



# Canadian Environmental Assessment Agency



For the  
period ending  
March 31, 1997



Improved Reporting to Parliament —  
Pilot Document

Canada





# Canadian Environmental Assessment Agency

## Performance Report

For the period ending  
March 31, 1998

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The **Report on Plans and Priorities** provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The **Departmental Performance Report** provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring **Report on Plans and Priorities**.

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## **Foreword**

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual **Part III of the Estimates** document for each department or agency into two documents, a **Report on Plans and Priorities** and a **Departmental Performance Report**.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 80 Departmental Performance Reports and the government's "**Managing For Results**" report.

This **Departmental Performance Report**, covering the period ending March 31, 1998, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's **Part III of the Main Estimates** or pilot **Report on Plans and Priorities** for 1997-98. The key result commitments for all departments and agencies are also included in **Managing for Results**.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

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# Canadian Environmental Assessment Agency

## Performance Report

For the period ending March 31, 1998

*Environmental assessment ...  
Before you decide*



*L'évaluation environnementale d'abord ...  
la décision ensuite*

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**The Honourable Christine S. Stewart, P.C., M.P.**  
***Minister of the Environment***

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## EXECUTIVE SUMMARY

The Canadian Environmental Assessment Agency is a small but dynamic organization reporting directly to the Minister of the Environment. With a workforce of less than 100, and an operating budget of under \$10 million, it is involved in some of the most complex and sensitive issues facing government today.

These issues range from assessing the environmental impacts for proposed mining developments at Voisey's Bay, Newfoundland, to supporting the negotiation of Aboriginal self-government agreements, to Canadian participation in joint initiatives with other countries in support of global sustainable development.

Environmental assessment is a critically important tool for protecting and sustaining our environment, given the potential for serious and irreversible damage that can result from human activity. It provides decision makers with the information to make informed and, consequently, the best possible decisions. These decisions can lead to activities that are more compatible with sustaining a healthy environment for both present and future generations.

Failure to consider adverse environmental impacts, before carrying out an undertaking, can lead to significant degradation of the environment, damage to human health, and increased economic costs. High clean-up costs and environmental damage at the Sydney Tar Ponds in Cape Breton illustrate one example of a lack of environmental foresight.

Over the past year, the Agency has delivered a number of key programs to Canadians in support of sustainable development. These services contribute to better decisions regarding the health and preservation of the environment for both present and future generations. Some major accomplishments include:

- completion and continuation of several environmental assessment panel reviews;
- development of key partnerships both nationally and internationally; and
- introduction of various initiatives aimed at improving the quality of environmental assessment, including a multi-year monitoring program to evaluate the benefits and contributions of environmental assessment to sustainable development.

The purpose of the 1998 Performance Report is to facilitate an understanding of why environmental assessment is important to Canadians; explain how the federal environmental assessment process works; and indicate where the Agency fits in to this process. A major portion of this report also reviews the results and achievements of the Agency during the most recent fiscal year against previously stated commitments.



## CHART OF KEY RESULTS COMMITMENTS

### Canadian Environmental Assessment Agency (Agency)

To provide Canadians with:	To be demonstrated by:	Achievements reported in:
High quality federal environmental assessments that contribute to informed decision making in support of sustainable development.	<ul style="list-style-type: none"><li>timely provision of recommendations to decision makers that reflect public values, sound environmental assessment practices and the principles of sustainable development</li></ul>	DPR Section 3.2 Page 14-20
	<ul style="list-style-type: none"><li>environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions</li></ul>	DPR Section 3.2 Page 21-22
	<ul style="list-style-type: none"><li>environmental assessment processes that are effective, efficient, consistent, predictable and of the highest standards</li></ul>	DPR Section 3.2 Page 22-24
	<ul style="list-style-type: none"><li>level of federal authority compliance with the requirements of the <b>Canadian Environmental Assessment Act</b></li></ul>	DPR Section 3.2 Page 25-26
	<ul style="list-style-type: none"><li>Aboriginal regimes that maintain or exceed the standards and principles of the <b>Canadian Environmental Assessment Act</b>, and are harmonized with existing environmental assessment processes</li></ul>	DPR Section 3.2 Page 27
	<ul style="list-style-type: none"><li>consistent application of environmental considerations into federal policy and program proposals</li></ul>	DPR Section 3.2 Page 28
	<ul style="list-style-type: none"><li>effective representation of Canada's interests in international environmental assessment forums</li></ul>	DPR Section 3.2 Page 29

### DPR - Departmental Performance Report



## SECTION I: MINISTER'S MESSAGE

I am pleased to present the Canadian Environmental Assessment Agency's Performance Report for the period ending March 31, 1998.

This past year has been a productive one. We have made important strides in promoting environmental assessment as a fundamental planning tool for protecting and sustaining a healthy environment. With an effective environmental assessment process in place, I am in a better position to deliver to Canadians the concrete results I have committed to – clean air, clean water, nature and climate change.

Environmental assessments study and help minimize the impacts of projects on air and water quality, bio-diversity and contribute to the protection of endangered species. For example, recommendations arising from the Saskatchewan Uranium Mining Developments review panel will help to minimize adverse environmental effects on air and water quality. A joint Canada-British Columbia assessment of the Hugh Keenleyside Dam, on the Columbia river, led to measures to protect fish, including the endangered White Sturgeon. Recommendations of the Sable Gas review panel led to ways of formalizing the protection of the habitat of a number of endangered marine mammals in the Gully, a sensitive area off the coast of Nova Scotia.

Other accomplishments of the past year include:

- the development of key national and international partnerships in support of sustainable development, and improvements to the quality of the environment. The sub-agreement on environmental assessment under the Canada-wide Accord on Environmental Harmonization is but one example;
- measures to make the environmental assessment process more efficient and consistent, and to promote more effective working relations with provinces, territories and Aboriginal communities; and
- a system to monitor the benefits and contributions of the practice of environmental assessment to sustainable development.

Canadians want a healthy economy, but not at the expense of an unhealthy environment. Environmental assessment is an effective way of achieving both simultaneously. I am committed to the highest environmental quality, and, as this Performance Report demonstrates, I will continue to work with Canadians so we can pass on a healthy, sustainable environmental heritage for generations to come.

Christine S. Stewart





## SECTION II: DEPARTMENTAL OVERVIEW

### 2.1 Mission, Vision & Mandate

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Our Mission:

To provide Canadians with high quality federal environmental assessments that contribute to informed decision making in support of sustainable development.

Our Vision is to:

- ⇒ Be a proactive organization with a leadership role in federal environmental assessment.
- ⇒ Develop close and productive relationships with partners and clients across Canada.
- ⇒ Advance the science and research capacities that satisfy the needs of a more efficient and effective process.
- ⇒ Provide information to Canadians through a variety of effective means.
- ⇒ Build on the successes of the Agency and harness the skills, credibility and commitments of its workforce.

The Canadian Environmental Assessment Agency (Agency) is in business to serve as the centre of expertise for federal environmental assessments (EA), and to provide leadership in support of sustainable development. Mandated by the authorities and responsibilities under the Canadian Environmental Assessment Act (the Act) and its regulations, the Agency is an independent organization reporting directly to the Minister of the Environment.

As defined by the Act, the Agency's primary roles and responsibilities are to: administer the federal EA process; provide direct support for independent EA mediations and panel reviews; promote the harmonization of EA activities across Canada at all levels of government; promote and encourage the development of sound EA practices; promote and conduct research on EA matters; and ensure an opportunity for public participation in the EA process

The Agency also actively represents the interests of the Canadian government in federal-provincial harmonization agreements as well as international agreements that contain EA provisions. In addition, the President of the Agency is designated as the federal administrator of the environmental and social protection regimes set out in the James Bay and Northern Quebec Agreement and the North Eastern Quebec Agreement.

Finally, the Agency assists the Minister of the Environment to implement the 1990 Cabinet Directive on the Environmental Assessment of Policy and Program Proposals, by providing guidance and advice to federal authorities on integrating environmental considerations into policy making.



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## 2.2 Operating Environment

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### 2.2.1 Position with the Government

The Agency is involved in an area of public policy and decision making that often includes difficult and sensitive issues, with stakeholders who may have competing interests. The Agency ensures that advice and recommendations provided to decision makers address the principles of the Act, sustainable development and the concerns of Canadians. This requires a co-ordinated, effective and consistent EA process that remains relevant to the needs of Canadians. To be seen as an essential tool for planning and decision making, the Agency must also communicate the environmental and economic benefits of good EAs.

**Partnerships:** Given the environment in which the Agency operates, building and maintaining strategic partnerships is critical. Without them, delivering on commitments and accomplishing objectives would be impossible. Strategic partnerships not only allow the Agency to co-deliver services to its clients, they assist the Minister in advancing her priority agenda of clean air, clean water, climate change and nature conservation. One example of such partnerships is the Regulatory Advisory Committee. Chaired by the Agency, this multi-stakeholder committee met twice during 1997-98 to discuss development of various policies and regulations affecting EA and to provide advice to the Minister on their implementation. This committee consists of representatives from federal and provincial governments, Aboriginal, industrial and environmental groups. See Section 6.3 for a complete list of representatives.

Principal partners in the co-delivery of services include:

**Other Federal Departments and Agencies:** They are the Agency's most important partners, as most have responsibilities under the Act for either conducting environmental assessments or providing technical expertise in support of them. For example, in 1997-98, 23 departments and agencies initiated nearly 6,000 assessments (refer to Section 5.3).

Working closely with federal partners is also essential in developing new regulations, policies or programs. For instance, an Ongoing Monitoring Program was launched in cooperation with Natural Resources Canada, Environment Canada and Industry Canada to measure the economic and environmental benefits of EAs.



**Provincial Governments:** Some projects may require the application of both federal and provincial EA regimes. Provincial governments are working in conjunction with the Agency to streamline the process, and ensure, where possible, that only one EA is conducted for each project. The Agency also collaborates with its provincial counterparts to provide one-stop single window services to clients. Its regional offices provide key points of interaction with provincial, industry, environmental and Aboriginal groups.

**Aboriginal Communities:** Comprehensive land claim and self-government agreements are establishing new Aboriginal-based environmental assessment regimes. The Agency is working closely with Aboriginal groups to develop tools that will assist these communities in achieving environmental integrity and sustainable development, while respecting self-determination objectives.

**International Governments and Organizations:** Sustaining a healthy environment is a globally shared responsibility, and is the reason the Agency has for several years participated in the development of international transboundary agreements containing environmental assessment provisions. Canada is continuing negotiations with Mexico and the United States to conclude the North American Agreement on Environmental Cooperation that will bind parties to conduct environmental assessments on projects that have significant cross-border implications.

**Academic and Professional Associations:** The Agency works with various academic and professional groups that have vested interests in the environmental assessment field. For example, the Agency and the Canadian Standards Association (CSA) have begun development of an innovative standard for environmental assessment that will improve the quality and consistency of EA.

**Environmental Non-Government Organizations and Industry:** ENGOs and representatives from industry are also key participants in the delivery of products and services to Canadians. They are instrumental in providing ideas and insight in the development of tools and mechanisms that both enhance environmental protection and maintain competitiveness.



### 2.2.2 Federal EA Process

Environmental assessment is an important tool for protecting and preserving our environment. Typically, environmental assessment involves assessing the effects of a proposed project, policy or program on the ecosystem - the air, water, land, and living organisms including affected human populations. Such assessments provide a solid basis for reducing or eliminating negative environmental effects, and for making informed decisions.

How does the federal EA process work? The **Canadian Environmental Assessment Act (Act)** applies when a federal authority is required to make a decision regarding a project. A project is defined as a physical work, such as construction of a bridge, or a physical activity, such as dumping of materials into the ocean. The types of decision can be issuing a permit or authorization, providing funding assistance, transferring use of federal lands, or proceeding with the project in cases when the federal government is also the proponent.

Depending on the nature of the project, and the significance of possible environmental effects, the type of assessment required will vary. Most projects are assessed relatively quickly at the screening level. Of the nearly 6,000 environmental assessments conducted in 1997-98, approximately 99.6% were screenings. Under the concept of self-assessment, federal authorities are required to conduct an assessment of each project and incorporate the results in their decisions.

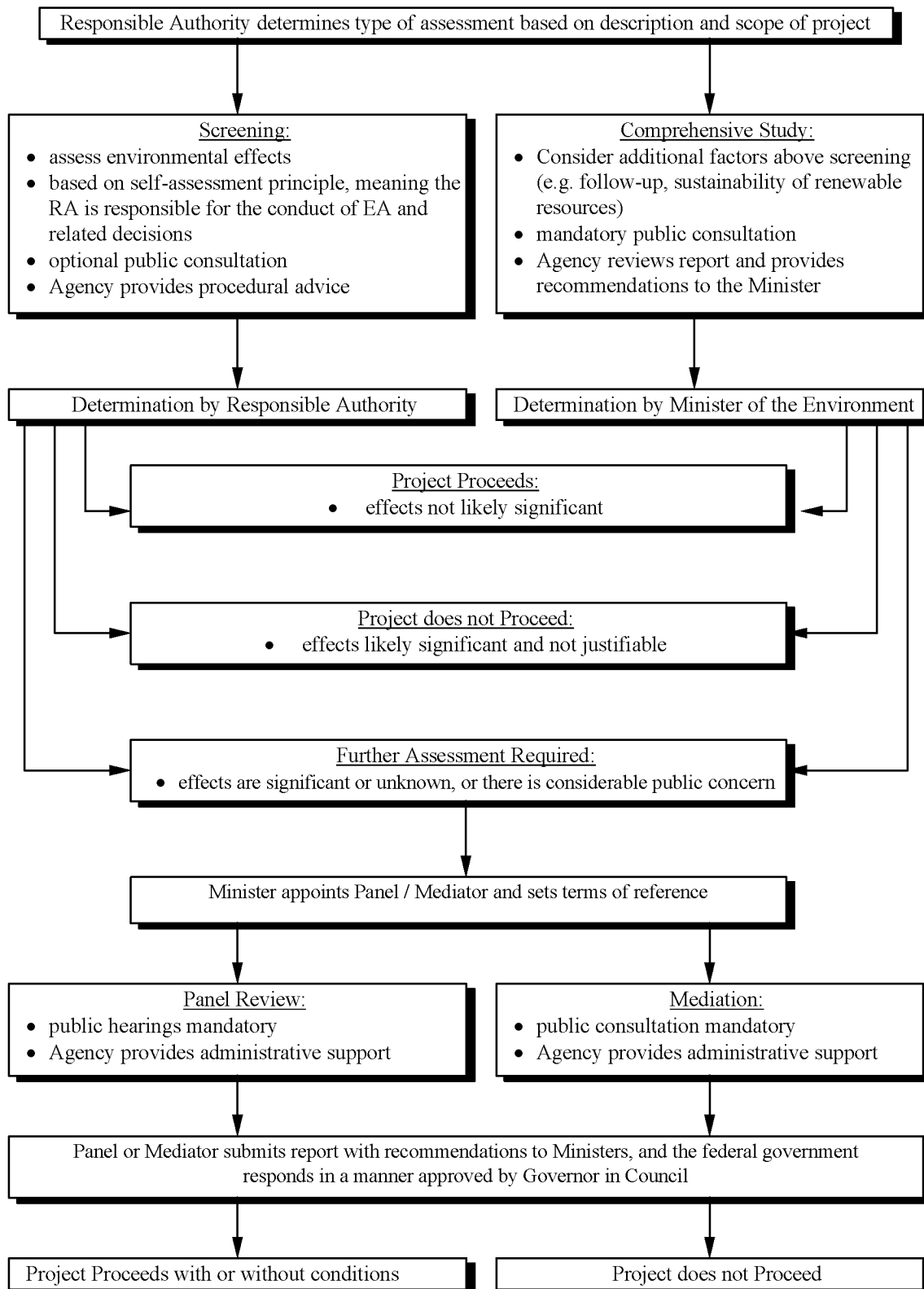
Larger projects that have potential for greater environmental impacts may require a comprehensive study (21 were initiated in 1997-98). Comprehensive studies assess additional factors beyond a screening. These include alternative means of carrying out a project, and the need for follow-up studies to determine whether the assessment was accurate and the effectiveness of measures taken to prevent adverse environmental effects.

If the effects of a project are potentially great or significant public concern exists, a review by an independent environmental assessment panel or mediator appointed by the Minister of the Environment, may be required (none were initiated in 1997-98). Administrative support is provided by the Agency. Public participation is mandatory, and usually includes public hearings in the sites that will be affected by the project.

Figure 1 summarizes the federal EA process administered by the Agency. Throughout the entire process, the Agency provides advice and recommendations to the parties involved. This figure provides an overview of the process; more detailed and exact procedures and responsibilities are available from the Agency's information services or on the Internet at [www.ceaa.gc.ca](http://www.ceaa.gc.ca).



**Figure 1: Canadian Environmental Assessment Process**





### **2.2.3 Objective**

The primary objective of the Agency, as reflected in its mission, is to administer the Act with a view to providing Canadians with high quality environmental assessments that contribute to informed decisions regarding projects, programs and policies.

### **2.2.4 Strategic Priorities / Goals**

In the past, the focus of the Agency has been on establishing the legal framework and implementing the Act; managing the EA process; and providing training and guidance. Experience in implementing the Act has also led the Agency to concentrate on improving the efficiency and predictability of the process.

Priorities for the upcoming planning period have been influenced by the outcomes of several key performance reviews including the Commissioner of the Environment and Sustainable Development's recent report *Environmental Assessment - A Critical Tool for Sustainable Development* (see Section 6.4 for Internet location). Other major influences include the results of a nation-wide client needs survey and an internal strategic review of the Agency's mandate.

Advice from these reviews and recommendations from stakeholders regarding the current and future directions of the federal EA process have been remarkably consistent and have led to the adoption of the following strategic priorities for the Agency:

- to be a credible advocate of high quality environmental assessments;
- to advance the science and practice of environmental assessment;
- to learn from experience and to share results;
- to improve the Agency's capacity to monitor, assess and foster compliance;
- to clarify and improve EA processes with other jurisdictions and with federal partners
- to strengthen relationships with partners and stakeholders; and
- to address gaps in the application of the Act.

Further information regarding the priorities, strategies and action plans of the Agency may be found in the 1998-99 Report on Plans and Priorities, located on the Agency's Internet site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)) or from the Agency's information services.



### 2.2.5 Challenges

A number of evolving factors in Canadian society are affecting the future direction and effectiveness of environmental assessment and sustainable development. At the macro-level, momentum is building to modernize the delivery of programs and services in an effort to “getting government right”. This includes delivering an ever improving mix of services that meet the needs of Canadians, while respecting government fiscal restraints.

