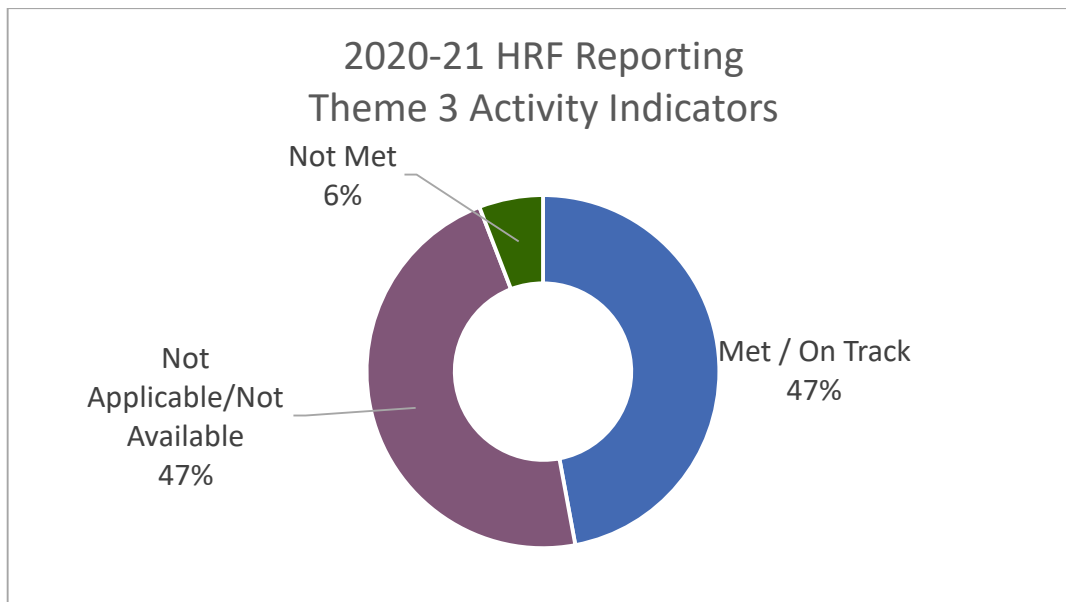
### 2.3.2 Theme 3 – Cumulative Effects, Open Science, and Evidence

ECCC leads Theme 3, with IAAC, CIRNAC, DFO, HC, CER, NRCan, and TC also making a contribution. Cumulative effects are the combined impact of multiple stressors, natural and anthropogenic, accumulated over time and space. Whereas a project may have only modest effects on its own, the effects of multiple projects in a given region can, over time, result in significant cumulative effects. Impacts can also be sourced from other human activities and natural processes can also affect regions. The goal of the Government's work on cumulative effects is to support informed decision-making both about individual projects and about the ongoing management of environmental conditions, including health effects of environmental changes, in a region. The new IARP horizontal initiative approach to addressing cumulative effects has various key components: the OSDP, regional assessments, strategic assessments, MSP, and the creation of the ICCE. Progress against those various components is described below.

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<sup>50</sup> ECCC, in 2020–21, reported that a majority of requests were responded to within established or renegotiated timelines and that delays were “mostly due to late submissions, workload capacity, complexity of issues and staff turnover.” Similarly, the HRF reporting indicates that one project did not adopt ECCC recommendations.

Figure 4: 2020-21 HRF Reporting - Theme 3 Activity-Level Indicators



The OSDP is a publicly accessible, single-window, integrated platform containing environmental science, knowledge, and data, along with tools enabling users to understand the cumulative effects of development activities across the country. The OSDP publicly launched in March 2021, during the evaluation period. Several DAs, including ISC, CIRNAC, DFO, ECCC, and NRCan, have been providing data for the platform. Metrics related to the utilization of the platform are on track and the OSDP team has increasingly engaged external users to improve the tool. However, respondents explained that the value of the platform requires curated content and additional, fresh sources of information—which continues to pose technical and resource challenges. The extent to which the OSDP will contribute to a better understanding (and eventual mitigation) of cumulative effects remains to be assessed in practice noting that geospatial data from proponents is not accessible yet within the Registry or the OSDP. At the shared outcome and theme-level outcome levels, the HRF includes an indicator on the number of users who accessed the OSDP and its products to facilitate participation in the horizontal initiative, manage cumulative effects, consider Indigenous knowledge, or for other purposes. Some usage data has been reported in the HRF on visits and downloads (the indicator is considered ‘on track’), but no information was reported regarding the actual use of the information accessed. As was the case during the development of the OSDP, it will remain important to capture user feedback to improve the platform moving forward. However, the IARP horizontal initiative may not be reporting this information: the HRF only has an indicator regarding the number of times data is accessed via the OSDP and none concerning users’ views on the usefulness of the information.

