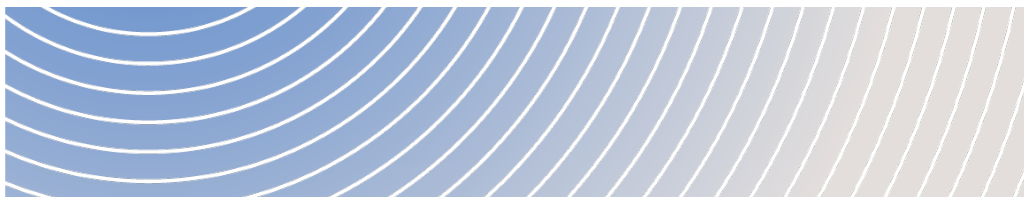




Impact Assessment
Agency of Canada

Agence d'évaluation
d'impact du Canada

Evaluation of the Impact Assessment and Regulatory Processes Horizontal Initiative



SUMMARY

May 2022

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Catalogue Number: En106-255/2-2023E-PDF

ISBN: 978-0-660-69487-0

This document has been issued in French under the title: *Évaluation de l'Initiative horizontale relative à l'évaluation d'impact et aux processus de réglementation*

Summary: Evaluation of the Impact Assessment and Regulatory Processes Horizontal Initiative

THE IMPACT ASSESSMENT AGENCY OF CANADA

ABOUT THE EVALUATION

The Impact Assessment Agency of Canada (IAAC), contracted Goss Gilroy Inc. to conduct an independent evaluation of the Impact Assessment and Regulatory Processes (IARP) horizontal initiative, under the oversight of an interdepartmental evaluation advisory committee.¹ The evaluation assessed the implementation of this new horizontal initiative and the extent to which it is designed and delivered in a way that will facilitate the achievement of its intended results, covering the period from 2018–19 through 2020–21. Key limitations to the evaluation included a limited number of external stakeholders and Indigenous interviewees, and limited evidence due to the initiative being in its early stages. The limited number of external interviewees was mitigated by also including external and Indigenous respondents in case studies.

The evaluation assessed five evaluation questions related to: design and implementation; clarity of roles and responsibilities and appropriateness of governance; adequacy of performance measurement; and progress towards intended results, including factors facilitating and hindering progress.

DESIGN AND IMPLEMENTATION OF THE HORIZONTAL INITIATIVE

The evaluation confirmed that the design of the IARP horizontal initiative addresses the main concerns related to the previous *Canadian Environmental Assessment Act* (CEAA 2012) regime, specifically with regards to:

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

ROLES AND RESPONSIBILITIES

Although roles, responsibilities, and accountabilities are well documented, there continue to be opportunities to provide further clarity, improve understanding, and minimize areas of potential overlap that have been observed to date. To some extent this is due to new or modified roles and responsibilities identified through the legislative reform, as well as limited experience with operationalizing and implementing a new, complex horizontal initiative.

GOVERNANCE

Interdepartmental communication and the current governance structures (i.e., interdepartmental committees at the Assistant Deputy Minister and Deputy Head levels) are helpful for understanding the work of individual departments/agencies, but there is sometimes a lack of coordination or leadership on key, interdepartmental work.

Senior management interviewees believe the interdepartmental governance committees are effective; however working-level interviewees in departments/agencies identified some potential areas for improvement, including some overlap between committees, and not sufficiently leveraging these committees for broader strategic and crosscutting policy or regulatory discussions.

ADEQUACY OF PERFORMANCE MEASUREMENT

Despite having the necessary systems and processes in place to collect financial and non-financial performance information, there are opportunities for improvement, particularly to better capture what external stakeholder and Indigenous input is collected throughout the implementation of the initiative, and how that input is used. The initiative also lacks mechanisms to gather feedback in a systematic way on engagement activities. Lastly, there are opportunities to improve performance measures to better monitor and report on progress towards achieving outcomes rather than reporting only on activities undertaken and outputs produced.