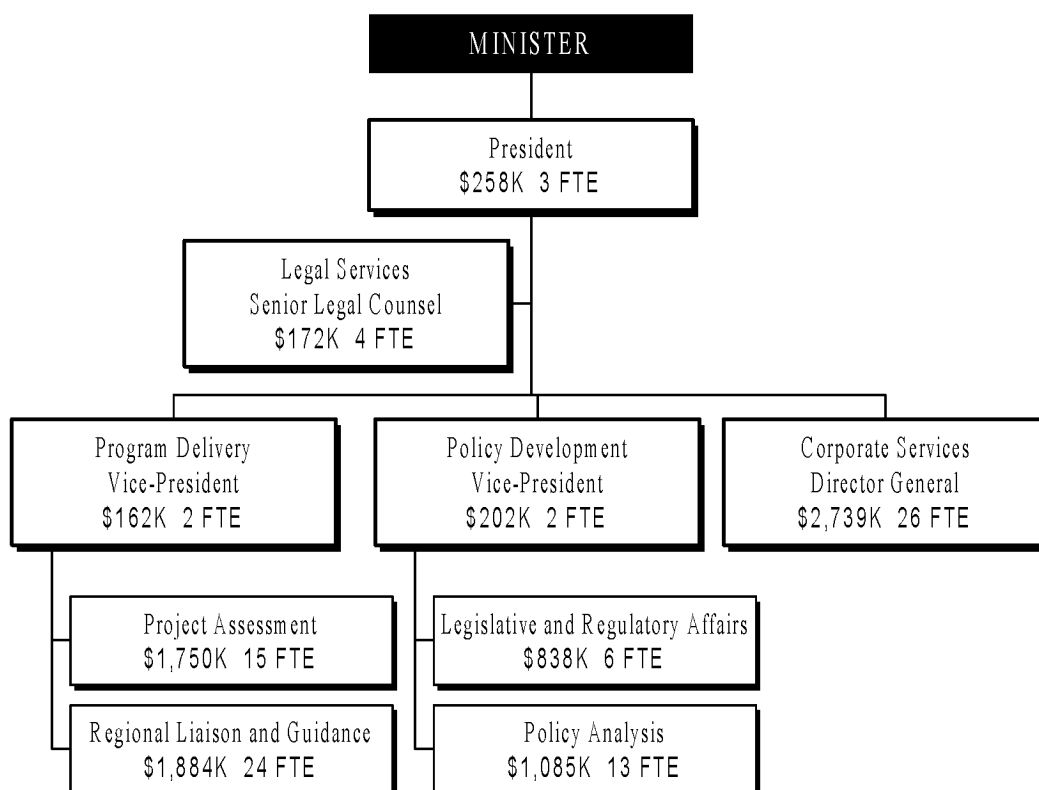
The context within which the federal EA process must operate has evolved rapidly. Adapting to these changes will affect how the Agency allocates resources and subsequently delivers programs. Some of these trends include the following:

- The public perception of environmental quality. Demands from stakeholders are clear: improve the quality and consistent application of environmental assessments. However, expectations and interests vary among different components of Canadian society. Key to responding to these issues will be a five-year review of the Act, which will set in motion a major evaluation process in consultation with many stakeholders. This review, to commence in January 2000, will be essential in determining whether changes to the Act will be required to meet the expectations of Canadians.
- The recent and rapid evolution of understanding and acceptance of the concept of sustainable development. The establishment of an office of the Commissioner of the Environment and Sustainable Development, as well as requirements to prepare and report on sustainable development strategies, have increased levels of accountability, both for the Agency and its federal partners.
- New domestic and international commitments in areas of global environmental change, such as stratospheric ozone depletion, climate change, and bio-diversity preservation demand new and innovative approaches to sustainable development.
- Federal-provincial relations including the movement towards harmonization of EA processes and other environmental management functions. The Canadian Council of Ministers of the Environment *Canada-wide Accord on Harmonization* ([www.ccme.ca](http://www.ccme.ca)) is placing new and extended responsibilities on the Agency to facilitate co-ordinated approaches with federal, provincial and territorial partners.
- Government commitments towards Aboriginal self-determination, comprehensive land claim and self-government agreements include provisions for the creation of Aboriginal EA regimes. This requires the Agency to be more involved in the negotiation process so that a successful relationship can be established between Aboriginal and federal EA regimes, while respecting the self-government goals of the Aboriginal community.



## 2.3 Departmental Organization

The Agency consists of one program and one business line. The reporting structure to the Minister of the Environment is as follows:



Note: Full Time Equivalent (FTE) and financial resource figures reflect the planned forecast for 1998-99 (as indicated in the 1998-99 Report on Plans and Priorities) rather than the actual amount for 1997-98. Since a restructuring exercise was undertaken in 1997-98, figures from 1998-99 were chosen to display the outcomes for a complete year.





## SECTION III: DEPARTMENTAL PERFORMANCE

### 3.1 Performance Expectations

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The following performance or result expectations described below are the basis for measuring progress against the strategic priorities of the Agency (refer to Section 2.2.4) and the objective of providing high quality federal environmental assessments to Canadians. A description of the Agency's accomplishments against each expected result is provided in the following section.

Key performance expectations of the Agency include:

- timely provision of recommendations to decision makers that reflect public values, sound environmental assessment practices, and the principles of sustainable development;
- environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions;
- environmental assessment processes that are effective, efficient, consistent, predictable and of the highest standards;
- level of federal authority compliance with the requirements of the Canadian Environmental Assessment Act;
- Aboriginal regimes that maintain or exceed the standards and principles of the Canadian Environmental Assessment Act, and are harmonized with existing environmental assessment processes;
- consistent application of environmental considerations into federal policy and program proposals; and
- effective representation of Canada's interests in international environmental assessment forums.

These expectations vary slightly from last year's performance report and the 1997-98 Part III of the Main Estimates due to the evolution of the Improved Reporting to Parliament Project. Since performance reporting is relatively new for the Agency, further development is to be expected in future reports.



## 3.2 Performance Accomplishments

### 3.2.1 Financial Summary

#### Canadian Environmental Assessment Agency

Planned Spending	\$9,842,000
Total Authorities	\$10,708,507
<b>1997-98 Actuals</b>	<b>\$9,757,983</b>

#### Explanation of Variance:

The difference between Total Authorities and Planned Spending of approximately \$0.9 million is due to the following circumstances: carry-over of operating budget from 1996-97; new resources to fund land claim negotiations in British Columbia; and revenues arising from expenditures incurred in 1996-97.

Total Authorities exceed 1997-98 Actual Spending by approximately \$1.0 million for two reasons. First, only one major panel review required funds to assist the public in participating in the EA process. This constituted a lapse in transfer payments that could not be utilized elsewhere within the Agency. Second, delays in the conduct of the Voisey's Bay Mineral Development panel review, beyond the Agency's control, pushed anticipated expenditures into 1998-99.

### 3.2.2 Departmental Performance Accomplishments

This section discusses the Agency's performance during the 1997-98 fiscal year. It is organized in accordance with the key result commitments stated earlier. Actual outcomes and impacts are discussed against each commitment. This continues the practice started in the 1996-97 Performance Report.

In describing accomplishments, it should be noted that, by the very nature of EA, performance data tend to be long-term. In many cases, it takes a whole generation to collect and fully appreciate the impact or result of conducting an environmental assessment on a project. Given that the Agency is relatively new, numerous mechanisms are not yet ready to measure these results. Therefore, performance information for certain commitments may be underdeveloped.

Recognizing the need to measure results, an exercise has been undertaken with the objective of substantiating performance. This includes the recently launched Compliance Monitoring Framework (see page 26) and the Ongoing Monitoring Program (see page 22). The purpose of these initiatives is to provide better information regarding: benefits and problems of the Act; level of compliance with the Act; and options to improve the quality of EAs. These and other mechanisms will be the primary tools to measure and identify progress in future performance reports.



**Commitment #1: Timely provision of recommendations to decision makers that reflect public values, sound environmental assessment practices, and the principles of sustainable development.**

Only by effectively demonstrating the long-term environmental and economic benefits of good environmental management will decision makers take the process seriously into consideration. Good environmental management means conducting environmental assessments early in a project's planning stage, to reduce or avoid environmental effects and related financial costs. The Agency, as an advocate of good EA, must constantly provide advice, guidance and recommendations to those that are ultimately responsible for making project decisions. This information must be relevant and timely. Although the responsibility for decisions rests with others, the Agency must ensure these decisions consider public values and the objective of sustaining the environment.

1997-98 Accomplishments:

**Management of Panel Reviews**

The Agency supported seven environmental assessment panel reviews during 1997-98 at a cumulative cost of approximately \$2.2 million (see Figure 2 below). Six were completed, and panel reports containing recommendations regarding the projects under review were presented to ministers for consideration. Each of these reports is available on the Internet (see Section 6.4). A description and the outcome of each review follows:

- **Terra Nova Offshore Oil Development:** This review involved a proposal by a consortium led by Petro-Canada to develop oil fields some 350 km south-east of St. John's, Newfoundland. The assessment was completed and a report transmitted to the government on August 25, 1997. In its report, the joint federal-provincial panel recommended the project be allowed to proceed subject to certain conditions. The government accepted the panel's recommendations and conditions in its response made public on December 5, 1997.
- **Nuclear Fuel Waste Management and Disposal Concept:** This review involved a concept of deep geologic disposal of nuclear fuel waste proposed by Atomic Energy of Canada Limited. The federal panel completed its assessment of the concept and made its report public in March 1998. The government's response to the panel's recommendations is currently being developed, and is expected to be released to the public by the Fall of 1998.

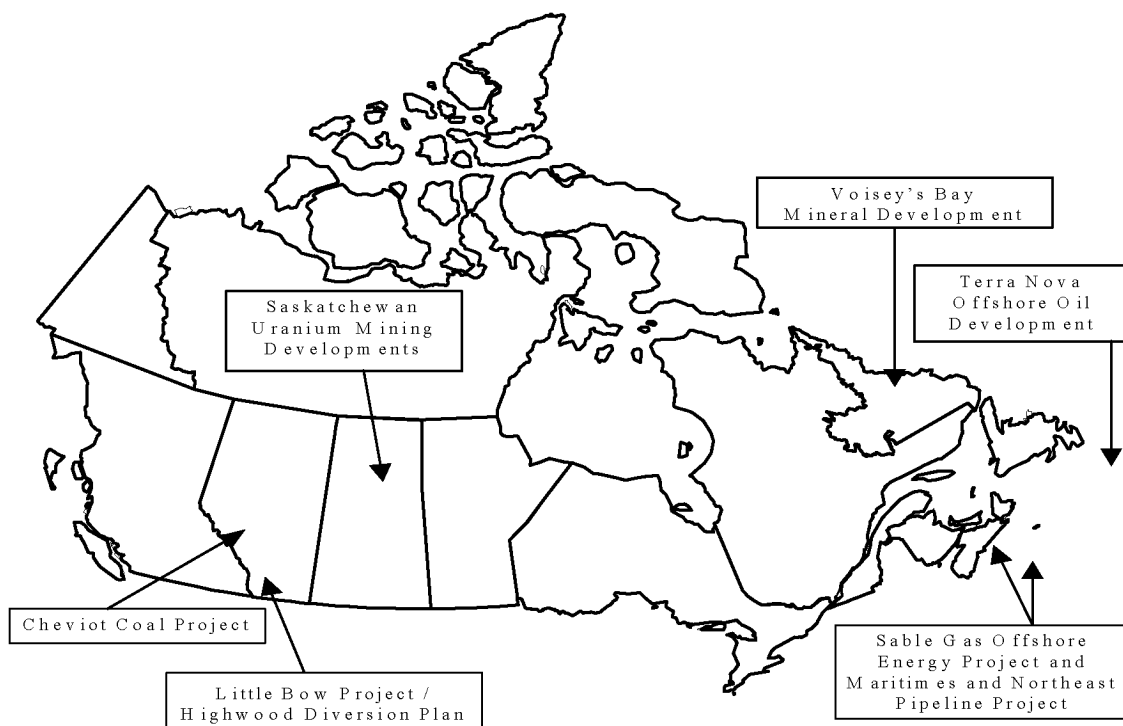


- **Sable Gas Projects:** This review involved a proposal led by Mobil Oil Properties to develop six offshore gas fields near Sable Island, and transport natural gas and gas liquids by pipeline to Goldboro, Nova Scotia. In addition, the Maritimes & Northeast Pipeline Management Ltd. proposed to construct a 558 km gas pipeline from Goldboro, Nova Scotia to St. Stephen, New Brunswick. The assessment of both proposals was completed, and a report transmitted to the government, on October 27, 1997. In its report, the joint federal-provincial panel concluded the project be allowed to proceed subject to 46 recommendations. The government accepted the panel's recommendations in its response made public on December 2, 1997.
- **Saskatchewan Uranium Mining Developments:** This review involved proposals by the Cigar Lake Mining Corporation and the Cogema Resources Inc. to development two new uranium mining projects in northern Saskatchewan. Separate assessments were completed for both proposals and on November 14, 1997, three reports were released: Midwest Uranium Mine Project, Cigar Lake Uranium Mine Project and Cumulative Observations. In its reports, the joint federal-provincial panel recommended both proposals be allowed to proceed subject to certain conditions. These conditions primarily related to the management of tailings and waste rock disposal. The federal and provincial governments responded to the panel's reports on April 3, 1998 accepting most of the recommendations and conditions.
- **Little Bow Project / Highwood Diversion Plan:** This review involved proposals by Alberta Public Works to construct reservoirs and canals, and implement a water diversion plan for irrigation purposes. The assessment was completed during 1997-98, and a report transmitted to the government on June 15, 1998. In its report, the joint federal-provincial panel recommended that three of the five proposed project components be allowed to proceed. However, the panel deferred recommendations for two proposals, specifically the expansion of the Squaw Coulee reservoir and the proposed water diversion plan, until additional required information is received. The government's response to the panel's recommendations is currently being developed and is expected to be released to the public by November 1998.
- **Cheviot Coal Project:** This review involved a proposal by Cardinal River Coals Ltd. and TransAlta Utilities Corporation to develop a surface coal mine and coal processing plant, located 320 kilometers west of Edmonton. The joint federal-provincial panel completed the assessment of the project and submitted its report to both governments in June 1997. In its report, the panel recommended the project proceed, subject to conditions. The federal government responded to the report on October 2, 1997 accepting the recommendations of the panel concerning areas under federal jurisdiction.



- **Voisey's Bay Mineral Development:** This review involves a proposal by Voisey's Bay Nickel Company Ltd. to develop both open pit and underground mines plus a mill near Nain, Labrador. The joint federal-provincial-Aboriginal panel conducted meetings between April and May 1997 to gather comments on the guidelines for preparing the environmental impact statement. These guidelines were finalized in June 1997. The proponent's environmental impact statement, prepared in accordance with these guidelines, was released for public consultation from December 1997 to March 1998. It is anticipated that the public-hearing and report-writing phases of the assessment process will be completed before the end of the 1998-99 fiscal year.

**Figure 2: Geographical Distribution of Panel reviews managed during 1997-98**



Note: Seven environmental assessment panel reviews were supported in 1997-98; however, only six are displayed because the Nuclear Fuel Waste Management and Disposal Concept review was not site-specific.



## The Benefits of a Panel Review - Saskatchewan Uranium Mines

Direct benefits to the environment and to the economy which otherwise might not have been achieved can be attributed to environmental assessment reviews. As an example, some of the benefits of the Saskatchewan Uranium Mining Developments panel review included the following:

Recommendations from the review of these projects resulted in improved environmental monitoring at all stages of the project. This monitoring now involves the participation of local people. Furthermore, the monitoring will be extended over a longer time period than was originally proposed by the proponent, providing additional environmental security.

Instead of building separate mills and tailing facilities, the Cigar Lake and Midwest mines will share an established mill and tailings disposal facility built for an existing uranium mine. This will decrease the environmental disruption that would result from new construction. The approach to custom milling and tailings disposal was a direct result of the requirements of the environmental assessment.

The Cigar Lake and Midwest mines will provide many jobs and business opportunities. As a result of the environmental assessment review recommendations, 50-67% of the jobs and 35% of the business opportunities will go to residents of the areas impacted by the mines.

A community socio-economic and health impacts database will be established for northern Saskatchewan as a result of the panel's recommendations. The database will keep track of the impacts of uranium mining on the vitality of the community.

Stricter radiation safety standards have also been added to the surface lease agreements of the uranium mining companies, as a result of the reviews. In addition, The Saskatchewan Mines Regulations, issued pursuant to The Occupational Health and Safety Act, are being reviewed and amended as a result of the environmental assessments.



## Comprehensive Studies

During 1997-98, the conduct of over 20 comprehensive studies was supported by the Agency. This support ranged from: providing advisory services to clients; monitoring the activities of responsible parties to ensure the requirements of the Act were fulfilled; and ensuring the public had opportunities to participate. The Agency also reviewed several final comprehensive study reports prepared by federal authorities.

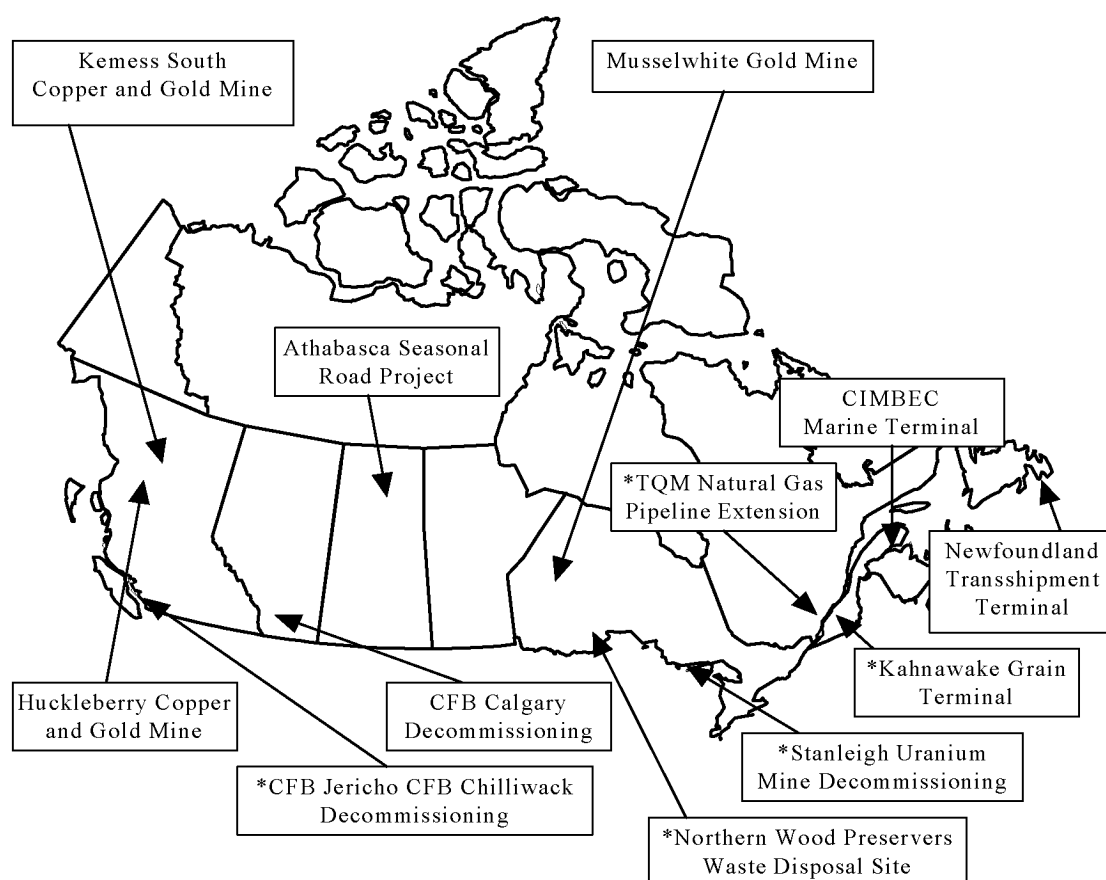
Five comprehensive studies were completed last year (see Figure 3 below). For each one, the Agency provided recommendations to the Minister of the Environment. This was based on an assessment of the final comprehensive study report submitted by the federal authority, and on comments received from the public. The Minister concluded for each comprehensive study that the project under assessment was not likely to cause significant adverse environmental effects, after taking into account proposed mitigation measures.