The objectives of regional assessments are to guide the planning and management of cumulative effects, identify the potential impacts on the rights and interests of Indigenous peoples, and



inform impact assessments. To date, three assessments have been initiated, with one completed<sup>51</sup>, and the other two ongoing<sup>52</sup>. The three regional assessments are intended to be completed by March 2023, as per the target in the HRF. A number of respondents noted a need for improvements related to regional assessments, including reducing delays; stronger leadership, governance, and accountability; and improved inter-jurisdictional cooperation.

Similarly, strategic assessments of GC policies, plans, or programs are also intended to inform project design and impact assessments. Strategic assessments provide guidance on how the Government accounts for selected issues (such as climate change) during project-specific impact assessments. As of the end of the 2020–21 reporting period, only one strategic assessment had been finalized, namely the Strategic Assessment of Climate Change. The HRF indicates that a target for strategic assessments was to be determined in 2020–21, but this target had not been updated at the time of this evaluation.

The MSP initiative led by DFO is another component of the cumulative effects portfolio. MSP brings together relevant authorities to coordinate how marine spaces are to be managed to achieve ecological, economic, social, and cultural objectives. NRCan conducted marine geoscience expeditions that can inform DFO-led MSP. TC also contributed some expertise to support this initiative. Progress towards developing Marine Spatial Plans has been slower than expected, noting that this work requires relationship building and establishing multilateral governance, which takes time. The use of MSP to manage cumulative effects in the marine environment is yet to be operationalized. Efforts are underway in five bioregions across Canada: Pacific North Coast (Northern Shelf Bioregion), Pacific South Coast (Southern BC), Scotian Shelf/Bay of Fundy, Newfoundland Labrador Shelves, and Estuary and the Gulf of St. Lawrence to better coordinate how we use and manage our oceans to achieve ecological, economic, cultural and social objectives. The MSP case study<sup>53</sup> described how federal, provincial, territorial and Indigenous partners established partnerships. Case study respondents noted that this work is challenging, especially given uncertainties in funding and the dynamic contexts of marine environments.

Another development under Theme 3 was the co-development of the ICCE, funded by ISC. The ICCE is Indigenous-led and operates independently of government to support community-based cumulative effects research, and is now in operation and providing support and funding to communities (10 projects were funded in 2020–21). HRF data on beneficiaries' satisfaction is still forthcoming; however, government interviewees indicated that the ICCE and the funding it allocates are important to build the capacity of Indigenous communities and allow them to gather baseline knowledge using an Indigenous perspective.

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<sup>51</sup> [Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador](#)

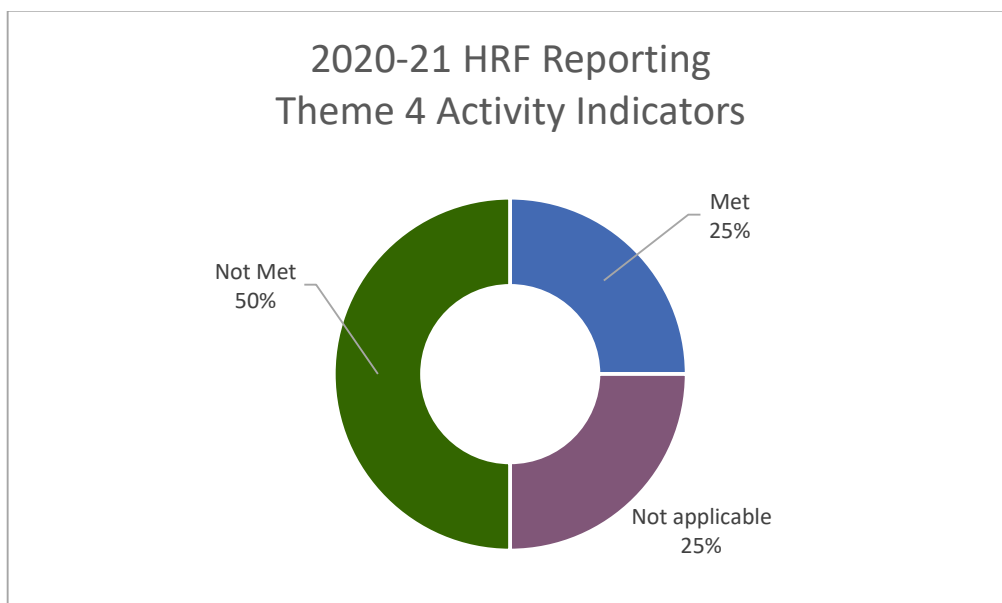
<sup>52</sup> The Regional Assessment in the Ring of Fire Area and the Regional Assessment of the St. Lawrence River Area.