PROGRESS TOWARDS THE INTENDED RESULTS

Across the six themes that comprise the horizontal initiative, the evaluation identified that progress is being made and revealed no significant gaps or obstacles to implementation:

¹ 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, Natural Resources Canada, Canada Energy Regulator, and Transport Canada.

Theme 1 – Impact Assessment. New impact assessment planning processes have been successfully implemented, including the provision of expertise by federal authorities and the engagement of external stakeholders, and Indigenous partners. Given the early stage of implementation, it is too early to report on later phases of the new impact assessment process.

Theme 2 – Partnering with Indigenous Peoples. There is strong evidence of a significant focus on Indigenous engagement by the federal government. Indigenous respondents appreciated and viewed this commitment as progress; however, they noted that Indigenous communities are looking for a more concrete and profound change in the GC's approach to engagement.

Indigenous partners expect further improvements to reduce over-engagement of communities in the form of greater coordination between departments and agencies, and between federal and provincial/territorial jurisdictions. They also indicated that principles of co-creation and co-delivery, which were identified as effective frameworks for meaningful partnership, are not currently being applied consistently from one federal department/agency to another.

Theme 3 – Cumulative Effects, Open Science and Evidence. Progress has been made on a number of activities including:

- Launching the [Open Science and Data Platform](#) (OSDP), 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 across Canada.
- Initiating three regional assessments, with one completed ([Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador](#)), which are intended to guide the planning and management of cumulative effects, identify potential impacts on the rights and interests of Indigenous peoples, and inform impact assessments.
- Completing one strategic assessment ([Strategic Assessment of Climate Change](#)), with a view to inform project design and impact assessments.
- Implementing Marine Spatial Planning, which brings together relevant authorities to coordinate how marine spaces are to be managed to achieve ecological, economic, social, and cultural objectives.
- Co-developing the Indigenous Centre for Cumulative Effects (ICCE), which is funded by Indigenous Services Canada (ISC). The ICCE is Indigenous-led, operates independently of the government to support community-based cumulative effects research, and is currently supporting and funding communities (10 projects were funded in 2020–21).

Theme 4 – Protection of Fish and Fish Habitat. Consistent and effective progress is being made, including with respect to: avoiding, mitigating, or offsetting impacts to fish and fish habitat; completing spatial or area-based reports; undertaking compliance and enforcement activities; and supporting Indigenous participation in fish and fish habitat through the Indigenous Habitat Participation Program (IHPP).

Theme 5 – Protection of the Public Right to Navigation. Progress has been made towards the full implementation of the new *Canadian Navigable Waters Act*, but engagement has been significantly impacted by the COVID-19 pandemic. Efforts are being made to continue engaging virtually with stakeholders and Indigenous peoples, review all submitted navigation concerns, and ensure non-compliance and corrective actions are implemented within timelines.

Theme 6 – Regulation of Energy. Most of the required policies, regulations, and processes have been developed. Progress is also being made towards strengthening engagement with Indigenous peoples and the public on the regulation of energy.

RECOMMENDATIONS, MANAGEMENT RESPONSE AND ACTION PLANS

The evaluation makes five recommendations:

1. IAAC, in collaboration with partner departments/agencies, should define a consistent approach to Indigenous engagement in the context of the horizontal initiative, one that reflects reconciliation principles, including co-development.
2. IAAC, in collaboration with partner departments/agencies, should take steps to improve the coordination of engagement activities, particularly (but not only) with Indigenous communities and organizations.
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 departments/agencies, should improve the efficiency of existing interdepartmental governance structures, and consider broadening the scope to include cross-cutting policy or regulatory discussions.
5. IAAC, in collaboration with partner departments/agencies, should improve performance measurement for the horizontal initiative.

The Management Response and Action Plan (MRAP) for the five recommendations is available [here](#).