After the Minister reached these conclusions, each responsible federal authority determined its course of action. This included exercising legal authorities, such as issuing licenses or permits, providing funding assistance, transferring use of federal lands, or proceeding with the project in cases when the federal government was also the proponent. It is also the responsibility of the same department to ensure any mitigation measures included in the comprehensive study report are implemented.



**Figure 3: Geographical Distribution of completed Comprehensive Studies**

This figure represents all completed comprehensive studies since the Act was proclaimed in January 1995. Comprehensive studies completed during 1997-98 are indicated with a (\*).







## Advice to Clients

The Agency also provided advice and recommendations to its federal and provincial partners on other issues pertaining to environmental assessment. Below are selected examples illustrating the utility and effectiveness of this service:

- ⇒ For several high profile and publicly significant environmental assessments, particularly for forestry and major industrial proposals, the Agency took a leadership role in coordinating federal input to the provincial review process. Examples include the Agency's role in the Repap/Tolko forest management proposal and the McCain Food processing plant expansion in Portage la Prairie. Both projects are in Manitoba. Liaison activities with various federal, provincial and First Nation stakeholders resulted in improved effectiveness and efficiencies for the EA process.
- ⇒ In 1997-98, the Agency's regional offices provided coordinated, single-window and liaison services between federal and provincial governments. For example, 153 projects were coordinated through the Agency's Prairie regional office with twenty-two (14%) of those projects subject to the **Canadian Environmental Assessment Act**. By coordinating the review of the project descriptions, early identification of federal requirements was facilitated, eliminating duplication of EA activities between the province and the federal government. This resulted in reduced costs and improved cooperation in project planning by both levels of government -- one of the stated goals of environmental assessment.
- ⇒ In 1994, the Canada Infrastructure Works Programme was adopted to facilitate development of infrastructure projects in communities across Canada. The cost of this six-billion dollar initiative was shared among the federal, provincial and municipal governments. To complement the Agency's advice to Treasury Board and regional funding agencies, such as the Atlantic Canada Opportunities Agency, a support network was established through the Agency's regional offices to provide advice, assistance and coordination. The Agency also developed mechanisms to ensure the information provided was consistent and coordinated among the various parties involved.

**Commitment #2: Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions.**

The Agency's success lies in the strength of its working relationships with key partners both inside and outside the federal government. The development of effective harmonization agreements with other jurisdictions and co-ordination amongst federal departments are required to avoid duplication of effort. These relationships will also enable appropriate federal and provincial expertise to be applied to a review.

**1997-98 Accomplishments:****Harmonization Agreements**

The Agency led discussions with provincial and territorial governments to develop a Sub-agreement on Environmental Assessment under the Canada-wide Accord on Environmental Harmonization. Federal and provincial governments (except Quebec) and territorial jurisdictions ratified the Sub-agreement in January 1998. This multilateral agreement is expected to provide greater consistency, predictability, and timely and efficient use of resources where two or more parties are required by law to assess the same proposed project.

The Agency is currently engaged in bilateral discussions with Ontario, Manitoba, Saskatchewan and Alberta to develop arrangements on environmental assessment co-operation, in accordance with the provisions of the Sub-agreement. Building on existing co-operative arrangements, each bilateral agreement is expected to reduce duplication, while ensuring that the integrity of provincial and federal EA legislation is maintained.

One bilateral agreement was finalized in April 1997, the Canada-British Columbia Agreement for Environmental Assessment. Since the signing of this agreement, several projects have been subject to cooperative environmental assessments that meet federal and provincial requirements. One example included a proposal to construct and operate a natural gas pipeline from a point near Prince George to a terminal location on the Kitimaat Indian Reserve near Kitimat, British Columbia. As a result of the Canada-B.C. Agreement, a joint federal-provincial review was established and a single set of specifications was developed that would allow the completion of the EA to meet requirements of both federal and provincial legislation.

The project was suspended by the proponent for economic reasons. However, up until that point, both governments had made concerted efforts to respect the Canada-B.C. Agreement, and ensure that requirements of both federal and provincial EA Acts were being met through a single, harmonized process.



The Agency also maintained regional “single window” offices to provide consolidated federal environmental services to external clients. Regional offices offer opportunities to co-ordinate activities with provincial governments, and act as an important liaison with external stakeholders.

### **Federal Coordination**

Coordination within the federal government has been improved in circumstances when more than one department is required to conduct an environmental assessment for one project as a result of the Federal Coordination Regulations, which came into force in April 1997. The Agency prepared a reference guide in July 1997, and held workshops in most regions to assist departments in better implementing the regulation. Further discussion of this initiative and its outcomes can be found in Section 5.2: Performance of Regulatory Initiatives, page 39.

**Commitment #3: Environmental assessment processes that are effective, efficient, consistent, predictable and of the highest standards.**

In addition to developing strategic partnerships, improving the federal EA process is vital to ensuring its importance as a decision-making tool. The Agency is constantly developing new ways to improve the process, and to clarify its applicability.

#### **1997-98 Accomplishments:**

The Agency developed measures to improve the quality of EAs and to encourage best practices. Effort was also undertaken to build predictability into the process. Gaps in the application of the Act are, and continue to be, addressed. Some of the major accomplishments against this commitment follow:

#### **Ongoing Monitoring Program**

In order to improve the EA process, an understanding of its impacts on the environment, project design and competitiveness is required. In partnership with Industry Canada, Environment Canada and Natural Resources Canada, a multi-year monitoring program was created to determine if EA was contributing to better project planning and consequently to better environmental protection.



By year's end, methodologies were established to collect information on:

- the costs and source of costs of assessments associated with comprehensive studies, panel reviews and large-scale screening projects;
- the benefits to industry and the public of preparing environmental assessments; and
- actual contributions to sustainable development brought about through comprehensive studies, panel reviews and large-scale screening projects.

The results of the Ongoing Monitoring Program will assist the Agency in refining the EA process to increase its effectiveness and cost efficiency. This initiative will also contribute key performance information for use in the five-year review of the Act.

### **Regulatory Development**

As a result of the Joint Monitoring Program, several amendments to existing regulations were prepared. Pending approval in 1998-99, these amendments will enable the government to better focus effort on assessing those projects with potentially significant impacts.

During 1997-98, the Agency also focused effort on closing gaps in the application of the Act. Federal Crown corporations are not required to conduct EAs of their activities unless, as a proponent, they are required to seek the approval or agreement of a federal authority. In consultation with the Regulatory Advisory Committee (see pages 5 and 43), it was agreed that rules would be developed for the conduct of EAs by ports and harbour commissions. These organizations will become Canada Port Authorities under the Canada Marine Act.

It is anticipated the results of these developments will be improved consistency of application, enhanced accountability and greater transparency of environmental management of projects.

### **Public Access to EA Information**

The Agency facilitates public access to information regarding environmental assessment. Important means of access are: the Agency's information centre (see Section 6.1), the Federal Environmental Assessment Index (FEAI), and the Agency's Internet site. The address for both the FEAI and the Agency's Internet site is [www.ceaa.gc.ca](http://www.ceaa.gc.ca).

The FEAI was originally created to provide convenient public access to information on all assessments conducted by the federal government. However, system design problems and technology limitations prevented some departments from filing their



assessments in a timely manner. Environmental groups, researchers and the general public also noted that the Index was sometimes difficult to use, and often information was incomplete or missing. In response, a new system was developed that will be easier to use, and will allow daily updates to information. Search functions were also enhanced to foster easier access to the Index.

The Agency also identified the need to update the content and appearance of the Agency's Web site. Improvements were made to facilitate navigation, and to provide more relevant information. Further technological improvements are being made to the Web site. It is anticipated these upgrades, when implemented in 1998-99, will improve public access and lead to better public participation in the EA process.

### **Class Screening**

The Commissioner of the Environment and Sustainable Development noted in his report that the federal government should intensify efforts to improve the quality and efficiency of EAs by developing consistent approaches for similar projects. The Agency is actively assisting other federal departments in the development of class screenings which will allow a faster and more efficient assessment of similar projects.

By the end of 1997-98, the Agency, in conjunction with Parks Canada and the Town of Banff, developed a class screening report defining EA procedures for routine projects. Typical projects include buildings, service lines, roads, bridges, and municipal parks and trails. This report, the first of its kind, is expected to simplify and streamline the screening process, and improve the efficiency, effectiveness, and predictability of screening projects in and around Banff. As well, this report is expected to improve the coordination of project planning and approvals between Banff and Parks Canada.

On August 19, 1998 the Agency declared this report a Model Class Screening Report and made it available to the public (see Section 6.4).

### **National Standard for Environmental Assessment**

The Agency has initiated the development of a national standard for environmental impact assessment under the auspices of the Canadian Standards Association (CSA). The objective of the standard is to establish uniform EA process requirements, consistent with the Act and other Canadian statutory and non-statutory processes. This will result in higher quality EAs and more effective and efficient decision making. After extensive consultation, the Agency, in partnership with the CSA, was able to establish a technical committee tasked to develop the standard. Section 6.3, page 43, contains a list of representatives on this committee.

**Commitment #4: Level of federal authority compliance with the requirements of the *Canadian Environmental Assessment Act*.**

Government compliance with EA processes is an increasingly prominent issue. Indeed, the Commissioner of the Environment and Sustainable Development has criticized the government's compliance record and recommended the Agency take a leadership role in improving compliance. Evaluating how other departments understand and carry out their EA responsibilities is key in determining how to do this, thus ensuring environmental considerations are incorporated into decisions.

**1997-98 Accomplishments:****Education and Training**

In order to promote better compliance with the Act, the Agency must rely on guidance, information and training materials to promote compliance and ensure stakeholders understand their legislative requirements. Six training sessions were delivered across Canada to participants from government, private sector, non-government organizations and academia. As a follow-up, a nation-wide survey was conducted to measure client satisfaction with existing training and guidance material. Results indicated both a high degree of satisfaction with some products, and an emerging demand for advanced training. In response to the survey, an advanced training course was developed and an interdepartmental committee of federal departments was established to coordinate federal training efforts on EA.

The following progress was made on several key guidance and training materials (available on the Agency's Internet site [www.ceaa.gc.ca](http://www.ceaa.gc.ca)):

- ⇒ **Mining Environmental Assessment Guide:** The Agency, in cooperation with Environment Canada and Natural Resources Canada, produced a test version of a Guide to Information Requirements for Federal Environmental Assessment of Mining Projects in Canada. Its main purpose is to increase certainty for developers of mining projects regarding the requirements for comprehensive study reports and environmental impact statements prepared under the Act. This version will be evaluated by using it in selected assessments of new mining projects. A final version of the guide is expected to be published in 1999.



- ⇒ **Cumulative Effects Assessment Guide:** The Agency and a working group of environmental specialists produced a draft cumulative effects assessment guide to assist those responsible for conducting EAs. This draft was released for public comment in December 1997. Nation-wide consultations were held from January to March 1998. Public submissions and comments on the guide are being analyzed in advance of publication of a final version by the end of 1998.
- ⇒ **Comprehensive Study Training Manual:** The Agency, in cooperation with Public Works and Government Services Canada (PWGSC), developed a manual on the preparation and management of comprehensive studies. This manual is the basis for a training course to be delivered in selected locations across the country during 1998-99.

### **Compliance Monitoring Framework**

The Agency developed and is implementing a monitoring framework in cooperation with other departments to measure the level of compliance with the Act. Data collected will assist the Agency in determining what adjustments are necessary to training and promotion activities, as well as legislation. At least thirteen federal departments have agreed to evaluate a sample of assessments, using the framework developed by the Agency. This exercise will provide crucial information in support of the five-year review of the Act and future performance reporting.

### **Client Needs Survey**

The results of a nation-wide survey indicated that clients' needs have shifted over the last three years. Demand has grown for more customization and advice on practice rather than process. There was also a strong interest among federal departments to seek partnerships to meet these demands. In response, the Agency created an Interdepartmental Guidance and Training Forum (see Section 6.3 for a list of representatives). The purpose of the Forum is to improve the quality, timeliness and customization of guidance and training products for departments. It is anticipated that the results of this Forum will be improved quality of environmental assessments, and increased client satisfaction regarding the products they receive.



**Commitment #5: Aboriginal regimes that maintain or exceed the standards and principles of the *Canadian Environmental Assessment Act*, and are harmonized with existing environmental assessment processes.**

Current federal government policies with respect to Aboriginal land claims and the inherent right of self-government recognize the importance of ensuring that Aboriginal peoples have enhanced autonomy over their lives. As decision makers, Aboriginal peoples require tools to ensure that environmental integrity and sustainable development can be achieved for their communities.

**1997-98 Accomplishments:**

The Agency worked closely with the Department of Indian Affairs and Northern Development to provide advice and assistance on EA considerations and requirements in negotiating and implementing comprehensive land claim and self-government agreements. The Agency is striving to harmonize Aboriginal environmental assessment regimes with federal EA processes to ensure resources are efficiently and effectively utilized, and that only a single assessment occurs for one project. These agreements, noted below, are expected to promote an open and participatory process for assessing the environmental implications of projects on Aboriginal lands, and to improve the integration of environmental and economic considerations.

- ⇒ **Aboriginal Comprehensive Land Claims:** Implementation of the Mackenzie Valley Resource Management Act, Nunavut and Inuvialuit Agreements, the Yukon Umbrella Final Agreement plus negotiation of the Labrador Inuit Association, Innu Nation, Nisga'a and other claims under the British Columbia Treaty Negotiation Process.
- ⇒ **Self-Government Agreements:** Negotiation of the Westbank, WeWai Kai, Meadow Lake Tribal Council and United Anishnaabeg Council Agreements.
- ⇒ **Sectoral Self-Government Agreements:** Implementation of The First Nations Land Management Act.
- ⇒ **First Nations Environmental Assessment Standard:** As a follow-up to its 1995 paper, *Options for Environmental Assessment by First Nations on Reserves*, the Agency, in conjunction with the Canadian Standards Association, conducted a study into developing a First Nations environmental assessment standard. The results of the study indicated an environmental impact assessment standard for First Nation lands may be feasible. Both the options paper and feasibility study are available to the public and can be obtained from the Agency's information services (see Section 6.1). The Agency is continuing to explore the development of such a standard.





<b>Commitment #6: Consistent application of environmental considerations into federal policy and program proposals.</b>
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The 1990 Cabinet Directive on the Environmental Assessment of Policy and Program Proposals introduced an important tool for dealing with broad environmental and sustainable development implications of federal policies and programs. Known as Policy EA, it is an investment in good decision making; it allows for the identification of environmental effects of proposed federal policies and programs at the earliest possible stage. Both the Commissioner of the Environment and Sustainable Development and the findings of a preliminary analysis conducted by the Agency indicate that departments have been slow to implement environmental assessment of programs and policies.

**1997-98 Accomplishments:**

The Agency took a proactive role in promoting the benefits of policy environmental assessment among federal departments. In collaboration with other federal departments, an action plan was developed with the objective of increasing compliance with the Cabinet Directive. This plan addresses four priorities, including:

**i) Promotion and Awareness:**

- ⇒ conducted presentations to key federal departments on EA of policies and programs; and
- ⇒ began documenting direct benefits for departments in using policy EA.

**ii) Linkage to federal planning and decision-making processes:**

- ⇒ co-ordinated with other federal departments a strategy to promote Policy EA as a tool for departmental sustainable development strategies.

**iii) Training and Education:**

- ⇒ developed and issued a Policy EA training module in January 1997; and
- ⇒ assisted other departments in providing education sessions.

**iv) Research and Development:**

- ⇒ initiated work on a Policy EA best practices compendium; and
- ⇒ developed case study papers of innovative approaches to Policy EA at both national and international conferences.

The results of the action plan for increasing compliance with the Cabinet Directive will be addressed in upcoming performance reports, once relevant data have been collected.

**Commitment #7: Effective representation of Canada's interests in international environmental assessment forums.**

International relationships give Canada the opportunity to share EA expertise and establish mechanisms to support sustainable development of global interests that may affect the health of the environment within Canada. In addition, Canada's international EA responsibilities must reflect foreign trade policy and trade issues, and ensure the competitive position of Canadian exporters.

**1997-98 Accomplishments:**

Acting as the federal representative in the EA field, the Agency provided corporate leadership in working on several significant international agreements, including:

**Environmental Impact Assessment in a Transboundary Context**

The federal government has long recognized the need to ensure actions undertaken in Canada do not cause environmental harm to other nations. During 1997-98, the Agency actively promoted and fostered co-operation in Canada and abroad regarding transboundary environmental impacts. This effort resulted in the ratification of the United Nations Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context. This Convention will ensure that participating countries from western and eastern Europe as well as Canada and the United States will consider and address environmental impacts that may cross borders.

**North American Agreement for Environment Co-operation (NAAEC)**

The Agency, working with Mexico and the United States, developed recommendations for the assessment of projects that are likely to cause significant adverse transboundary environmental effects. Progress was made to define obligations relating to inter-jurisdictional notification, sharing of information, opportunities for public participation and the assessment of impacts including mitigation measures. Several rounds of negotiations were held, based on directions from respective Ministers, to conclude a legally binding agreement. This agreement, once ratified, will then be implemented at the federal level with the objectives of fostering environmentally sound practices and action-oriented international co-operation to ensure transparency and accountability.



### **3.2.3 Other Performance Accomplishments:**

#### **Sustainable Development Strategy:**

Although not officially required to develop a sustainable development strategy, the Agency developed, in consultation with other federal departments, a strategy to demonstrate to Canadians its commitment to sustainable development. This strategy was tabled in Parliament in December 1997. The Agency's contribution to sustainable development includes taking a leadership role in the corporate management of EA within the federal government and encouraging the use of EA as a decision-making tool through strategic partnerships and agreements.

The Agency's performance in achieving these goals will be best measured by the compliance of other federal departments and agencies with the **Canadian Environmental Assessment Act**. To meet these objectives, briefings with other departments are taking place on how EA might best be used in the evaluation of federal plans, programs, policies and projects in support of sustainable development objectives. Progress against objectives and commitments is provided in Section 5.1, page 38.

### **3.3 Year 2000 Compliance**

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The Agency contracts with Environment Canada (EC) for part of its information technology services. The existing Service Level Agreement includes provisions for assessment, risk analysis and testing to ensure Year 2000 compliance for all Agency systems, equipment and infrastructure. In addition, the Director General of Corporate Services is part of the EC's Year 2000 Senior Managers Steering Committee.