<sup>53</sup> The case study focussed on two of the five areas: Pacific North Coast and Pacific South Coast

### 2.3.3 Theme 4 – Protection of Fish and Fish Habitat in Canada

Theme 4 activities—led by DFO—are underway. For 2020–21, DFO reported that 95% of development projects (occurring in or near water) effectively avoid, mitigate or offset impacts to fish and fish habitat (against a target of 100%). With respect to science reporting, DFO has experienced a delay with the publications of advisory reports, research documents, or science responses related to freshwater habitat or the effectiveness of management measures in 2020–21, but the department reported that “this work is expected to be caught up in future years.” DFO reports that fishery officers are dedicating more time to fish and fish habitat compliance and enforcement (124% increase in 2020–21 compared to 2017–18 levels) and that the department is about halfway to meeting the 2023 target established in the HRF (i.e., 38,541 hours against a 73,000-hours target based on 2004 data). The department also indicates that spatial or area-based reports on the state of fish and fish habitat in Canada are “in progress and on schedule.”

Figure 5: 2020-21 HRF Reporting - Theme 4 - Activity-Level Indicators



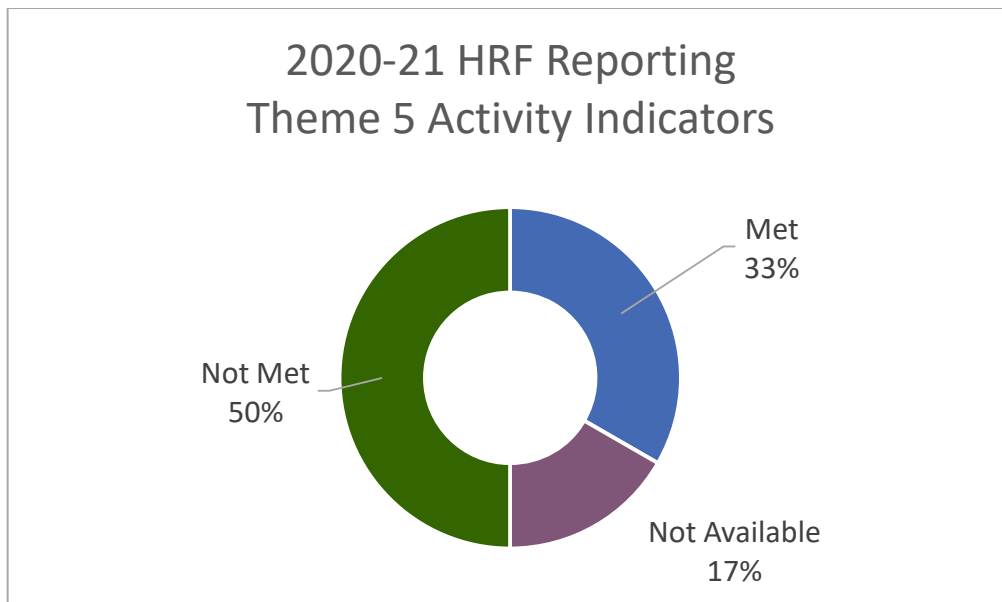
On Indigenous engagement as it pertains specifically to Theme 4, DFO reported meeting its objectives regarding the number of partnering arrangements and plans to increase the capacity of Indigenous groups for the management of fish and fish habitat. This progress is associated with the implementation of the IHPP. The IHPP supports the participation of Indigenous peoples in activities related to the conservation and protection of fish and fish habitat. The IHPP case study highlighted the importance of this funding mechanism and described opportunities to improve delivery, including improving communications to potential beneficiaries; streamlining requirements; establishing a more efficient approval approach, and; increasing coordination within and outside DFO.

DFO reports that 88% of authorization decisions considered impacts on Aboriginal and Treaty rights, including appropriate accommodation measures to mitigate those impacts (against a target of 100%). Also, few decisions rendered by DFO have considered Indigenous knowledge over the evaluation period (7%). Since Indigenous knowledge can only be considered when it has been provided, and due to the fact that guidance on how to seek and access Indigenous knowledge is still under development, there have not yet been many opportunities for communities to share Indigenous knowledge to inform these decisions. The ongoing interdepartmental work (i.e., the Indigenous Knowledge Policy Framework) and departmental guidance for practitioners on Indigenous knowledge and consultation should improve results in these areas.

### 2.3.4 Theme 5 – Protection of the Public Right to Navigation

TC leads this theme with the objectives of restoring lost protections, partnering with Indigenous peoples, and establishing open, accessible, and transparent processes for Canadians to express navigation-related concerns and see them addressed.