In November 1997, a detailed inventory and comprehensive assessment was completed. Results of the Year 2000 analysis (including regional offices) confirmed that there were no serious problems. One area of potential concern is the Federal Environmental Assessment Index which is being addressed with private sector support under contract. The requirement for Year 2000 compliance is included in the contract. All other applications and hardware have been upgraded or replaced. Further validation/testing is being undertaken by EC, and will be finalized by January 1999.

In addition, as part of the regulatory review exercise led by the Department of Justice, all current and future regulations have been assessed for Year 2000 implications. In developing new regulations, the Agency will also take into account Year 2000 considerations.



## SECTION IV: FINANCIAL PERFORMANCE

### 4.1. Financial Performance Overview

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This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table 1, are displayed using three separate headings. For clarity, these headings are defined as:

- **Planned Spending** - what the plan was at the beginning of the fiscal year;
- **Total Authorities** - include additional spending Parliament has approved for departments to reflect changing priorities and unforeseen events; and
- **1997-98 Actuals** - what was actually spent for the fiscal year.

1997-98 marked the final year that environmental assessment panel reviews were funded by the Agency. Nearly \$2.2 million was spent in support of seven panel reviews (as indicated in Section 3.2, pages 14 to 16), all of which came from parliamentary appropriations. In April 1997, Ministers approved a proposal to recover these costs from project proponents. In consultation with industry representatives and other federal departments, the Agency developed a mechanism that would allow the recovery of direct government costs for conducting panel reviews. By year's end, a cost-recovery plan was ready for final approval.

Other significant areas of expenditures during 1997-98 include:

- \$0.8 million for regional offices to provide information, advice, co-ordination and liaison "single-window" services;
- \$2.1 million to develop tools to advance the implementation of EA and improve the process including: new regulations, guides and guidelines, training and education materials, development of a national EA standard; support other departments in the conduct of screenings and comprehensive studies, in addition to developing class screening models and to support the negotiation of land claim and self-government agreements;
- \$0.5 million to revamp the Federal Environmental Assessment Index to enhance reporting capabilities and facilitate improved compliance; and
- \$0.4 million to modernize the Agency's informatics network and to prepare for Year 2000 through a Service Level Agreement with Environment Canada.

**Table 1: Financial Requirements by Authority (thousands of dollars)**

		1997-98 Planned Spending	1997-98 Total Authorities	1997-98 Actual
Vote				
<b>Canadian Environmental Assessment Agency</b>				
15	Program Expenditures	9,143.0	10,006.2	<b>9,059.0</b>
(S)	Contributions to Employee Benefit Plans	699.0	699.0	<b>699.0</b>
<b>Total Department</b>		<b>9,842.0</b>	<b>10,705.2</b>	<b>9,758.0</b>

**NOTE:** Total Authorities are main estimates plus supplementary estimates plus other authorities.

**Explanation of Variance:**

The difference between Total Authorities and Planned Spending of approximately \$0.9 million is due to the following circumstances: carry-over of operating budget from 1996-97; new resources to fund land claim negotiations in British Columbia; and revenues arising from expenditures incurred in 1996-97.

Total Authorities exceed 1997-98 Actual Spending by approximately \$1.0 million for two reasons. First, only one major panel review required funds to assist the public in participating in the EA process. This constituted a lapse in transfer payments that could not be utilized elsewhere within the Agency. Second, delays in the conduct of the Voisey's Bay Mineral Development panel review, beyond the Agency's control, pushed anticipated expenditures into 1998-99.



**Table 2: Comparison of Total Planned Spending to Actual Spending  
(thousands of dollars)**

	FTEs	Operating*	Capital	Voted Grants & Contri- butions	Subtotal: Gross Voted Expendi- tures	Statu- tory Grants & Contri- butions	Total Gross Expendi- tures	Less: Revenue Credited to the Vote	Total Net Expen- ditures
<b>Canadian Environ- mental Assessment Agency</b>	95	9,162.0		1,058.0	10,220.0	-	10,220.0	378.0	9,842.0
(total authorities)	95	10,206.9	151.0	1,058.0	11,415.9	-	11,415.9	710.7	10,705.2
<b>(Actuals)</b>	<b>79</b>	<b>9,376.4</b>	<b>150.8</b>	<b>506.1</b>	<b>10,033.3</b>	<b>-</b>	<b>10,033.3</b>	<b>275.3</b>	<b>9,758.0</b>
<b>Total</b>	95	9,162.0		1,058.0	10,220.0	-	10,220.0	378.0	9,842.0
(total authorities)	95	10,206.9	151.0	1,058.0	11,415.9	-	11,415.9	710.7	10,705.2
<b>(Actuals)</b>	<b>79</b>	<b>9,376.4</b>	<b>150.8</b>	<b>506.1</b>	<b>10,033.3</b>	<b>-</b>	<b>10,033.3</b>	<b>275.3</b>	<b>9,758.0</b>
<b>Other Revenues and Expenditures</b>									
<b>Revenue credited to the Consolidated Revenue Fund</b>									-
(total authorities)									(3.3)
<b>(Actuals)</b>									<b>(400.9)</b>
<b>Cost of services provided by other departments</b>									1,105.0
(total authorities)									1,105.0
<b>(Actuals)</b>									<b>1,256.9</b>
<b>Net Cost of the Program</b>									10,947.0
(total authorities)									11,806.9
<b>(Actuals)</b>									<b>10,614.0</b>

\* Operating includes Employee Benefit Plans. Refer to Table 8.

**Table 3: Historical Comparison of Total Planned Spending to Actual Spending (thousands of dollars)**

	<b>Actual 1995-96</b>	<b>Actual 1996-97</b>	<b>Planned Spending 1997-98</b>	<b>Total Authorities 1997-98</b>	<b>Actual 1997-98</b>
Canadian Environmental Assessment Agency	9,959.0	10,213.9	9,842.0	10,705.2	9,758.0
<b>Total</b>	<b>9,959.0</b>	<b>10,213.9</b>	<b>9,842.0</b>	<b>10,705.2</b>	<b>9,758.0</b>

**Table 4: Crosswalk between Old Structure and New Structure**

Table 4 is not applicable to the Canadian Environmental Assessment Agency.

**Table 5: Resource requirements by Organization**

Table 5 is not applicable to the Canadian Environmental Assessment Agency.

**Table 6: Revenues Credited to the Vote (thousands of dollars)**

	<b>Actual 1995-96</b>	<b>Actual 1996-97</b>	<b>Planned Revenues 1997-98</b>	<b>Total Authorities 1997-98</b>	<b>Actual 1997-98</b>
Canadian Environmental Assessment Agency	256.5	260.4	378.0	710.7	275.3
<b>Total Revenues Credited to the Vote</b>	<b>256.5</b>	<b>260.4</b>	<b>378.0</b>	<b>710.7</b>	<b>275.3</b>

Explanation of Variance:

Revenues anticipated under a Canada-Newfoundland cost-sharing agreement were deferred to 1998-99 due to delays in initiating the Voisey's Bay Mineral Development panel review.



**Table 7: Revenues Credited to the Consolidated Revenue Fund  
(thousands of dollars)**

	<b>Actual 1995-96</b>	<b>Actual 1996-97</b>	<b>Planned Revenues 1997-98</b>	<b>Total Authorities 1997-98</b>	<b>Actual 1997-98</b>
Canadian Environmental Assessment Agency	28.0	-	0.1	3.3	400.9
<b>Total Revenues Credited to the CRF</b>	<b>28.0</b>	<b>-</b>	<b>0.1</b>	<b>3.3</b>	<b>400.9</b>

**Table 8: Statutory Payments (thousands of dollars)**

	<b>Actual 1995-96</b>	<b>Actual 1996-97</b>	<b>Planned Spending 1997-98</b>	<b>Total Authorities 1997-98</b>	<b>Actual 1997-98</b>
Canadian Environmental Assessment Agency	615.0	598.0	699.0	699.0	699.0
<b>Total Statutory Payments</b>	<b>615.0</b>	<b>598.0</b>	<b>699.0</b>	<b>699.0</b>	<b>699.0</b>

Note: The only statutory payment applicable to the Agency is Employee Benefit Plans.



**Table 9: Transfer Payments (thousands of dollars)**

	<b>Actual 1995-96</b>	<b>Actual 1996-97</b>	<b>Planned Spending 1997-98</b>	<b>Total Authorities 1997-98</b>	<b>Actual 1997-98</b>
<b>CONTRIBUTIONS - Canadian Environmental Assessment Agency</b>					
Contribution to the Province of Quebec - James Bay and Northern Quebec Agreement	95.0	95.0	95.0	95.0	<b>95.0</b>
Contributions to assist public participation in environmental assessment reviews	469.6	312.9	963.0	963.0	<b>411.1</b>
<b>Total Contributions</b>	<b>564.6</b>	<b>407.9</b>	<b>1,058.0</b>	<b>1,058.0</b>	<b>506.1</b>
<b>Total Transfer Payments</b>	<b>564.6</b>	<b>407.9</b>	<b>1,058.0</b>	<b>1,058.0</b>	<b>506.1</b>

**Explanation of Variance:**

The level of demand to fund public participation in panel reviews depends on the number of major projects under assessment. For 1997-98, only one panel review, Voisey's Bay Mineral Development, required significant funding assistance. Due to delays in the conduct of this review, as well as a budgetary capacity to handle additional large reviews, a lapse between Total Authorities for 1997-98 and Actuals for 1997-98 resulted.

**Table 10: Capital Spending (thousands of dollars)**

	<b>Actual 1995-96</b>	<b>Actual 1996-97</b>	<b>Planned Spending 1997-98</b>	<b>Total Authorities 1997-98</b>	<b>Actual 1997-98</b>
Canadian Environmental Assessment Agency	44.5	144.2	-	151.0	150.8
<b>Total Capital Spending</b>	<b>44.5</b>	<b>144.2</b>	<b>-</b>	<b>151.0</b>	<b>150.8</b>

**Table 11: Capital Projects**

Table 11 is not applicable to the Canadian Environmental Assessment Agency.

**Table 12: Status of Major Crown Projects**

Table 12 is not applicable to the Canadian Environmental Assessment Agency.

**Table 13: Loans, Investments and Advances**

Table 13 is not applicable to the Canadian Environmental Assessment Agency.

**Table 14: Revolving Fund Financial Summaries**

Table 14 is not applicable to the Canadian Environmental Assessment Agency.

**Table 15: Contingent Liabilities**

Table 15 is not applicable to the Canadian Environmental Assessment Agency.

**SECTION V: CONSOLIDATED REPORTING****5.1 Sustainable Development**

<b>Key Goals</b>	<b>Performance Indicator</b>	<b>Targets for the Reporting Period</b>	<b>Progress to Date or Any Corrective Action</b>
<b>Goal # 1:</b> Assume a leadership role for corporate management of the EA process in the federal government	Communicate benefits of environmental assessment to other departments	Finalize work on the Joint Monitoring Program and statistical analysis from the Federal Environmental Assessment Index	Joint Monitoring Program is complete. The results have been shared with other departments
	Share research and other information with federal departments and the public	Share the results of the three-year <b>International Study on the Effectiveness of Environmental Assessment</b>	Research has been disseminated to other departments
	Follow-up on federal environmental assessment to ensure compliance with the Act	Follow-up system established to determine whether EAs of projects are accurate and whether mitigative measures are effective	New monitoring and compliance framework system under development; results should be available next fiscal year
	Provide regular EA advice in support of Aboriginal land claims and self-government negotiations	Advice to federal negotiators addressing EA issues in Aboriginal comprehensive land-claim and self-government negotiations, and provide help in defining policy options	Participation in the negotiations and implementation of over 12 comprehensive land claim and self-government agreements
<b>Goal # 2:</b> Refine and enhance the appropriate application of the Canadian Environmental Assessment Act	Understanding of the application of the Act and EAs improve	Provide guidance and training to federal departments and other practitioners of EA	Delivered six training sessions across Canada to representatives from the federal and provincial governments, the private sector, and NGOs
	Develop new initiatives to improve EAs, and encourage best practices	Develop EA standards in collaboration with the Canadian Standards Association and technical committees	Work with the Canadian Standards Association is ongoing
	Application of the Act expands and improves	Development of EA regimes for Crown corporations and harbour commissions	Draft regulations are being discussed with port authorities
<b>Goal # 3:</b> Encourage the use of EA as a decision-making tool	Harmonization with other jurisdictions conducting EAs improves	Strengthen strategic partnerships, both federally and provincially, and thereby reduce overlap	Sub-Agreement on EA Harmonization was ratified by all parties (except Quebec)
	Negotiate with NAFTA and UN partners on environmental assessment procedures	Collaborate with NAFTA partners on an agreement for transboundary EA. Ratify the UNECE Convention on Environmental Impact Assessment in a Transboundary Context	Negotiations with Mexico and the United States are ongoing. The UNECE Convention has been ratified



## 5.2 Performance of Regulatory Initiatives

Purpose of legislative of regulatory initiative (as reported in the FRP <sup>1</sup> )	Expected Results (as reported in the FRP <sup>1</sup> )	Performance measurement criteria	Results achieved
<b>Federal Coordination Regulations</b>			
Set out a process to be followed in situations where several federal departments are required to conduct a federal environmental assessment for one project. This is to ensure a predictable, timely screening process, and that as far as possible, a single federal environmental assessment for each project subject to the Canadian Environmental Assessment Act.	<u>“Short term”</u> <ul style="list-style-type: none"> <li>- improvement in the coordination of all federal departments involved in an environmental assessment</li> <li>- facilitation of project assessment harmonization agreements with provinces where requirements exist</li> </ul>	<u>“Short term”</u> <ul style="list-style-type: none"> <li>- better understanding and compliance of regulations by other federal departments</li> <li>- year-over-year decrease in the amount of time required to determine which departments will be involved in an assessment</li> <li>- year-over-year decrease in the amount of time required to determine the nature of federal involvement in an assessment</li> </ul>	<u>“Short term”</u> <ul style="list-style-type: none"> <li>- federal departments are identifying involvement in a more timely fashion and cooperation amongst departments on matters such as scoping has increased</li> <li>- increased opportunities to harmonize with provinces because of early identification provisions</li> </ul>
	<u>“Long term”</u> <ul style="list-style-type: none"> <li>- improved timeliness and cost efficiency of the federal environmental assessment process</li> </ul>	<u>“Long term”</u> <ul style="list-style-type: none"> <li>- number of projects subject to more than one federal assessment or subject to duplication of effort decrease</li> </ul>	<u>“Long term”</u> <ul style="list-style-type: none"> <li>- performance information not available at this time; will be discussed in next year's performance report</li> </ul>
<b>Panel Procedures (Ministerial Guideline)</b>			
Set out the manner in which federal environmental assessment panels conduct reviews, to ensure that the federal panel review process is fair, timely and efficient	<u>“Short term”</u> <ul style="list-style-type: none"> <li>- more streamlined and predictable panel review process</li> <li>- Guaranteed procedural protections for participants (e.g. minimum amount of time to review documentation).</li> </ul>	<u>“Short term”</u> <ul style="list-style-type: none"> <li>- federal panel reviews conducted in a consistent manner and adhere to consistent timelines</li> </ul>	<u>“Short term”</u> <ul style="list-style-type: none"> <li>- performance information not available - procedures not yet applied (since procedures came into force no panel reviews have been initiated)</li> </ul>
	<u>“Long term”</u> <ul style="list-style-type: none"> <li>- improved and more traceable government decision-making with respect to projects given that consistent procedures will be applied to each one</li> </ul>	<u>“Long term”</u> <ul style="list-style-type: none"> <li>- broad acceptance by stakeholders that the federal panel process is effective and efficient</li> </ul>	<u>“Long term”</u> <ul style="list-style-type: none"> <li>- performance information not available at this time; will be discussed in next year's performance report</li> </ul>

<sup>1</sup>. Federal Regulatory Plan



### 5.3 Statistical Summary of Environmental Assessments

The Agency is required under Section 71(2) of the Canadian Environmental Assessment Act to report on an annual basis the number of environmental assessments conducted under the Act. The following table is a listing of all EAs initiated by departments and agencies during the period April 1, 1997 to March 31, 1998 (as reported by lead department). The total number of environmental assessments initiated is up slightly from 5,732, as reported in the 1996-97 Performance Report.

Department	Total	Type	Approved	Completed	Outstanding	Panel Required
Agriculture and Agri-Food Canada	333	screening	323	323	10	-
Atlantic Canada Opportunities Agency	576	screening	343	343	233	-
	4	comp. Study	1	1	3	-
Atomic Energy Control Board	7	screening	7	7	-	-
	1	comp. study	-	-	1	-
Canadian Heritage	955	screening	792	796	159	-
	1	comp. study	-	-	1	-
Canadian International Development Agency	60	screening	60	60	-	-
Canadian Transportation Agency	65	screening	65	65	-	-
Correctional Services of Canada	4	screening	4	4	-	-
Foreign Affairs and International Trade	7	screening	5	5	2	-
Environment Canada	435	screening	409	409	26	-
Canada Economic Development for Québec Regions*	130	screening	111	111	19	-
Fisheries and Oceans	754	screening	660	660	94	-
	11	comp. study	1	2	9	-
Human Resources Development Canada	147	screening	147	147	-	-
	1	comp. study	-	-	1	-
Indian and Northern Affairs Canada	1,135	screening	974	974	161	-
Industry Canada	413	screening	413	413	-	-
National Defence	140	screening	16	16	124	-
National Energy Board	133	screening	91	91	42	-
	2	comp. study	1	1	1	-
National Research Council of Canada	2	screening	2	2	-	-
Natural Resources Canada	37	screening	32	32	5	-
Public Works and Government Services Canada	33	screening	27	27	6	-
	1	comp. study	-	-	1	-
Royal Canadian Mounted Police	13	screening	13	13	-	-
Revenue Canada	3	screening	3	3	-	-
Transport Canada	243	screening	243	243	-	-
Western Economic Diversification Canada	300	screening	299	299	1	-
Sub - Total	5,925	screening	5,039	5,043	882	-
	21	comp. study	3	4	17	-
<b>TOTALS</b>	<b>5,946</b>		<b>5,042</b>	<b>5,047</b>	<b>899</b>	-

\* Name changed from Federal Office of Regional Development (Québec).



## SECTION VI: OTHER INFORMATION

### 6.1 Contacts for Further Information and Departmental Web Site

#### Canadian Environmental Assessment Agency - Headquarters

Fontaine Building  
200 Sacré-Coeur Boulevard  
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K1A 0H3

##### Internet Address:

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##### Information Services

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Fax.: (819) 953-2891  
Internet E-mail: [stephane.parent@ceaa.gc.ca](mailto:stephane.parent@ceaa.gc.ca)

##### Federal Environmental Assessment Index

E-mail: [index@ceaa.gc.ca](mailto:index@ceaa.gc.ca)

##### Communications - Media Relations

Tel: (819) 997-2212  
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#### Regional Offices

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Internet e-mail: [bill.coulter@ceaa.gc.ca](mailto:bill.coulter@ceaa.gc.ca)



## Regional Offices (Continued)

### Quebec Region

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K1A 0H3  
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Internet e-mail: pascal.barrette@ceaa.gc.ca

### Ontario Region

200 Sacré-Coeur Boulevard, 13<sup>th</sup> floor  
Hull, Quebec  
K1A 0H3  
Telephone: (819) 997-2244  
Facsimile: (819) 994-1469  
Internet e-mail: guy.riverin@ceaa.gc.ca

## 6.2 Legislation and Associated Regulations Administered

**The Minister has sole responsibility to Parliament for the following Acts and associated Regulations:**

Canadian Environmental Assessment Act.....	S.C., 1992, C.37, as amended
Law List Regulations.....	SOR/94-636 (October 7, 1994)
Comprehensive Study List Regulations.....	SOR/94-638 (October 7, 1994)
Inclusion List Regulations.....	SOR/94-637 (October 7, 1994)
Exclusion List Regulations.....	SOR/94-639 (October 7, 1994)
Federal Authorities Regulations.....	SOR/96-280 (May 28, 1996)
Projects Outside Canada Environmental Assessment Regulations.....	SOR/96-491 (November 7, 1996)
Regulations Respecting the Co-ordination by Federal Authorities of Environmental Assessment Procedures and Requirements.....	SOR/97-181 (April 8, 1997)
Environmental Assessment Review Panel Service Charges Order .....	SOR/98-443 (August 26, 1998)

**The Minister has shared responsibility to Parliament for the following Acts:**

James Bay and Northern Quebec Native Claims Settlement Act .....	S.C., 1976-77, C.32
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### 6.3 Key Committee Participants List

#### Regulatory Advisory Committee (RAC)

- Canadian Association of Petroleum Producers
- Canadian Construction Association
- Canadian Environmental Network
- Canadian Nuclear Association
- Canadian Pulp and Paper Association
- Centre patronal de l'environnement du Québec
- Centre québécois de droit de l'environnement
- Environment Canada
- Fisheries and Oceans Canada
- Industry Canada
- Inuit Tapirisat of Canada
- Mining Association of Canada
- Natural Resources Canada
- Province of Ontario, Ministry of Environment and Energy
- Province of British Columbia, Ministry of Environment
- West Coast Environmental Law Association

#### Interdepartmental Forum on Training and Guidance

- Agriculture and Agri-Food Canada
- Canadian Heritage
- Canadian International Development Agency
- Canadian Transportation Agency
- Environment Canada
- Department of National Defence
- Fisheries and Oceans Canada
- Foreign Affairs and International Trade
- Health Canada
- Human Resources Development Canada
- Indian and Northern Affairs Canada
- Natural Resources Canada
- Public Works and Government Services Canada
- Royal Canadian Mounted Police
- Transport Canada

#### Canadian Standards Association Environmental Impact Assessment Technical Committee

- Assembly of First Nations
- Atomic Energy of Canada Limited
- Birchall Northey Barristers
- Bow Valley Naturalists
- Cambior Incorporated
- Canadian Association of Petroleum Producers
- Canadian International Development Agency
- Canadian Pulp and Paper Association
- Canadian Transportation Agency
- Dianne Damman, independent consultant
- Environment Canada
- Environmental Coalition of Prince Edward Island
- Hardy Stevenson and Associates Ltd.
- Health Canada
- Hemmera Resource Consultants Ltd.
- Hydro-Québec
- Inuit Tapirisat of Canada
- Marbek Resources Consultants Ltd.
- Natural Resources Canada
- Province of Manitoba, Department of Environment
- Province of New Brunswick, Department of Environment
- Quebec Environmental Law Centre
- Sustainable Resource Development Incorporated
- Turtle Island Earth Stewards
- UMA Engineering
- United Kingdom Environmental Assessment Institute
- University of Waterloo
- Westmin Resources Ltd.
- Yukon Conservation Society





## 6.4 Statutory Annual Reports and Other Departmental Reports

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The following reports are available from the Agency's Internet site, unless indicated otherwise:

- Performance Report to Parliament, for the Period ending March 31, 1997: Improved Reporting to Parliament - Pilot Document  
⇒ [www.tbs-sct.gc.ca/rma/dpr/96-97/2ceaa96e.pdf](http://www.tbs-sct.gc.ca/rma/dpr/96-97/2ceaa96e.pdf)
- 1998-99 Estimates: Report on Plans and Priorities
- Cabinet Directive on the Environmental Assessment of Policy and Program Proposals, 1990
- United Nations Economic Commission for Europe (UN ECE) Convention on Environmental Impact Assessment in a Transboundary Context, 1994  
⇒ [www.unicc.org/unece/pub\\_cat/lpenv8.htm#eia](http://www.unicc.org/unece/pub_cat/lpenv8.htm#eia) (report not on site)
- Report of the EUB-CEAA Joint Review Panel: Cheviot Coal Project, June 1997  
⇒ [http://204.225.191.209/panels/cheviot/report\\_e.htm](http://204.225.191.209/panels/cheviot/report_e.htm) (Only summary, full report not on site)
- Terra Nova Development: An offshore Petroleum Project, August 1997
- Sable Gas Project, October 1997
- Midwest Uranium Mine Project, Cigar Lake Uranium Mine Project and Cumulative Observations, November 1997
- An Investment in our Future: A Sustainable Development Strategy for the Agency, December 1997
- Nuclear Fuel Waste Management and Disposal Concept, February 1998
- Little Bow Project / Highwood Diversion Plan: Application to Construct a Water Management Project to Convey and Store Water Diverted from the Highwood River, May 1998  
⇒ [www.gov.ab.ca/nrcb/dec9601.html](http://www.gov.ab.ca/nrcb/dec9601.html)
- Commissioner of the Environment and Sustainable Development: Environmental Assessment - A Critical Tool for Sustainable Development, May 1998  
⇒ [www.oag-bvg.gc.ca/domino/media.nsf/html/c8pr\\_e.html](http://www.oag-bvg.gc.ca/domino/media.nsf/html/c8pr_e.html)
- Model Class Screening Report for Routine Projects in the Town of Banff and Proximate Outlying Areas, August 1998

A number of other publications have been produced by the Agency. Most of these publications are of a general nature and are available free of charge. Publications of a technical nature, which are intended for specialized groups, have an associated price for the printed versions. Agency publications can be consulted free of charge at any library taking part in the federal government's Depository Services Program. The Agency has also published a collection of all its publications from 1975 to 1997 on CD-Rom. A complete list of publications can be obtained directly from the Agency (see Section 6.1) or its Internet site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)).

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Available in Canada through your local bookseller or by  
mail from Canadian Government Publishing – PWGSC

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**025531**

## Foreword

On April 24, 1997, the House of Commons passed a motion dividing what was known as the **Part III of the Estimates** document for each department or agency into two documents, a **Report on Plans and Priorities** and a **Departmental Performance Report**. It also required 78 departments and agencies to table these reports on a pilot basis.

This decision grew out of work by Treasury Board Secretariat and 16 pilot departments to fulfil the government's commitments to improve the expenditure management information provided to Parliament and to modernize the preparation of this information. These undertakings, aimed at sharpening the focus on results and increasing the transparency of information provided to Parliament, are part of a broader initiative known as "Getting Government Right".

This **Departmental Performance Report** responds to the government's commitments and reflects the goals set by Parliament to improve accountability for results. It covers the period ending March 31, 1997 and reports performance against the plans presented in the department's **Part III of the Main Estimates** for 1996-97.

Accounting and managing for results will involve sustained work across government. Fulfilling the various requirements of results-based management – specifying expected program outcomes, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and report on achievements – is a building block process. Government programs operate in continually changing environments. With the increase in partnering, third party delivery of services and other alliances, challenges of attribution in reporting results will have to be addressed. The performance reports and their preparation must be monitored to make sure that they remain credible and useful.

This report represents one more step in this continuing process. The government intends to refine and develop both managing for results and the reporting of the results. The refinement will come from the experience acquired over the next few years and as users make their information needs more precisely known. For example, the capacity to report results against costs is limited at this time; but doing this remains a goal.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions can be directed to the TBS Internet site or to:

Government Review and Quality Services  
Treasury Board Secretariat  
L' Esplanade Laurier  
Ottawa, Ontario, Canada  
K1A 0R5  
Tel: (613) 957-7042  
Fax (613) 957-7044

# **CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY**

## **PERFORMANCE REPORT**

For the  
period ending  
March 31, 1997

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The Honourable Christine Stewart  
Minister of the Environment

## SECTION I: DEPARTMENTAL OVERVIEW

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## SECTION I: MINISTER'S MESSAGE

Canadians expect governments and industry to be responsible stewards of the environment. Responsible environmental stewardship is the principle that guides the actions of the Canadian Environmental Assessment Agency.

Environmental assessment is a powerful planning tool. It provides decision makers with the kind of information they need to approve projects that are compatible with a healthy and sustainable environment for both present and future generations. Simply put, environmental assessment is an application of the old maxim: Prevention is better than cure.

*The Canadian Environmental Assessment Act* (the Act), the legal basis for the federal environmental assessment process, also promotes public involvement in decision making. The Agency recognizes the importance of public participation by ensuring that the public has opportunities for effective involvement in the process. The federal environmental assessment process provides for public values and the concerns of Canadians to become integrated into decisions affecting their environment and ecosystems.

The Agency is acting ambitiously to firmly establish the federal environmental assessment and decision-making process that was instituted by the proclamation of the *Canadian Environmental Assessment Act* in 1995. Throughout the year, the Agency continues to make this process more effective and efficient. It does this by fulfilling the government's commitment to reduce overlap and duplication and to achieve a consistent approach to environmental assessment across the country. It has implemented new regulations and taken steps to harmonize the federal process with those of other jurisdictions. Finally, it has continued to consult stakeholders about how to implement cost recovery for environmental assessment services.

The Agency regularly re-assesses its role in light of changing factors. Fundamental change in the way governance is defined in Canada is posing new challenges for the Agency. Economic realities of public debt and deficits are causing governments at all levels to rethink their roles and the services they provide. These are causing changes in public expectations. At the same time, the Agency is being asked to demonstrate the benefits of environmental assessment to the public and industry, and the relevancy of environmental assessment to decision making. Given this backdrop, the Agency is challenged to continually enhance the efficiency of the federal environmental assessment process and at the same time the quality of environmental assessment.

The application of the *Canadian Environmental Assessment Act* will continue to make a positive contribution toward informed decision making, and provide the government with an effective tool in achieving the goal of sustainable development.

The Honourable Christine Stewart



### SECTION II: DEPARTMENTAL OVERVIEW

The Agency was created on December 22, 1994 in anticipation of the coming into force of the *Canadian Environmental Assessment Act* on January 19, 1995. Since its inception, the Agency has published two statutory annual reports to Parliament for the following periods: December 22, 1994 to March 31, 1995 and April 1, 1995 to March 31, 1996. In the *Main Estimates, Part III* for 1997-98, the Agency reported on its activities for the period ending in December 1996. These reports on the Agency's activities include a statistical summary of all environmental assessments (EAs) initiated by the federal government during the fiscal year. This is the first year that the Agency has participated in the *Departmental Performance Report*, which covers the period April 1, 1996 to March 31, 1997.

#### Mandate, Roles, and Responsibilities

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The Agency's business is to serve as the focal point for environmental assessment at the federal level. The scope of the current business can be divided into two categories: activities relating to the administration of the process, such as managing panel reviews, and activities relating to process development and innovation, such as the development of national environmental assessment standards. The activities it undertakes are interrelated and designed to meet the mission of the Agency:

- *to provide effective means of integrating environmental factors into federal planning and decision making, while taking into account public values and the goal of sustainable development.*

The main focus of the Agency is to promote sustainable development through environmental assessment. This emphasizes the need to implement a co-ordinated, effective and consistent federal environmental assessment process. It also includes addressing the issues and concerns of Canadians who demand the opportunity to participate in the decisions that will affect their environment. Above all, the Agency, and the federal processes it administers, must remain relevant to the Canadian public, and be seen as an important tool to planners and decision makers. The main responsibilities of the Agency as defined by the Act are to:

- administer the federal environmental assessment processes established by the Act and regulations;
- promote the uniformity and harmonization of environmental assessment activities across Canada at all levels of government;
- ensure opportunities are provided for public participation in the federal environmental assessment process;
- promote sound environmental assessment practices in a manner consistent with those established in the Act; and
- promote or conduct research on environmental assessment matters, and encourage the development of environmental assessment techniques and practices.





### Strategic Priorities

The Agency operates across the federal sector of public decision making that involves difficult and sensitive issues, with players who have competing interests. Fiscal restraints have diminished government resources for environmental assessment, and have led to alternative service deliveries including cost recovery and improved harmonization with other jurisdictions. Now more than ever, while the Canadian public expects environmental assessment to fulfil its promise of sustainable development, certain sectors in industry and government view environmental assessment as costly, ineffective and a barrier to economic development. The Agency faces six main challenges:

- ensuring the quality of environmental assessment,
- maintaining good perceptions,
- improving the efficiency of the process,
- harmonizing with other jurisdictions,
- fiscal restraint, and
- international responsibilities.

**Quality of Environmental Assessment:** Environmental groups and Canadians in general are concerned that the quality of the environment is being eroded, fearing that the environment is not as high a government priority as it once was. This fear includes a reduction in the quality and applications of environmental assessments, which are the backbone to the prevention of environmental mistakes. The Agency is under pressure from various stakeholders to provide new mechanisms to facilitate good environmental assessment, including guides and guidelines. The challenge for the Agency is to improve the quality of environmental assessments within Canada.

**Perception of Environmental Assessment:** Environmental assessment is considered by some to be an impediment to economic development and international competitiveness. The challenge for the Agency is to better communicate and inform decision makers and others of the benefits and efficiencies that can be realized through a properly conducted environmental assessment.

**Efficiency and Effectiveness of Environmental Assessment:** There is increasing pressure from some sectors of industry to add greater certainty in the area of time frames and procedures. The Agency's challenge is to continue to improve the efficiency of the process without degrading the quality of environmental assessment, and in so doing, encourage and facilitate compliance with the Act.

**Environmental Assessment Harmonization:** At the provincial level, government restructuring programs are taking place, similar in scope to those at the federal level. At the same time, multilateral harmonization of a nation-wide environmental management framework is being pursued by the Canadian Council of Ministers of the Environment. The challenge for the Agency is to negotiate consistent and harmonized application of environmental assessment, while striving for the highest level of environmental quality for all Canadians.



## SECTION II: DEPARTMENTAL OVERVIEW

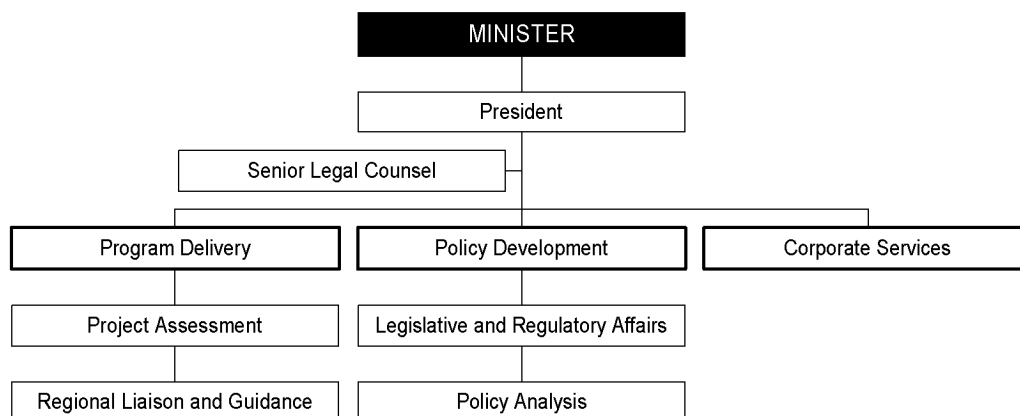
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**Fiscal Restraint and Program Review:** Many federal departments are faced with rapid changes as a result of measures arising from government-wide program review and recent budget reductions. In the face of this significant short-term change, there is a risk that departments may feel compelled to focus on short-term priorities and lose sight of longer-term perspectives. Limited budgets may have consequences for all aspects of environmental assessment, including the services that governments deliver and the allocation of responsibilities among governments, proponents, communities and non-governmental organizations. The Agency is also facing increasing pressure to become more involved in specific project environmental assessments, rather than limiting its activities to general policy and process advice. Given the vast and essential range of priorities, the Agency is faced with delivering its mandate within limited resources. The challenge for the Agency will be to work within the federal system to maintain the overall credibility of the environmental assessment process in the face of these fiscal pressures.

**International Environmental Assessment:** The government has stated its commitment to actively promote sustainable development in the international sphere, for example by providing leadership through the promotion of sound environmental assessment practices and ensuring that Canadian projects outside of Canada are properly assessed. However, there are outstanding questions concerning the application of environmental assessment to projects outside Canada, specifically to export development credits and loan guarantees. Better understanding of current international practices and experience would be beneficial, specifically the extent to which other countries currently subject such projects to environmental assessments and how they are conducted. In addition, opportunities exist for employment opportunities internationally for Canadians with environmental assessment expertise. These opportunities can be exploited only if good environmental assessment legislation exists within Canada, and it is recognized and respected as such by the international community. The Agency's challenge is to remain in step with the environmental initiatives of international organizations and of other countries to maintain the competitive edge of Canadian exports and to ensure the effectiveness of Canada's domestic environmental assessment process.

### Organization by Business Lines

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## SECTION III: DEPARTMENTAL PERFORMANCE

## PLANNED VERSUS ACTUAL SPENDING TABLES

## 1. Comparison of Total Planned Spending to Actual Expenditures, 1996-97

(millions of dollars)

Business Line	Full Time Employees	Operating <sup>1</sup>	Capital	Voted Grants & Contributions	Subtotal: Gross Voted Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Revenue Credited to the Vote	Total Net Expenditures
Canadian Environmental Assessment Agency	95	7.0	0.0	1.3	8.3	0.0	8.3	(0.3)	8.0
Other Revenues and Expenditures	87	9.9	0.2	0.4	10.5	0.0	10.5	(0.3)	10.2
Cost of services provided by other departments									0.7
									0.7
Net Cost of the Program									8.7
									<b>10.9</b>

<sup>1</sup> Operating includes contributions to employee benefit plan  
 Note: Shaded numbers denote actual expenditures/revenues in 1996-97.

## 2. Departmental Planned versus Actual Spending

(millions of dollars)

Business Line	Actual 1993-94	Actual 1994-95	Actual 1995-96	Total Planned 1996-97	Actual 1996-97
Canadian Environmental Assessment Agency	10.6	10.5	10.0	8.0	10.2
<b>Total</b>	<b>10.6</b>	<b>10.5</b>	<b>10.0</b>	<b>8.0</b>	<b>10.2</b>

## 3. Departmental Planned versus Total Authorities Available

(millions of dollars)

Business Line	Total Planned 1996-97	Total Authorities <sup>1</sup>	Change
Canadian Environmental Assessment Agency	8.0	11.6	3.6
			<b>3.6</b>

<sup>1</sup> Main estimates plus supplementary estimates plus other authorities.