**Figure 6: 2020-21 HRF Reporting - Theme 5 Activity-Level Indicators**



The new *Canadian Navigable Waters Act* aims to protect better the waters on which the public has the right to travel. The Act requires owners to issue a public notice and provide information about proposed works before construction can begin on any navigable water. TC developed a new online public registry to inform Canadians about proposed works in their communities and to increase transparency in navigation-related decision-making and processes. TC created new policies and orders to regulate major and minor works on navigable waters under the Act.

The number of applications for approval of projects submitted to TC decreased by 40% in 2020–21 (rather than the targeted 50% increase relative to 2017–18) because of the COVID-19

pandemic and because new *Canadian Navigable Waters Act* processes allow proponents to use a public resolution process for approval, if their project fits certain criteria. Nonetheless, HRF reporting indicates that TC reviewed all submitted navigation concerns. Targets were met regarding the percentage of non-compliance and corrective actions implemented within timelines.

The new legislation also allows Canadians to submit applications to have eligible waters added to the *Navigation Protection Act* Schedule (the list of navigable waters where project proponents must apply to TC for approval). A formal call for application occurred in 2019–20, but not in 2020–21 despite the HRF objective of having a call occur each year.

The *Canadian Navigable Waters Act* regulatory processes (including distinct consultations) take place following an impact assessment, as appropriate. This has not yet been enacted under the new regime because no impact assessment has been completed to date. However, as a federal authority, TC has been providing expertise and advice during early planning for impact assessments. The CCG also contributes navigation-related expertise during impact assessments, even though the organization has not received funding for this purpose (and their perspective is distinct from DFO's).

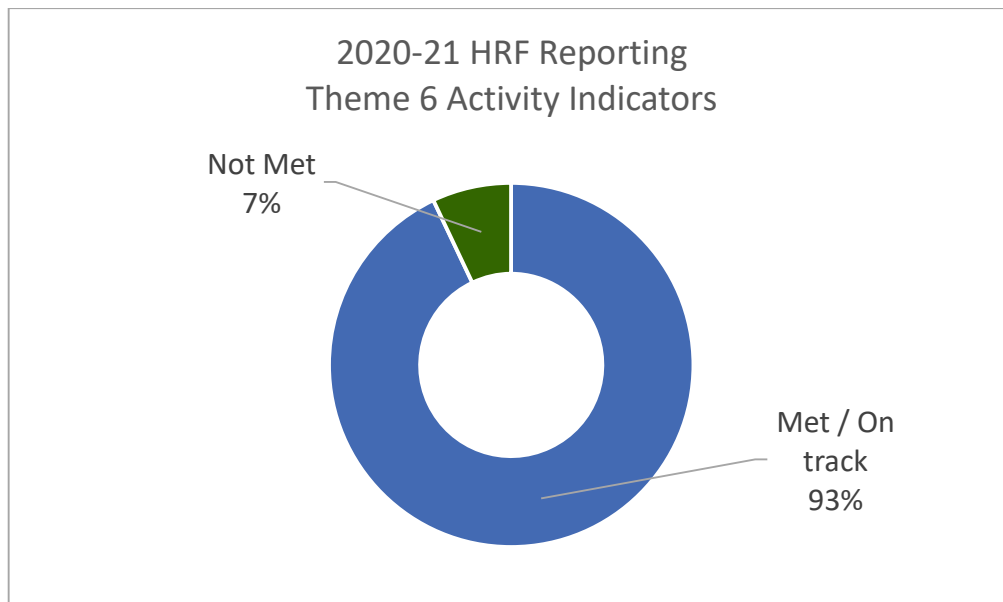
TC met its targets in terms of the percentage of eligible Indigenous applicants who received participation funding. The department also reports that decisions related to projects that could have an adverse effect on the rights of Indigenous peoples considered Indigenous input. However, according to HRF reporting, no co-management agreement was established with Indigenous peoples during the period due to the COVID-19 pandemic.

### 2.3.5 Theme 6 – Regulation of Energy

The CER is the lead for Theme 6 and was formed in August 2019 through the *Canadian Energy Regulator Act* (CER Act), replacing the National Energy Board. In addition to the CER, NRCan is also involved in Theme 6.

Activities were completed successfully to allow the newly created CER to function and comply with the CER Act. NRCan and the CER amended, developed, and implemented regulations and priority policy commitments to ensure consistency with the CER Act. Through the Gazoduc planning phase, IAAC and the CER successfully clarified the operational elements related to integrated reviews and established a nomination process and Terms of Reference for integrated review panels. A few activities, such as developing regulations for offshore renewable energy projects are on track, but COVID-19 and staffing challenges have caused delays. Federal DA respondents noted there was still some overlap between the CER and other organizations (e.g., with ECCC on environmental impacts and IAAC on socio-economic impacts and impacts on Rights).

Figure 7: 2020-21 HRF Reporting - Theme 6 Activity-Level Indicators



On industry compliance, HRF indicators reflect positive results. The CER reported that projects complied with conditions attached to facility authorizations in 2020–21, that complaints were resolved within established standards, and that almost all corrective actions were implemented within timelines. In 2020–21, there were six incidents related to regulated infrastructure causing harm to the environment, and the CER indicated it continues to implement oversight activities to mitigate risks. The percentage of unauthorized activities that involve repeat violators was 10% in 2020–21 (target of no more than 15%).

Both the CER and NRCan have made progress towards strengthening engagement with the Canadian public and with Indigenous peoples on the regulation of energy. The CER reported in 2020–21 that its Participant Funding Program met service standards and that funding recipients were satisfied with the program. The CER also continues to increase the amount of pipeline data and information available to the public through interactive means. NRCan reports that engagement with Indigenous groups, PTs, energy industry groups, and civil society groups is on track, but that the COVID-19 pandemic delayed progress in these areas.

### 2.3.6 The IARP Horizontal Initiative Shared Outcome

It is too early to conclude whether the IARP horizontal initiative will achieve its shared outcome, given that many activities under the initiative (especially related to impact assessments) are yet to be rolled out. Interview respondents of all types (both internal and external to the GC) were cautious to say that the new regime is designed to support the intended ultimate outcomes, but that the 'devil is in the details' of implementation.

Timeliness of the full impact assessment process and the outcomes associated with impact statements are yet to be demonstrated. The same is true of the extent to which impact assessment reports will provide the right information, on environmental, economic, social, and health-related impacts; GBA Plus; and cumulative effects, including Indigenous knowledge. Further, the extent to which this information will support effective decision-making on projects is still unknown. Respondents of all types highlight that the success of the IARP horizontal initiative will hinge on whether the process results in effective mitigation measures (and compliance from proponents) for projects that do go ahead.

### 2.3.7 Facilitating and Hindering Factors

The previous sections of this report have alluded to various factors that have facilitated IARP horizontal initiative progress to date. At a high level, prioritization of the horizontal initiative by the GC and senior management in DAs has demonstrated strong support for the implementation of the new regime. The initiative benefits from an effective interdepartmental governance structure. Although some internal respondents indicate that elements could be clarified, MOUs have helped establish and operationalize roles and responsibilities among DAs. Dedicated funding has allowed most DAs to equip their internal teams, conduct activities laid out in the HRF, and establish internal coordination and approval mechanisms. Engagement efforts and good working relationships have contributed to successes in various areas of the initiative, especially where formal agreements were in place with Indigenous groups and external stakeholders. The training, guidance material and templates developed by IAAC and other partners effectively supported the early implementation of the new regime.

The COVID-19 pandemic has had a significant impact on IARP horizontal initiative activities across themes. It imposed an entirely new working environment, forced DAs to re-prioritize resources, and limited in-person engagement. Concerning the new impact assessment process, the legislated timelines and expanded scope create significant pressures on DAs, external stakeholders and Indigenous groups and communities. Some DAs expect a lack of human and financial resources for some components of the horizontal initiative moving forward. Communication and coordination challenges remain in some areas, especially related to interdepartmental coordination, and federal and provincial coordination on Indigenous engagement.

The evaluation captured various examples where DAs were able to mitigate challenges. Successful strategies included effective internal coordination across teams, good interdepartmental working-level channels for concerted work, and reallocation of internal resources as needed. The case studies also provided many examples of mid-course adjustments based on external input (e.g., change to eligible IHPP expenses, increased engagement of end-users for OSDP).

## 3.0 Conclusions and Recommendations

### 3.1 Conclusions

#### 3.1.1 Design

The evaluation found that the IARP horizontal initiative's design is appropriate and includes the right set of activities and partners. The design of the new impact assessment regime addresses the main concerns under the CEAA 2012 regime, specifically focusing on:

- Providing more leadership, clarity, and policy direction about impact assessment and regulatory processes;
- More opportunities for engagement and opportunities to provide input, including engagement with and input from Indigenous partners; and
- Enabling the GC to consider the impacts of projects more holistically (including more consideration of health, socio-economic, and GBA Plus dimensions).

The initiative introduced various mechanisms to gather input from different groups, including Indigenous peoples (such as the Registry and engagement sessions). However, the extent to which the new approach translates into input being meaningfully addressed and acted upon is unclear. To an extent, it is still too early to assess whether impact assessments will address the concerns of stakeholders and communities. The evaluation also found there to be a lack of transparency regarding whether and how input is considered. Although the implementation of the initiative is still in its early stages, there is an opportunity to put mechanisms in place now to address the need for more accountability in this area.