## Explanation of the Variance:

- Access to the Treasury Board Large Project Reserve for the conduct of panel reviews 3.6



#### 4. Summary of Performance Expectations

Canadian Environmental Assessment Agency has a budget of \$9,842,000 in 1997-98	
to provide Canadians with :	to be demonstrated by :
<i>High quality federal environmental assessments that contribute to informed decision making in support of sustainable development.</i>	<ol style="list-style-type: none"> <li>1. Recommendations to decision makers that reflect public values and the principles of sustainable development.</li> <li>2. Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions, through strengthened partnerships.</li> <li>3. Environmental assessment processes that are effective, efficient, consistent, predictable, and of the highest standards.</li> <li>4. Federal authorities that have a greater understanding of, and are in compliance with, the requirements of the <i>Canadian Environmental Assessment Act</i>.</li> <li>5. Aboriginal environmental assessment regimes that maintain or exceed the standards and principles of the <i>Canadian Environmental Assessment Act</i>, and are harmonized with the existing environmental assessment processes.</li> <li>6. Consistent consideration of environmental factors in federal policy and program proposals.</li> <li>7. Effective representation of Canada's interests in international environmental assessment forums.</li> </ol>

#### 5. Performance Accomplishments

The Canadian Environmental Assessment Agency has one business line:

*To provide Canadians with high quality federal environmental assessments that contribute to informed decision making in support of sustainable development.*

The Agency will have achieved this goal if it meets the seven commitments listed above.

**RESULT 1 TO BE ACHIEVED:** Decision makers receive recommendations that reflect public values and the principles of sustainable development.

To achieve this result, the Agency:

- managed public reviews;
- administered comprehensive studies and submitted recommendations to the Minister;
- provided advisory services to clients; and
- administered the Participant Funding Program.



- **Management of Public Reviews:** The Agency managed 12 panel reviews from April 1996 to March 1997; five under the *Environmental Assessment and Review Process Guidelines Order*, and seven under the *Canadian Environmental Assessment Act*. The reviews covered a wide spectrum of projects, from diamond, coal, uranium and nickel mining to pipelines and offshore oil and gas. Five reports (McArthur River Uranium Mine, NWT Diamond Mine, Elliot Lake Uranium Mines Decommissioning, Express Pipeline and Lachine Canal Decontamination) were submitted to the government during the year and, in all cases, the majority of the panels' recommendations were accepted. (Further information can be found in the Agency's 1997-98 *Main Estimates, Part III*, pp. 17-18. Updates to these details can be found in Section IV: Supplementary Information of this report).

Since the Act came into force, mediations have not been formally used. However, during the past year the Agency facilitated the establishment of an informal mediation at the request of Parks Canada for the Fenelon Falls Hydroelectric Generating Station Project.

- **Comprehensive Studies:** During the past year, the Agency reviewed four comprehensive study reports: the CIMBEC Marine Terminal, Quebec (October 3, 1996), the Kemess South Mine, British Columbia (October 16, 1996), the Newfoundland Trans-shipment Terminal, Newfoundland (December 20, 1996) and the Athabasca Seasonal Road, Saskatchewan and Alberta (December 16, 1996). Projects requiring a comprehensive study are identified on the *Comprehensive Study List Regulations* of the Act. The Minister concluded the four projects reviewed did not require further assessment and referred the projects back to the responsible authorities to take appropriate actions. The Agency, with the co-operation of its partners, has successfully managed the review process for comprehensive study reports, that is, from the reception of the report from the responsible authority to the decision by the Minister, in an average of 45 days.
- **Advice to Clients:** Most environmental assessments conducted by the federal government are screenings. During the past year, the Agency provided process advice to 25 federal departments and agencies to help them meet their obligations under the Act. These federal bodies initiated a total of 5,732 environmental assessments. Section IV: Supplementary Information provides a statistical summary of environmental assessments initiated by federal departments.
- **Participant Funding Program:** The administration of this program enabled interested citizens and organizations to participate effectively in the environmental assessments of projects conducted through panel reviews. It helped to ensure decision makers were aware of the views of the public whose interests were directly affected by a project. For 1996-97, 60 applicants out of 84 received \$607K for eight panel reviews.



<b>RESULT 2 TO BE ACHIEVED:</b> Environmental assessments are co-ordinated across government and harmonized with other jurisdictions through strengthened partnerships.
---

A major aspect of improving the environmental assessment process is to coordinate effort and improve efficiency among various regimes. To this end the Agency has been actively engaged in developing strategic partnerships through harmonization agreements with the provinces and other jurisdictions to reduce overlap and duplication.

To achieve this result, the Agency:

- reached bi-lateral harmonization agreements;
  - signed federal-provincial joint panel review agreements;
  - promulgated the Federal Co-ordination Regulations; and
  - undertook consultations to develop substitution agreements.
- **Harmonization Agreements:** The Agency finalized provisions for the proposed Canada-B.C. Agreement for Environmental Assessment Co-operation. Under the terms of the agreement, projects subject to federal and provincial review will undergo a single environmental assessment that meets the requirements of both governments. An agreement was concluded in April 1997. Signed bi-lateral agreements with provinces have provided the establishment of regional “single-window” offices to act as a federal liaison with external stakeholders. The Agency has also maintained regional offices in other provinces to provide consolidated federal environmental services and to facilitate the harmonization initiatives.

The Agency continued discussions to develop an agreement with the province of Ontario.

Consistent with the direction of the Canadian Council of Ministers of the Environment (CCME) to develop a new approach to environmental assessment, the Agency has been involved in discussions with provincial and territorial governments to develop a *Sub-agreement on Environmental Assessment* under the *Canada-wide Accord on Environmental Harmonization*. Discussions are now at an advanced stage. CCME consideration of the sub-agreement is planned for the Fall of 1997.

- **Joint Reviews:** In the spirit of harmonization and to avoid costly duplication, six of the seven panel reviews under the Act were negotiated with other jurisdictions to ensure a single review process. Two of the five reviews under the Guidelines Order were also joint reviews. Refer to Section IV: Supplementary Information for further information.



- **Federal Co-ordination Regulations:** These regulations were pre-published in the *Canada Gazette*, Part I on January 4, 1997 for a 30-day public comment period. The final regulations were published in *Canada Gazette*, Part II and came into force in April 1997. The regulations provide for the efficient co-ordination of environmental assessments among federal authorities; certainty on the timing of federal determination; reduction in the likelihood of multiple environmental assessments of the same project; and coordination with the provinces and territories on environmental assessment. More information on this regulation can be found in Section IV: Supplementary Information.
- **Substitution Agreements:** The Agency undertook stakeholder consultations to explore the possibility of developing substitution agreements with federal authorities or bodies established pursuant to land claim agreements for the panel review process under the Act. Substitution is one of a number of initiatives to increase the efficiency of the federal EA process. Public consultation on the substitution criteria will be conducted in the Summer of 1997.

<b>RESULT 3 TO BE ACHIEVED:</b> Environmental assessment processes are effective, efficient, consistent, predictable and of the highest standards.
--

To achieve this result, the Agency:

- completed regulatory initiatives;
  - advanced cost recovery policies;
  - implemented process efficiency measures; and
  - explored national standards for environmental assessment screenings.
- **Regulatory Initiatives:** Two new regulations under the Act came into force:

**Projects Outside Canada Regulations:** These regulations came into effect on November 7, 1996 and were developed after consultations with the multi-stakeholder Regulatory Advisory Committee. For further information refer to Section IV: Supplementary Information.

**Designation of the Canada-Newfoundland Offshore Petroleum Board a Federal Authority:** These regulations came into effect in the Spring of 1996. In the context of the Terra Nova oil development application in Newfoundland, there was some legal uncertainty about whether the Canada-Newfoundland Offshore Petroleum Board was a federal authority subject to the *Canadian Environmental Assessment Act*. The regulations remove this uncertainty and allow for requirements of the Act to be incorporated in the review of oil exploration or development projects undertaken by the Board.

**Inclusion List, Part II Regulations:** The Agency continued work on the development of *Inclusion List, Part II Regulations*, and rule-making options for Crown Corporations. This development is being undertaken in consultation with other federal departments and agencies, provincial and territorial governments, the private sector, environmental and Aboriginal groups and the general public, and with the assistance of the multi-stakeholder Regulatory Advisory Committee. Additional information regarding these regulations can be found in Section IV: Supplementary Information.

- **Process Efficiency Measures:** The Agency is committed to improving the efficiency of the environmental assessment process without undermining the integrity and effectiveness of the process, and maintaining the highest level of environmental protection. The overall effect will be to shorten the time spent conducting EAs, thereby reducing the costs that proponents and the government now face resulting from delays. On this front, the Agency accomplished several initiatives, including the *Federal Co-ordination Regulations* (see above), new procedures and timelines for panel reviews, and the Joint Monitoring Program.

The new panel procedures will improve the efficiency of the panel review process by establishing time periods for the review of a project, and providing more notice time for participants to prepare for public hearings.

The Joint Monitoring Program was designed to determine whether the Act was fulfilling its purposes in practice, and whether the new regulatory regime was placing any unnecessary burdens on industry. The program identified a number of improvements to the existing regulations (Inclusion List, Law List, Comprehensive Study List and Exclusion List). Revisions are expected to be made in the next fiscal year. While available data was limited, no significant adverse impacts on Canadian industry were revealed. The Agency and its partners will continue to monitor the impacts and cost effectiveness of the Act on industry.

Other process efficiency measures that have been undertaken and are still in development include: development of substitution agreements with federal regulatory boards; issuance of guidelines and timelines for comprehensive studies; use of class screenings.

- **Cost Recovery:** As mandated by the 1995 Budget, the Agency undertook consultations with numerous stakeholders across Canada regarding proposals for recovering costs attributable to environmental assessments. Cost recovery was defined as charging those who benefit directly from government services for the costs of providing those services. In the case of EAs, it meant recovering from project proponents the direct and attributable costs of EA services. However, passing the costs on to the private sector implied ensuring the EA process was as efficient, predictable and transparent as possible. In the Spring of 1997, the government decided to recover the direct and attributable costs of panel reviews, comprehensive studies and mediations from project proponents. This included costs incurred by not only the Agency, but responsible authority and expert departments as well. Further information can be found in Part 6 of this section.





- **Standards:** The Agency initiated a joint pilot project with the Canadian Standards Association to explore the potential for non-legislated EA standards. The objective of the standards will be to establish uniform EA screenings, leading to more streamlined and higher quality environmental assessments.

<p><b>RESULT 4 TO BE ACHIEVED:</b> Federal authorities have a greater understanding of, and are in compliance with, the requirements of the <i>Canadian Environmental Assessment Act</i>.</p>
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Other federal departments are responsible for making project decisions that impact on our environment. This is precisely where responsibilities for satisfying requirements of the Act are most important. To promote compliance with the Act, the Agency has undertaken a number of promotion and monitoring initiatives to foster an understanding of environmental assessment, and to ensure that stakeholders understand what they must do to adhere to the requirements of the law.

- **Compliance and Monitoring:** The Act does not contain penalties for non-compliance. Consequently, the Agency focused on promoting compliance by providing guidance, information and training. The Agency also used training, advice and guides to ensure that stakeholders understood what their legislative requirements were. During the past year, the Agency consulted key stakeholders to develop a draft compliance strategy and a process for ongoing monitoring.
- **Guide for the Environmental Assessment of Mining Projects:** The Agency, in co-operation with Environment Canada and Natural Resources Canada, has produced a “working draft” of a *Guidance Document for Environmental Assessment of Mining Projects in Canada*. The main purpose of the guide is to bring greater certainty for developers of mining projects regarding the information requirements for comprehensive study reports and environmental impact statements prepared under the *Canadian Environmental Assessment Act*. The working draft will be the subject of thorough consultation with the mining industry and other stakeholders. The guide is expected to be published by the Fall of 1997.
- **Cumulative Effects Assessment Guide:** The Agency has assembled a working group of specialists on environmental assessment and on cumulative effects assessment to provide further practical direction on cumulative effects assessment. A guide will be developed to provide information that will assist environmental assessment practitioners in assessing cumulative effects. The guide is expected to be available in draft form by the Fall of 1997. This draft will be the subject of consultation with environmental assessment practitioners and other stakeholders

**RESULT 5 TO BE ACHIEVED:** Aboriginal environmental assessment regimes maintain or exceed the standards and principles of the *Canadian Environmental Assessment Act*, and are harmonized with existing environmental assessment processes.

Current federal government policies with respect to Aboriginal land claims and the inherent right of self-government recognize the importance of ensuring that Aboriginal peoples have enhanced autonomy over their lives. As decision makers, Aboriginal peoples require tools to ensure that environmental integrity and sustainable development can be achieved for their communities.

To achieve this result, the Agency negotiated environmental assessment provisions under Aboriginal land claims and self-government agreements.

- **Aboriginal Land Claims and Self-government Agreements:** The Agency has continued to provide advice and assistance on EA considerations and requirements in the context of negotiations and implementation of comprehensive land claims (implementation of the Gwich'in, Sahtu Dene and Metis claims and Yukon umbrella Final Agreement and negotiation of the Labrador Inuit Association, Innu, Nisga'a and other claims under the British Columbia Treaty Negotiation Process), self-government agreements (Westbank, WeWai Kai, Meadow Lake Tribal Council, United Anishnaabeg Council Agreements), and sectoral self-government agreements (proposed *First Nations Land Management Act*, Bill C-75).
- **First Nations Environmental Assessment Standard:** As a follow-up to its 1995 paper, *Options for Environmental Assessment by First Nations on Reserves*, the Agency, in conjunction with the Canadian Standards Association, conducted a feasibility study into the option of developing a First Nations environmental assessment standard. The results of the study indicated an environmental impact assessment standard for First Nation lands is feasible, provided certain conditions are met. Further consultations will take place next fiscal year.

**RESULT 6 TO BE ACHIEVED:** The government consistently applies environmental considerations to federal policy and program proposals.

The Cabinet Directive, *The Environmental Assessment Process for Policy and Program Proposals*, requires the federal government to integrate environmental considerations into policy and program proposals. Policy EA is an investment in good decision making; it allows for the identification of environmental effects at the earliest possible stage.

To achieve this result, the Agency:

- Provided guidance and advice to assist departments in the preparation of EAs of policy and program proposals. The Agency published a training module and drafted a "How to" manual for federal departments.



- Assessed memoranda to Cabinet for environmental impacts. During the past year the Agency reviewed 40 Memoranda to Cabinet and provided advice and guidance to the 11 initiating departments.

<b>RESULT 7 TO BE ACHIEVED:</b> The Agency represents effectively Canada's interests in international environmental assessment forums.
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The Agency, acting as the federal representative in the field of environmental assessment, provides corporate leadership with Canada's international partners. International relationships give Canada the opportunity to share EA expertise and establish mechanisms to support sustainable development of global interests that may affect the health of the environment within Canada.

To achieve this result, the Agency:

- helped incorporate environmental assessment procedures and guidelines into the *Arctic Environmental Protection Strategy*;
  - assisted in the preparatory work for the coming into force of the *United Nations Economic Council for Europe Convention on Environmental Assessment in a Transboundary Context*, and
  - negotiated environmental assessment considerations with the United States and Mexico under the *North American Agreement for Environment Co-operation* (NAAEC).
- **Arctic Environmental Protection Strategy:** The Agency provided assistance in the development of environmental impact assessment guidelines under the auspices of the *Arctic Environmental Protection Strategy*. The Agency participated in a two-day expert meeting attended by eight circumpolar countries in Finland in September 1996, and provided ongoing advice to develop and finalize the guidelines.
  - **Ratification of the UN ECE:** The Agency took part in a number of activities in preparation for the coming into force of the United Nations Economic Commission for Europe *Convention on Environmental Assessment in a Transboundary Context*. The Agency attended the 5<sup>th</sup> preparatory meeting of the signatories to the Convention in Geneva in November 1996. Efforts toward ratification by Canada are ongoing.
  - **The North American Agreement for Environment Co-operation:** The Agency, working with Mexico and the United States, has developed recommendations for the assessment of proposed projects likely to cause significant adverse transboundary environmental effects. To date, progress has been made to define obligations relating to inter-jurisdictional notification, exchange of information, public participation opportunities and the assessment of impacts including their mitigation. It is anticipated that this initiative involving Canada and its NAAEC partners will be completed in April 1998.

## 6. Key Reviews

### Interdepartmental or Horizontal Reviews

Review:	Description:
Joint Monitoring Program (JMP)	Evaluation of the implementation of the <i>Canadian Environmental Assessment Act</i> during the first fifteen months after it came into force. While available data were limited, no significant adverse impacts on Canadian industry were demonstrated. The JMP provided a basis for an expanded multi-year monitoring program to be managed by the Agency and its partners. Furthermore, it has strengthened the relationships among the participating departments and between the government and private industry.
Cost Recovery & Process Efficiency	<p>Evaluation designed to strengthen the federal environmental assessment process by increasing efficiency and establishing a sounder financial footing, all the while maintaining the highest standards of environmental protection. Following extensive consultations with stakeholders, cost recovery measures were announced in the Spring of 1997 for government environmental assessment services. In addition, many process efficiency measures have been introduced, including <i>Federal Coordination Regulations</i>. Streamlined timelines for panel reviews will begin in the Fall of 1997.</p> <p>Further consultations with industry are ongoing regarding the mechanisms for cost recovery. Principles and guidelines are also being formulated, to assist other federal departments in their implementation of cost recovery. It is anticipated that the Agency will commence cost recovery for panel reviews by the last quarter of the fiscal year, and for comprehensive studies and mediations by April 1998. Other federal departments are targeted to commence the recovery of panel review, comprehensive study and mediation costs by April 1998.</p>
Cabinet Directive on the Environmental Assessment of Policies and Program Proposals	A government-wide survey was undertaken on the application of the Cabinet Directive of <i>Environmental Assessment of Policies and Program Proposals</i> . This Directive requires departments to conduct an assessment of all Memoranda to Cabinet. Following the compilation of survey results, an interdepartmental committee was created to develop ways of improving the application and effectiveness of the Directive.

## 7. Partnered or External Reviews

Review:	Description:
International Study on the Effectiveness of Environmental Assessment	A joint international study on the impact and effectiveness of environmental assessment was conducted. The results of the study showed that common issues in environmental assessment exist worldwide. The study proposed an agenda for action for strengthening environmental assessment in support of sustainability planning and decision making. In addition, future directions were presented to assist environmental assessment in adapting to emerging long-term societal trends and external factors, and in so doing, remaining relevant for the new millennium.
First Nations Environmental Assessment Standard Feasibility Study	As a follow-up to the October 1995 paper, entitled <i>Options for Environmental Assessment by First Nations on Reserves</i> , a study was conducted to determine the feasibility of developing a First Nations environmental assessment standard. This standard is being developed with the Canadian Standards Association (CSA). In January 1997, the CSA final draft report, entitled <i>First Nations EIA Standard Feasibility Study</i> , was provided to the Agency. Development of the standard is anticipated to start in the Fall once the steps of the process and the parties involved have been determined.



### SECTION IV: SUPPLEMENTARY INFORMATION

#### A. Listing of Statutory and Departmental Reports

The Agency is currently reviewing its cost-recovery policy with respect to publications. Publications of a general nature are free of charge and available on the Internet or in printed versions. Publications of a technical nature, which are destined for specialized groups, have an associated price and are not available on the Internet. Agency publications can be consulted free of charge at any library taking part in the federal government's Depository Services Program. The following is a list of selected titles that can be obtained from the Agency's Reference Centre:

Reference Centre: 200 Sacré-Coeur Boulevard  
Hull, Quebec  
K1A 0H3  
Telephone: (819) 994-2578 Facsimile: (819) 953-2891  
Internet Site: <http://www.ceaa.gc.ca>  
Internet E-mail: [parents@fox.nstn.ca](mailto:parents@fox.nstn.ca)

- \* All priced Publications must be prepaid, payable by check or money order to the Receiver General for Canada. Please add 7% G.S.T. or 15% H.S.T. if applicable – all Quebec residents must add 6.5% G.S.T. if applicable. Please allow 3 to 4 weeks for delivery.

#### 1. General

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- *Environmental Assessment: It's in our Hands* (This brochure is available for the visually challenged in alternative formats: audio cassette, large print, computer diskette and braille.)
- *Accessible Public Information on Federal Environmental Assessments* (Federal Environmental Assessment Index brochure)
- Fact Sheets Series:
  - *Highlights of the Canadian Environmental Assessment Act*
  - *An Overview of the Canadian Environmental Assessment Process*
  - *The Canadian Environmental Assessment Agency*
  - *Putting the Act into Practice - the Canadian Environmental Assessment Act and Regulations*
  - *Public Participation under the Canadian Environmental Assessment Act*
- *The Canadian Environmental Assessment Process, Citizen's Guide*, 1995
- *First Annual Report*, January 19 to March 31, 1995
- *Annual Report*, April 1, 1995 to March 31, 1996

#### 2. Environmental Assessment Process Guides

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- *The Responsible Authority's Guide* (\$46.00)
- *Training Compendium* (\$56.00) (includes the Responsible Authority's Guide, fact sheets, the Act and regulations as well as CLEAR, a computerized tutorial on the application of the Act.
- *Physical and Cultural Heritage Resources* (\$4.25), April 1996. (New Reference Guide)
- *Reference Guide on the Federal Coordination Regulations*, July 1997. (New Reference Guide)



## SECTION IV: DEPARTMENTAL OVERVIEW

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### 3. Environmental Assessment Panel Reports

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The following reports are still available in print:

- *Fraser-Thompson Corridor Review*, Jan. 1986
- *Northern Diseased Bison*, Aug. 1990
- *Vancouver International Airport, Parallel Runway Project*, Aug. 1991
- *Rafferty-Alameda Project*, Sept. 1991
- *Air Traffic Management in Southern Ontario, Interim Report of the Environmental Assessment Panel*, Nov. 1992
- *McArthur Underground Exploration Program*, Jan. 1993
- *Dominique-Janine Extension, McLean Lake Project and Midwest Joint Venture*, Oct. 1993
- *Rabbit Lake Uranium Mining A-Zone, D-Zone and Eagle Point*, Nov. 1993
- *Dry Storage of Irradiated Nuclear Fuel from the Gentilly 2 Power Station*, Dec. 1994
- *Military Flying Activities in Labrador and Northern Quebec*, Feb. 1995
- *Pine Coulee Water Management Project, Willow Creek Basin, Southwest of Stavely, Alberta*, Feb. 1995
- *Express Pipeline Project*, May 1996
- *Decommissioning of Uranium Mine Tailings Management Areas in the Elliot Lake Area*, June 1996
- *NWT Diamonds Project*, June 1996
- *Lachine Canal Decontamination Project*, Sept. 1996
- *McArthur River Uranium Mine Project*, Feb. 1997

### 4. Special Publications

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- *Sandspit Small Craft Harbour Mediation Process, A Review and Evaluation* (\$9.95)
- *An Evaluation of the Environmental Impact Statement on Atomic Energy of Canada Limited's Concept for the Disposal of Canada's Nuclear Fuel Waste, Report of the Scientific Review Group of the Environmental Assessment Panel*, October 1995 (\$20.00)
- *An Evaluation of the Environmental Impact Statement on Atomic Energy of Canada Limited's Concept for the Disposal of Canada's Nuclear Fuel Waste. An addendum to the Report of the Scientific Review Group*, September 1996
- *International Study of the Effectiveness of Environmental Assessment* (a joint initiative between the Canadian Environmental Assessment Agency and the International Association for Impact Assessment)
- *Information Bulletin, No. 1*, March 1994
- *Proposed Framework*, March 1994
- *International Summit on Environmental Assessment, Final Report*, December 1994
- *Information Bulletin, Update* 1995
- *Towards an Environmental Assessment Network*, December 1995
- *Environmental Assessment: Toward Improved Effectiveness - Interim Report and Discussion Paper*, December 1995
- *Environmental Assessment in Canada: Frameworks, Procedures and Attributes of Effectiveness*, March 1996
- *Environmental Assessment in Canada: Achievements, Challenges and Directions*, June 1996
- *Environmental Assessment in a Changing World: Evaluating Practice to Improve Performance, final report*, June 1996 (\$24.95).



## SECTION IV: SUPPLEMENTARY INFORMATION

### 5. Research and Development Series

- *Directory of Environmental Assessment Practices in Canada*, July 1995 (\$6.25)
- *Strategic Environmental Assessment, A Bibliography*, June 1996 (\$4.75)
- *A Guide on Biological Diversity and Environmental Assessment*, April 1996 (prepared jointly with the Biodiversity Convention Office, Environment Canada)

### 6. Electronic Publications

- *Federal Environmental Assessment Index* (updated monthly)
- Internet version: <http://www.ceaa.gc.ca>
- CD-ROM Version (Subscription: \$120.00/year, except for participants in the government's Depository Services Program)
- *CLEAR* - Computerized tutorial on the application of the *Canadian Environmental Assessment Act* (\$23.00 upto \$470.00 for a site licence)
- *Cumulative Environmental Effects: Cross-Referenced Annotated Bibliography*, October 1996 (available in Internet version only)
- CD-Rom (set of 3) – Environmental Assessment – The Federal Experience (\$65.00).

## B. Financial Summary Tables

### SUMMARY OF VOTED APPROPRIATIONS

#### 1. Authorities for 1996-97 - Part II of the Estimates

Vote	(millions of dollars)	1996-97 Main Estimates	1996-97 Actual
15	Canadian Environmental Assessment Agency Program Expenditures	7.4	9.6
(S)	Contributions to employee benefit plans	0.6	0.6
(S)	Spending of proceeds from the disposal of surplus Crown Assets	0.0	0.0
<b>Total Department</b>		<b>8.0</b>	<b>10.2</b>
<b>Explanation of the Variance:</b>			
➤ Access to the Public Review Reserve (net)			2.2

#### 2. Revenues to the Consolidated Revenue Fund (CRF)

(millions of dollars)					
Business Line	Actual 1993-94	Actual 1994-95	Actual 1995-96	Total Planned 1996-97	Actual 1996-97
Canadian Environmental Assessment Agency	0.0	0.0	0.0	0.0	0.0
<b>Total Revenues to the CRF</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Note: For 1995-96, approximately \$28.0K was collected for environmental assessment panel reviews services rendered in 1994-95.



## SECTION IV: DEPARTMENTAL OVERVIEW

### 3. Revenues to the Vote

(millions of dollars)

Business Line	Actual 1993-94	Actual 1994-95	Actual 1995-96	Total Planned 1996-97	Actual 1996-97
Canadian Environmental Assessment Agency	0.3	0.2	0.2	0.3	0.3
<b>Total Revenues to the Vote</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>

### 4. Capital Projects by Business Line

➤ NIL REPORT

### 5. Transfer Payments by Business Line

(millions of dollars)

Business Line	Actual 1993-94	Actual 1994-95	Actual 1995-96	Total Planned 1996-97	Actual 1996-97
<b>CONTRIBUTIONS</b>					
Canadian Environmental Assessment Agency					
Contributions to assist public participation in environmental assessment panel reviews	0.7	0.8	0.5	1.2	0.3
Contribution to the Province of Quebec - James Bay and Northern Quebec Agreement	0.1	0.1	0.1	0.1	0.1
Contribution to the Assembly of First Nations	0.1	0.0	0.0	0.0	0.0
Total Contributions	0.9	0.9	0.6	1.3	0.4
<b>Total Transfer Payments</b>	<b>0.9</b>	<b>0.9</b>	<b>0.6</b>	<b>1.3</b>	<b>0.4</b>

### 6. Statutory Payments by Business Line/Activity

➤ NIL REPORT

### 7. Loans, Investments and Advances

➤ NIL REPORT

### 8. Revolving Fund Financial Summaries

➤ NIL REPORT





## 9. Contingent Liabilities

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As of March 31, 1997, there were no contingency liabilities outstanding against the Canadian Environmental Assessment Agency.

## 10. Legislation Administered by the Canadian Environmental Assessment Agency

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The Minister has sole responsibility to Parliament for the following Acts:

*Canadian Environmental Assessment Act* (S.C., 1992, C. 37, as amended)

### C. Reviews under the *Canadian Environmental Assessment Act*

The following updates information published in the *Canadian Environmental Assessment Agency, 1997-98 Main Estimates, Part III Expenditure Plan*, pp. 17-18:

- **Express Pipeline, Alberta:** This review involved a proposal for the construction and operation by Express Pipeline Ltd. of a pipeline and related facilities to ship crude oil from southern Alberta to the United States. The panel completed hearings in March 1996. The panel report was released to the public in May 1996 and the government response was issued in June.
- **Cheviot Coal Project, Alberta:** This review involves a proposal to construct, operate and decommission a coal mine to be located approximately 5 km from Jasper National Park in an area designated for coal mine development. Public hearings were held in January and February 1997. The panel report is expected in June 1997.
- **Terra Nova Offshore Oil Development Application, Newfoundland:** This review involves a proposal to develop oil fields 350-km east-southeast of St. John's. The Development Application (including an Environmental Impact Study) was transmitted to the panel by the Canada-Newfoundland Offshore Petroleum Board in December 1996. The panel announced in February that additional information was required from the proponent. Public hearings are expected to begin in April 1997.
- **Sable Gas Projects, Nova Scotia, New Brunswick:** Offshore Project involves development of natural gas fields near Sable Island and transportation to shore for processing in a gas plant. Onshore project entails sending gas to markets via pipeline through Nova Scotia and New Brunswick. The panel conducted scoping sessions in the Fall of 1996 for the offshore project and in December for the onshore project. The report is expected in the Fall of 1997.
- **Little Bow Project/Highwood Diversion Plan, Alberta:** This review involves a proposal by Alberta Public Works, Supply and Services to construct the Little Bow River Reservoir, an enlargement of Little Bow Canal, the construction of the Clear Lake Canal and implementation of the Highwood Diversion Plan. On March 14, 1997, the Minister advised that a joint panel with the Alberta NRCB would be appointed. A report is expected in December 1997.



**Voisey's Bay Mineral Development, Newfoundland:** This review involves a proposal to develop mine and mill in Northern Labrador (near Nain). It includes open pit and underground mines and tailings disposal site. The panel released draft guidelines for the proponent's EIS in March. Public scoping meetings will be held in April and May 1997 to hear comments on the draft guidelines.

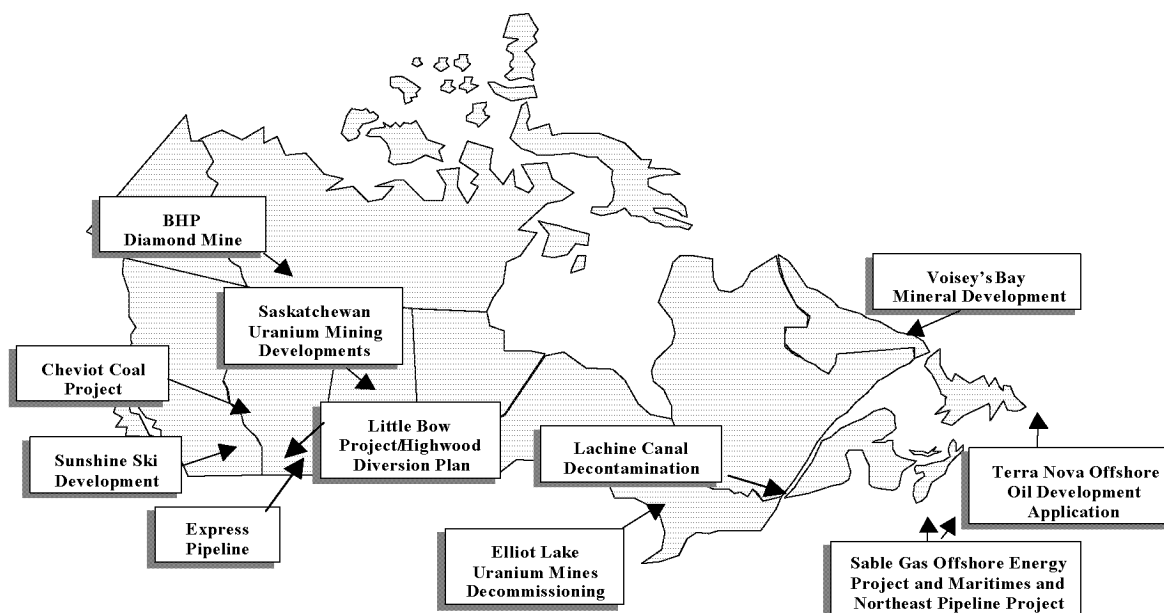
### **D. Environmental Assessments under the *Environmental Assessment & Review Process Guidelines Order***

The environmental assessment of the following projects were begun before the coming into effect of the *Canadian Environmental Assessment Act*. These will continue under the Guidelines Order until their completion. The following updates information published in the *Canadian Environmental Assessment Agency, 1997-98 Main Estimates, Part III Expenditure Plan*, pp. 17-18:

- **Elliot Lake, Uranium Mines Decommissioning, Ontario:** The panel report was released to the public in June 1996 and the government response, which accepted most of the panel recommendations, was released in March 1997.
- **Nuclear Fuel Waste Management and Disposal Concept:** This review involves Atomic Energy of Canada Limited's concept of deep geologic disposal of nuclear fuel waste. Public hearings were held in three phases from March 1996 to March 1997. The panel is currently preparing its report. It is expected in early 1998.
- **Saskatchewan Uranium Mining Developments:** Cigar Lake Mining Corporation proposes the development of a uranium deposit at Cigar Lake. The panel held hearings in September and October 1996. A supplementary session on tailings disposal will be scheduled at a later date. The report is expected in the Fall of 1997. Cogema Resources Inc. proposes the development of the Midwest mine. Panel hearings were held in May and June 1996. A supplementary session on tailings disposal will be scheduled at a later date. The panel report is expected in the Fall of 1997.



## E. Geographical Distribution of Public Review Panels



Note: Nuclear Fuel Waste Management and Disposal is a concept and not site specific.

## F. Regulatory Initiatives

**Federal Co-ordination Regulations:** These regulations, which came into force in the Spring of 1997, provide that federal environmental assessments are efficiently co-ordinated among federal authorities under the Act.

The regulation included the following elements:

- early identification and notification of the federal authorities which may be involved in a project according to a timeline;
- requirement for consultation among federal authorities regarding the scope of the environmental assessment for the project;
- a requirement that federal responsible authorities release their determinations on adverse environmental effects according to schedule; and
- co-ordination of all responsible authorities' interests and involvement in comprehensive study recommendations.

**Projects Outside Canada:** These regulations will allow the federal government to assess projects outside Canada in a manner that takes into account principles of international law, sovereign rights, Canada's international relations objectives and overseas development assistance and trade. The regulations vary and exclude certain procedures and requirements of the Act in order to adapt the process for projects undertaken outside of Canada. In doing so, the regulations will enhance international co-operation and facilitate a more streamlined and efficient process.

**Inclusion List, Part II:** Part II of the inclusion list regulations will prescribe additional physical activities not relating to a physical work, for the purpose of the definition of 'project' in the act. This will broaden the scope of application of the act to require environmental assessments of a greater number of physical activities that have potential to cause significant environmental effects. A subcommittee of the regulatory advisory committee has overseen the preparation of a preliminary list of candidate activities for consideration, incorporating suggestions from government departments, industry associations and environmental groups. The list will be further developed and refined to produce a draft of the new regulation until a regulation.

**Crown Corporations:** During 1996-1997 the Agency chaired a multi-stakeholder sub-committee of the Regulatory Advisory Committee with members from four Crown corporations, government departments, industry and non-government organizations. The sub-committee's mandate was to examine options including regulations regarding environmental impact assessment of Crown corporations and Harbour Commissions. The group met several times during the year in order to identify and explore various options. The results will reflect the particular circumstances of the corporations such as commercial competitiveness, and will allow for flexibility of the process.



## SECTION IV: SUPPLEMENTARY INFORMATION

### G. Statistical Summary of Environmental Assessments Initiated by the Federal Government for the Period April 1, 1996 to March 31, 1997

Department	Total EAs	Type	Approved	Completed	Further Review
Agriculture and Agri-Food Canada	494	Screening	452	452	None
Atlantic Canada Opportunities Agency	509	Screening	509	509	None
Atomic Energy Control Board	17	Screening	10	10	None
	2	Comp. Studies <sup>1</sup>	--	--	
Canada-Newfoundland Offshore Petroleum Board	1		--	--	Joint Panel (1)
Canadian Heritage <sup>2</sup>	510	Screening	436	438	None
Canadian International Development Agency	44	Screening	44	44	None
Canadian Transportation Agency	199	Screening	199	199	None
Correctional Service Canada	6	Screening	6	6	None
Department of Foreign Affairs and International Trade	21	Screening	6	6	None
Environment Canada	573	Screening	530	530	None
	1	Comp. Studies	--	--	
Federal Office of Regional Development – Québec	428	Screening	363	363	None
Fisheries and Oceans Canada	498	Screening	426	426	Joint Panel (1)
	7	Comp. Studies	1	1	Joint Panel (2)
Health Canada	5	Screening	1	1	None
Human Resources Canada	19	Screening	19	19	None
Indian and Northern Affairs Canada					
Northern Affairs					
NWT	471	Screening	471	471	None
Yukon	438	Screening	438	438	None
Indian and Inuit Affairs	517	Screening	412	412	None
Industry Canada	77	Screening	77	77	None
National Defence	143	Screening	93	93	None
	3	Comp. Studies			
National Energy Board	118	Screening	100	100	Joint Panel (1)
National Research Council of Canada	4	Screening	4	4	None
Natural Resources Canada	67	Screening	46	46	None
Public Works and Government Services Canada	61	Screening	53	53	None
	1	Comp. Studies			
Royal Canadian Mounted Police	48	Screening	46	48	---
Revenue Canada	1	Screening	1	1	None
Transport Canada	340	Screening	340	340	None
Western Economic Diversification	95	Screening	86	86	None
SUB TOTALS	5,718	Screenings			Joint Panel (5)
	14	Comp. Studies			
<b>TOTALS</b>	<b>5,732</b>		<b>5,169</b>	<b>5,173</b>	

<sup>1</sup> Comprehensive Studies

<sup>2</sup> Interpretation: The Department of Canadian Heritage initiated 510 environmental assessments (EAs) for the period April 1, 1996 to March 31, 1997. Of those 438 EAs were completed and 436 projects were approved. Two projects were not approved; 72 EAs are on-going.



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# Canadian Environmental Assessment Agency

## Performance Report

For the period ending  
March 31, 1999

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual **Part III of the Estimates** document for each department or agency into two documents, a **Report on Plans and Priorities** and a **Departmental Performance Report**.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report **Managing for Results** - Volumes 1 and 2.