Funding for the IARP horizontal initiative was expended more slowly than expected, resulting in significant lapses, especially in the first year of the initiative (2018-19), but continuing into the second year as well. Nonetheless, many key informant respondents project that resources will eventually be lacking to implement the IARP horizontal initiative as planned (due to the demand for larger teams for project reviews, unexpected requests (such as doing work outside the expected scope of involvement) and the demand for more guidance materials/templates).

While the horizontal initiative roles, responsibilities and accountabilities are well documented, opportunities remain to provide further clarity to minimize areas of overlap observed to date. Possible avenues for improved coordination (particularly pertaining to Indigenous engagement) include leveraging existing governance mechanisms or developing a community of practice. Senior-level interviewees perceive the governance structure to be appropriate and functioning well. However, working-level internal respondents feel there are opportunities to make governance more effective and efficient, including more advanced notice of meetings and timelier circulation of materials.

With respect to performance measurement, the HRF provides a comprehensive framework for monitoring and reporting on activities, and most DAs reported collecting data against the framework. While decision-makers are generally satisfied with the information available, the evaluation evidence indicated that the framework could better capture feedback on engagement activities; how input is considered and whether it is used; and progress towards theme-level and shared outcomes. In the absence of a logic model or theory of change, the HRF serves to identify activities, outputs, outcomes, and indicators. However, the HRF does not explicitly describe the assumptions and risks that connect activities and outputs with the expected outcomes. It does not explain how DA-specific activities contribute to theme-level outcomes or where there might be gaps.

### 3.1.2 Indigenous Engagement

The evaluation found strong evidence of a significant focus on Indigenous engagement by the federal government, IAAC and other partner DAs. Indigenous respondents appreciated and viewed this commitment as progress to some extent, but Indigenous partners expect additional improvements in the GC's approach. Both internal and Indigenous respondents noted that meaningful engagement is difficult to achieve within the confines of GC processes, siloes, and timelines, especially given the large scope of issues the new regime aims to address. The majority of respondents also note that there is a persistent lack of coordination between DAs as well as between the federal and PT jurisdictions when it comes to engaging Indigenous partners, which means that communities continue to be over-solicited. Respondents also noted that approaches to Indigenous engagement vary from one federal DA to another, and that the GC is yet to apply a common framework to Indigenous engagement. As well, principles of co-creation and co-delivery, which were identified as effective frameworks for meaningful partnership, are not applied consistently.

Key areas of improvement highlighted by Indigenous respondents include:

- More time for engagement to ensure meaningful engagement of the right players;
- More culturally appropriate communications and plans that fully consider how to engage the right communities, at the right level of detail, at the right time;
- Continued and increased availability of funding for capacity building within communities and organizations;
- A process for considering Indigenous knowledge that is co-created; and
- Stronger legal frameworks to define Indigenous jurisdictions and co-governance that would facilitate true partnerships with Indigenous peoples.

### 3.1.3 Progress to Date

Given the extent of lapsing in expenditures, progress on the implementation of activities and production of outputs has been slower than originally expected. Despite this, the evaluation found



good progress on activities described in the HRF, across all themes. Over half of indicators are considered 'met' or 'on track.' Generally, partner DAs are making progress, especially on the provision of expertise and advice, various components of the IARP horizontal initiative (e.g., MSP, OSDP, funding programs), and successful implementation of new impact assessment and regulatory processes.

Progress towards theme-level outcomes is harder to confirm across themes. As well, the evaluation found that it is too early to comment on progress towards the shared outcome. However, most of those consulted for the evaluation, who could comment, felt that activities are likely to lead to the achievement of the shared outcome eventually, subject to improved decision-making, increased trust between Indigenous peoples and the GC, and increased coordination across DAs.

## 3.2 Recommendations

Goss Gilroy Inc. makes the following recommendations:

1. IAAC, in collaboration with partner DAs, should define a consistent approach to Indigenous engagement in the context of the IARP horizontal initiative, one that reflects Reconciliation principles, including co-development. The resulting approach should allow the federal government to engage communities at the right time, at the right level, with consideration of individual communities' needs and context and with consideration of co-developing the approach. Fundamentally, this also requires increased, sustained capacity-building funding for Indigenous communities and organizations.
2. IAAC, in collaboration with partner DAs, should take steps to improve the coordination of engagement activities (across themes, if possible), particularly (but not only) with Indigenous communities and organizations. This may include leveraging existing governance structures but could also include establishing new communities of practice for this purpose. Where possible, engage provincial/territorial partners to minimize overlap and confusion regarding roles and responsibilities and coordinate activities.
3. IAAC should develop a mechanism to more clearly communicate how stakeholder and Indigenous input is considered throughout the impact assessment process.
4. IAAC, in collaboration with partner DAs, should improve the efficiency of existing interdepartmental governance structures (e.g., more advance notice of meetings, timelier circulation of materials) and consider broadening the scope to include cross-cutting policy or regulatory discussions.
5. IAAC should improve performance measurement, for example, by (a) developing a logic model with partner DAs or otherwise confirming the theory of change to facilitate the understanding of how the themes work together to contribute to the shared outcome; (b) requiring all partner DAs to gather immediate feedback from participants (of all types) on the meaningfulness of engagement activities they lead, and; (c) revisiting performance indicators

to ensure they continue to be relevant and appropriate and allow for the measurement of progress against outcomes.



## Appendix A: Horizontal Results Framework – Shared and Theme-level Outcomes

Horizontal Initiative Name	Total Funding	Horizontal Initiative Shared Outcome	Performance Indicators	Target	Date to Achieve Target	Data Source	Data Frequency
Impact Assessment and Regulatory Processes	\$1,016,524,436	Impact assessment and regulatory processes in Canada reflect a commitment to social, economic, and environmental sustainability and respect our partnership with Indigenous peoples	Percentage of impact assessments completed within the timeline established at the end of the planning phase	90%	March 2022	IAAC: Assessment Management System (AMS) IAAC Internal database	Annually, first reporting period 2021-22
			Percentage of proponent impact statement reports submitted in accordance with the impact statement guidance	70%	March 2021	IAAC: Internal database (AMS)	Annually, first reporting period 2020-21
			Number of partnership agreements each year (formal agreements, other agreements) across implicated departments/agencies	Target to be determined once a baseline is established in 2020-21	March 2022	IAAC: Internal database (AMS) DFO: Internal database CIRNAC/ISC: Integrated Environmental Management System	Annually, first reporting period 2021-22
			Percentage of Impact Assessment Reports provided to decision-makers that are evidence-based (economic, environmental, social,	100%	March 2020	IAAC: Internal database (AMS) Review by the Chief Science Advisor after year 3	Annually, first reporting period 2020-21

Horizontal Initiative Name	Total Funding	Horizontal Initiative Shared Outcome	Performance Indicators	Target	Date to Achieve Target	Data Source	Data Frequency
			health, science, Indigenous knowledge, GBA+, cumulative effects, as appropriate)				
			Percentage of users who indicate they accessed the open science and data platform to: facilitate participation in IA and/or regulatory processes; understand and/or better manage cumulative effects; consider Indigenous Knowledge open information; other	Target to be determined once Open Science and Data platform is launched	To be determined once target is established in 2020-21	Open Science and Data Platform Web Analytics	Annually, first reporting period 2020-21
			In the medium and long term, track the degree to which the assessment of impacts are accurate and mitigation measures are effective	80%	March 2022	IAAC: Internal database (AMS)	Annually
				100% compliance with conditions attached to facility authorizations	March 2022	CER: ORCA database	Annually

Horizontal Initiative Name	Total Funding	Horizontal Initiative Shared Outcome	Performance Indicators	Target	Date to Achieve Target	Data Source	Data Frequency
				100% of development projects occurring in or near water effectively mitigate (or offset) impacts to fish or fish habitat, by March 31, 2020	March 2020	DFO: Program Activity Tracking for Habitat (PATH)	Annually
			Percentage of participants in selected impact assessment and regulatory process engagement/consultation activities (including but not limited to: open houses, comment periods, review panel hearings, etc.) that indicate that they had the opportunity to provide input	New Indicator: Target to be determined once a baseline is established in 2020-21	March 2022	IAAC: Internal database (AMS)  CER: Internal database	Annually

Theme 1 Name: IAAC Lead	Total Funding	Theme Outcome	Performance Indicator(s)	Target	Date to Achieve Target	Data Source	Data Frequency
Impact Assessment	\$172,330,639	Timely and predictable impact assessment processes	Percentage of impact assessments that adhere to legislated time limits	100%	March 2022	Internal database (AMS)	Annually

Theme 1 Name: IAAC Lead	Total Funding	Theme Outcome	Performance Indicator(s)	Target	Date to Achieve Target	Data Source	Data Frequency
			(e.g. Integrated assessments – 300 days, naming of panel – 45 days, Early Planning – 180 days, etc.)				
		Impact assessment decisions are based on science and evidence and consider environmental, economic and social impacts	Percentage of impact assessment decisions that are based on science and evidence and consider environmental, economic and social impacts	100%	March 2021	Internal database (AMS)	Annually

Theme 2 Name: CIRNAC Lead	Total Funding	Theme Outcome	Performance Indicator(s)	Target	Date to Achieve Target	Data Source	Data Frequency
Partnering with Indigenous peoples	\$117,576,635	Opportunities for meaningful participation of Indigenous peoples in impact assessment and regulatory processes	Percentage of impact assessments and regulatory processes that engage indigenous groups as per engagement plan	100%	March 2021	Crown consultation report	Annually
			Percentage of project impact assessment decisions that articulate how the indigenous perspectives were addressed	100%	March 2021	IAA/panel determination documentation, Minister's reasons for decision	Annually

<b>Theme 3 Name: ECCCLead</b>	<b>Total Funding</b>	<b>Theme Outcome</b>	<b>Performance Indicator(s)</b>	<b>Target</b>	<b>Date to Achieve Target</b>	<b>Data Source</b>	<b>Data Frequency</b>
Cumulative Effects, Open Science, and Evidence	\$262,705,692	The understanding of the cumulative effects of development is improved	Number of times products are accessed from the Open Science and Data Platform. -Products could include datasets, science products, and Indigenous knowledge open information	Target to be determined once a baseline is established in 2020-2021 (one year following the Open Science and Data Platform (OSDP) launch), and revised annually	TBD once target is established in 2020-21	Open Science and Data Platform	Annually, first reporting period 2020-21
		The understanding of cumulative effects informs environmental management, including impact assessments	Percentage of impact assessments informed by regional assessments or marine spatial plans – in regions where such assessments or plans have been conducted	Target to be determined once baseline is established in 2019-20	March 2021	Bibliometric analysis of project impact assessments	Annually, first reporting period 2020-21

<b>Theme 4 Name: DFO Lead</b>	<b>Total Funding</b>	<b>Theme Outcome</b>	<b>Performance Indicator(s)</b>	<b>Target</b>	<b>Date to Achieve Target</b>	<b>Data Source</b>	<b>Data Frequency</b>
Protection of Fish and Fish Habitat in Canada	\$263,569,574	Responsive and integrated regulatory, planning, partnership and monitoring activities support the sustainability of fish and fish habitat in Canada	Number of spatial or area-based reports on the state of fish and fish habitat in Canada	Three (3) Reports	March 2023	Records of ecosystems management, based on cooperation among authoritative data holders (including identification of key aquatic eco- zones, relevant threats and indicators of sustainability) and involving federal agencies, provinces and territories, Indigenous peoples, and non- government organizations	Every 2 years

<b>Theme 5 Name: TC Lead</b>	<b>Total Funding</b>	<b>Theme Outcome</b>	<b>Performance Indicator(s)</b>	<b>Target</b>	<b>Date to Achieve Target</b>	<b>Data Source</b>	<b>Data Frequency</b>
Protection of the Public Right to Navigation	\$58,909,290	A system that protects the public right to navigation on all navigable waters, enables reconciliation and new partnerships with Indigenous peoples, and includes modern safeguards to create greater transparency	Percentage of non-compliances found through oversight activities that are resolved through corrective action or enforcement	100%	March 2023	Internal Database	Annually
			Percentage of decisions made under the Canadian Navigable Waters Act that have considered	100% of projects that could have an adverse effect on the rights of	March 2020	Internal Database	Annually



Theme 5 Name: TC Lead	Total Funding	Theme Outcome	Performance Indicator(s)	Target	Date to Achieve Target	Data Source	Data Frequency
			Indigenous input on projects	Indigenous peoples			
			Percentage of applications where Transport Canada makes publicly available its reasons for not adding waterways to the Schedule	100%	March 2023	Registry System	Annually

Theme 6 Name: CER Lead	Total Funding	Theme Outcome	Performance Indicator(s)	Target	Date to Achieve Target	Data Source	Data Frequency
Regulation of Energy	\$36,324,253	Regulatory framework is robust, current and regulatory requirements and expectations are clear and publicly available	Percentage of surveyed stakeholders that agree that regulatory requirements and expectations are clear	75%	March 2021	Survey	Annually
		Indigenous peoples and stakeholders provide feedback that engagement with the Canada Energy Regulator is meaningful.	Percentage of participants in engagement activities who indicate that the engagement was meaningful.	75%	March 2021	Survey	Annually
		Harm to people or the environment, throughout the lifecycle of energy- related activities, is prevented	Number of incidents related to regulated infrastructure that harm the environment.	0	March 2020	Internal database	Annually

Theme 6 Name: CER Lead	Total Funding	Theme Outcome	Performance Indicator(s)	Target	Date to Achieve Target	Data Source	Data Frequency
			Percentage of unauthorized activities on regulated infrastructure that involve repeat violators.	Less than 15%	March 2020	Internal database	Annually