This **Departmental Performance Report**, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot **Report on Plans and Priorities** for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of **Managing for Results**.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:

<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions can be directed to the TBS Internet site or to:

Planning, Performance and Reporting Sector  
Treasury Board Secretariat  
L'Esplanade Laurier  
Ottawa, Ontario, Canada  
K1A 0R5  
Tel: (613) 957-7042  
Fax (613) 957-7044

# **Canadian Environmental Assessment Agency**

## **Performance Report**

**For the period ending  
March 31, 1999**

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**The Honourable David Anderson, P.C., M.P.**  
*Minister of the Environment*

**025563**



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## Executive Summary

The Canadian Environmental Assessment Agency is a small but dynamic organization. With a work force of less than 95, and an annual budget of approximately \$10 million, it is involved in many complex and sensitive issues affecting Canadians.

These issues range from mitigation of environmental impacts for proposed projects throughout Canada to negotiation of environmental assessment provisions with Aboriginal groups, provincial governments and other countries in support of sustainable development.

Environmental assessment is an essential planning tool for protecting and sustaining our environment, given the potential for serious and irreversible damage that can result from human activity. It provides decision makers with the information to make informed and, consequently, the best possible decisions. These decisions can lead to activities that are more compatible with sustaining a healthy environment for both present and future generations.

Today, environmental assessment is an integral part of public policy and decision making at all levels of government in Canada. It is critically important, therefore, for the environmental assessment process to adapt and to remain effective and efficient in order for it to maintain its status and relevancy as a value-added tool in achieving sustainable development.

Over the past year, the Agency delivered a number of key results to Canadians in support of sustainable development. Some major accomplishments include:

- completion of the Voisey's Bay mineral development review panel which contributed to improved project design and mitigation measures to reduce or eliminate potential adverse impacts on the local environment and economy;
- completion of an evaluation framework that contributed to improved consistency and quality of environmental assessments; and
- completion and delivery of training and guidance materials such as a guide on cumulative effects assessment that contributed to enhanced understanding and improved compliance with the federal environmental assessment process.

The purpose of the 1998-99 Performance Report is to explain why environmental assessment is important to Canadians, explain how the federal environmental assessment process works, and indicate where the Agency fits into this process. A major portion of this report also reviews the results and achievements of the Agency during the most recent fiscal year against previously stated commitments.





## Chart of Key Results Commitments

To provide Canadians with:	To be demonstrated by:	Achievements reported in DPR on pages:
High-quality federal environmental assessments that contribute to informed decision making in support of sustainable development.	<ul style="list-style-type: none"> <li>Environmental assessments that are effective, efficient, timely, involve public participation and support the principles of sustainable development.</li> </ul>	15-24
	<ul style="list-style-type: none"> <li>Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions.</li> </ul>	25-30
	<ul style="list-style-type: none"> <li>Consistent and predictable application of environmental considerations into federal decision making.</li> </ul>	31-32

*DPR – Departmental Performance Report*

The above chart of key results commitments has been modified from the one presented in the 1997 Annual Report to Parliament, *Accounting for Results*, and in the Canadian Environmental Assessment Agency's 1997-98 Performance Report. These changes were made to streamline the results framework, and to make it more client focused.

The new chart of key results commitments for the Agency appears in the 1999-2000 Report on Plans and Priorities and the 1998 Annual Report to Parliament, *Managing for Results – Volume II*. These new commitments form the basis for providing performance information in this report.

A crosswalk of changes from the old to new results commitments is found in Section III: Departmental Performance on page 13.







## SECTION I: Minister's Message

I am pleased to present the Performance Report of the Canadian Environmental Assessment Agency for the period ending March 31, 1999.

Human activities are affecting the planet's natural physical and biological systems with uncertain impacts on the daily lives and livelihoods of Canadians. It has never been more important for us to understand the impact of human activity on the environment. This is the task and challenge of environmental assessment, a planning tool for protecting and sustaining our environment. Through better understanding, we can better manage the risks and uncertainties. We can better balance and integrate society's environmental goals with its economic, social and cultural needs.

This past year the federal government conducted over 5,000 environmental assessments, but it is not enough to do assessments. We must do them well. The Agency assisted federal departments to conduct quality assessments by providing advice and guidance and by publishing two new guides: one on the assessment of cumulative effects; the other on conducting environmental assessments of new policies and programs.

The Voisey's Bay Review Panel published its report. The panel's recommendations contributed to improving the design of the project and led to measures that will help to reduce or eliminate the potential adverse effects of the project on the local environment and economy.

Making the federation work more effectively and efficiently is an important goal of the government. I am pleased that the co-operative environmental assessment agreements negotiated by the Agency with a number of provinces are making a positive contribution to achieving this goal. These agreements will permit governments to work together to promote a single harmonized process that meets the needs of both governments without compromising environmental protection.

A major challenge in the coming year will be the Five Year Review of the provisions and operations of the *Canadian Environmental Assessment Act*. My hope is to ensure that the Act continues to respond to the needs of decision makers in a fair and effective manner and to meeting the government's sustainable development goals.

David Anderson





## SECTION II: Departmental Overview

### 2.1 Mandate, Mission and Vision

The Canadian Environmental Assessment Agency's **mission** or **objective** is:

***To provide Canadians with high-quality federal environmental assessments that contribute to informed decision making in support of sustainable development.***

The Canadian Environmental Assessment Agency's **vision** is to:

- *see an environment that is sustained for both present and future generations;*
- *be a proactive organization with a leadership role in federal environmental assessment; and*
- *build on prior successes and harness the skill, credibility and commitment of its own work force.*

The business of the Agency is to ensure environmental effects are considered in decisions that will affect Canadians. It does this by providing leadership and serving as the centre of expertise for federal environmental assessments. The Agency manages the federal environmental assessment process that saw over 5,600 individual assessments carried out in 1998-99.

Operating as an independent entity within the portfolio of the Minister of the Environment, the Agency administers the following instruments:

- i) the *Canadian Environmental Assessment Act* and its accompanying regulations;
- ii) multilateral and bilateral harmonization agreements with provincial and territorial governments that set out mutually agreed-upon arrangements for environmental assessment; and
- iii) international agreements containing environmental assessment provisions to which Canada is a party, for example, the United Nations Economic Commission for Europe *Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).

The Agency also assists the Minister in implementing the 1999 *Cabinet Directive on Strategic Environmental Assessment* and in promoting the application of environmental assessment to policies, plans and program proposals in the federal government. The Agency provides guidance and training to federal authorities to improve the implementation of environmental assessment considerations and requirements with respect to proposed policies, plans and programs (see page 32).



In addition, the President of the Agency has been designated by order-in-council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*, and the *North Eastern Quebec Agreement*.

## 2.2 Operating Environment

### Position in the Government and Co-delivery Partners

Strategic partnerships are critically important for the Canadian Environmental Assessment Agency (the Agency). Without them, it would be unable to deliver services to clients, such as other federal departments, and ultimately fulfill its mandate. The *Canadian Environmental Assessment Act* (the Act) is based on the principle of self-assessment. This means other federal departments are required to carry out an environmental assessment (EA) when they have decision-making responsibilities with respect to the project under review. In other words, it is other federal departments, and not the Agency, that conduct the majority of federal environmental assessments. Therefore, the Agency must develop and maintain strong working relationships with its federal partners to ensure that the EA process remains relevant and effective. A brief description of the federal EA process is provided on page 45.

It is not uncommon for a project to trigger the requirement for an assessment under both a federal and provincial EA regime. In order to ensure EA approaches are co-ordinated, the Agency must develop and maintain co-operative partnerships with provinces and other jurisdictions. Negotiating bilateral harmonization agreements on environmental assessment is one way the Agency can achieve greater efficiency and closer working relations with each province. The combined and co-ordinated approach also provides Canadians with the highest level of environmental protection.

As the new millennium approaches, partnerships are even more critical to maintain the momentum behind the federal EA process. Effective partnerships are a key component that allows the Agency to respond to changes in the operating environment. One example is the Regulatory Advisory Committee, which consists of representatives from federal and provincial governments plus Aboriginal, industry and environmental groups. This committee is mandated to review the development and use of various policies and regulations affecting EA, and provide advice on implementation to the Minister of the Environment.

Principal partners and the role they play in co-delivering services with the Agency include the following:



**Other Federal Departments and Agencies:** The Agency maintains close working relationships with most federal departments and agencies, since they have responsibilities under the Act for either conducting EAs or providing technical expertise in support of them. For example, 27 responsible authority departments and agencies initiated over 5,600 assessments in 1998-99 (see Statistical Summary of Environmental Assessments on page 38).

Working closely with federal partners is also essential in developing new regulations, policies or programs. The Agency secured the involvement of 11 departments and agencies to conduct a preliminary review of screening EAs under the Compliance Monitoring Framework. The results of this work will facilitate the monitoring of baseline information to assess trends in quality and consistency of EA (see page 29).

**Provincial Governments:** Provincial governments are working with the Agency to ensure effective and efficient delivery of EA through the application of a single assessment when federal and provincial EA requirements apply to the same project proposal. The Agency also collaborates with its provincial counterparts to provide one-stop single-window services to clients, usually project proponents or concerned citizens. The Agency's regional offices provide key points of interaction with provincial, industry, environmental and Aboriginal groups.

**Aboriginal Communities:** Comprehensive land-claim and self-government agreements are establishing new Aboriginal-based EA regimes. The Agency is working closely with Aboriginal groups to develop tools that will assist these communities in achieving environmental integrity and sustainable development, while respecting self-determination objectives (see page 26).

**International Governments and Organizations:** Sustaining a healthy environment is a globally shared responsibility, and is the reason the Agency has for several years participated in the development of international transboundary agreements containing EA provisions. For example, the Agency is negotiating with Mexico and the United States to conclude the *North American Agreement on Environmental Co-operation* that will require parties to evaluate the environmental effects of projects that have significant cross-border implications.

**Academic and Professional Associations:** The Agency is working with various academic and professional groups that have a vested interest in the EA field. For a number of years, the Agency and the Canadian Standards Association (CSA) have been jointly developing an innovative national standard for EA to improve the quality and consistency of EAs (see page 21).

**Environmental Non-Government Organizations (ENGOS) and Industry:** ENGOS and representatives from industry are also key participants in the delivery of products and services to Canadians. They are instrumental in providing ideas and insight in the development of tools and mechanisms that both enhance environmental protection (effectiveness) and maintain competitiveness (efficiency).



## Strategic Priorities

Priorities over the past year were influenced by the outcomes of several key performance reviews including the Commissioner of the Environment and Sustainable Development's recent report *Environmental Assessment – A Critical Tool for Sustainable Development*. Other major influences include the results of a 1997 nationwide client-needs survey and an internal strategic review of the Agency's mandate.

Advice from these reviews and recommendations regarding the current and future directions of the federal EA process were remarkably consistent and led to the adoption of the following strategic priorities for the Agency.

- i) Be recognized as a credible advocate of high-quality environmental assessment.
- ii) Advance the science and practice of environmental assessment.
- iii) Learn from experience and share results.
- iv) Clarify and improve environmental assessment processes with other jurisdictions and with federal partners.
- v) Strengthen relationships with partners and stakeholders.
- vi) Improve the Agency's capacity to monitor, assess and foster compliance.
- vii) Address gaps in the application of the Act and other federal environmental assessment processes.

Additional information regarding the key performance reviews may be obtained from the Agency's Communications Office (see page 47).

## Challenges

Environmental assessment is at the forefront of many sensitive issues affecting socio-economic development, environmental protection, Aboriginal interests and federal-provincial relations. The complexity and profile of projects undergoing assessments today are also increasing and often involve competing stakeholder interests. For the Agency, this translates into an operating environment that is rapidly evolving and exposed to legal challenges and precedents.

As a result, stakeholders are demanding that the Agency play an increased leadership and advisory role. This must be tempered with other federal departments' interests in maintaining the principle of self-assessment. At the same time, momentum is building across government to modernize the delivery of programs and services. This includes delivering an ever-improving mix of services that meets the needs of Canadians while respecting government fiscal restraints.



Challenges faced by the Agency are detailed below. How the Agency responds will affect how resources are allocated and ultimately how services are delivered.

**Quality and Consistency:** Stakeholders are demanding that the quality and consistency of the EA process be improved. These expectations and interests vary among different components of Canadian society and are placing conflicting pressures on the Agency. The challenge is to balance these interests while maintaining productive relationships and delivering high quality services to all stakeholders. Key to this will be the Five Year Review of the Act that will launch an evaluation process in consultation with many stakeholders. This review, to be launched shortly, will determine whether the provisions and operations of the Act need to be adjusted to meet changing demands.

**Public Engagement:** There is a need to engage Canadian citizens more effectively in decisions that affect them and to allow greater access to relevant information. The more involved the public is in making decisions, the better will be the outcomes resulting from these decisions. Although surveys<sup>1</sup> have indicated that a majority of Canadians are not familiar with the formal federal EA process, they believe an EA is important for projects that have potential adverse environmental effects. Furthermore, the surveys indicated that the Canadian public should have the opportunity to participate in these assessments. The challenge is to provide opportunities for public participation in the EA process and to use new technologies in delivering timely information to stakeholders.

**Federal-Provincial Relations:** All federal and provincial jurisdictions in Canada administer some form of EA regime. Co-operative arrangements with provincial partners to harmonize EA processes have been underway since the signing of the Canadian Council of Ministers of the Environment *Canada-Wide Accord on Harmonization* and the sub-agreement on EA in January 1998. The challenge is to facilitate co-ordinated approaches with provincial and territorial governments through bilateral agreements as a result of the signed sub-agreement (located at [www.ccme.ca](http://www.ccme.ca)).

**Aboriginal Affairs:** The government has made commitments toward the creation of EA regimes in Aboriginal comprehensive land-claim and self-government agreements. The challenge for the Agency through the negotiation process is to establish successful relationships between Aboriginal and federal EA regimes, while respecting the self-government goals of the Aboriginal community.

**Environmental Commitments:** New domestic and international commitments in areas of global environmental change, such as stratospheric ozone depletion, climate change and biodiversity preservation, are challenging the Agency to find new and innovative approaches to EA and sustainable development.

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1. Angus Reid, March 1998.

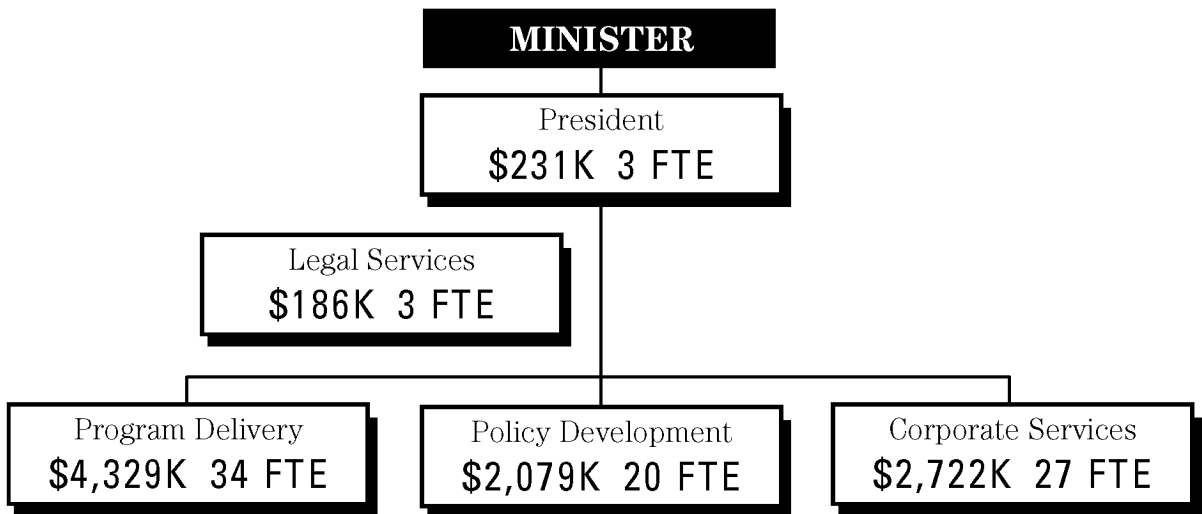




## 2.3 Departmental Organization

The Agency has one program and one business line. The reporting structure to the Minister of the Environment follows.

Figure 2-1 Organizational Chart



Full-Time Equivalent (FTE) is a measure of human resource consumption based on average levels of employment. During 1998-99 the Agency employed 87 FTE which is equivalent to 87 individuals working a full year.

The **Program Delivery** sector manages and administers the environmental assessment process. This includes administering review panel and public participation processes, and providing support services for screening and comprehensive study assessments. This branch also provides procedural advice, training, guidance and co-ordination services to clients across Canada through the Agency's regional offices.

The **Policy Development** sector provides policy advice services to clients regarding the federal environmental assessment process. This includes developing new regulations and guidelines under the Act, or assisting other federal departments in incorporating environmental assessment into policy, plan and program proposals.

The **Legal Services** sector provides professional legal services to the Agency and identifies potential legal issues associated with the design and implementation of the Act and the environmental assessment regulatory framework.

The **Corporate Services** sector supports the Agency in the attainment of its objective by providing communication, ministerial, finance, human resource and informatics services.



## SECTION III: Departmental Performance

### 3.1 Performance Expectations

The performance expectations for 1998-99 are presented in Table 3-1. As discussed earlier, the Agency has streamlined its results commitments to reflect a more client focused approach. The first and second columns provide a crosswalk of changes from the old results commitments (1997-98 Performance Report) to the new results commitments (1999-2000 Report on Plans and Priorities). The third and fourth columns demonstrate how the Agency plans to support the new results commitments and show where 1998-99 accomplishments can be found in this report.

**Table 3-1 Performance Expectations**

1997-98 DPR Commitments	1999-2000 RPP Commitments	Strategic Priorities	Reported on pages:
<ul style="list-style-type: none"> <li>Timely provision of recommendations to decision makers that reflect public values, sound EA practices, and the principles of sustainable development.</li> <li>EA processes that are effective, efficient, consistent, predictable and of the highest standards.</li> </ul>	1. EAs that are effective, efficient, timely, involve public participation and support the principles of sustainable development.	1.1 Be recognized as a credible advocate of high-quality EA.	15-19
		1.2 Advance the science and practice of EA.	20-22
		1.3 Learn from experience and share results.	22-24
<ul style="list-style-type: none"> <li>EA approaches that are co-ordinated across government and harmonized with other jurisdictions.</li> <li>Level of federal authority compliance with the requirements of the <i>Canadian Environmental Assessment Act</i>.</li> <li>Aboriginal EA regimes that maintain or exceed the standards and principles of the Act and are harmonized with existing EA processes.</li> <li>Effective representation of Canada's interests in international EA forums.</li> </ul>	2. EA approaches that are co-ordinated across government and harmonized with other jurisdictions.	2.1 Clarify and improve EA processes with other jurisdictions and with federal partners.	25-26
		2.2 Strengthen relationships with partners and stakeholders.	27-29
		2.3 Improve the Agency's capacity to monitor, assess and foster compliance.	29-30
<ul style="list-style-type: none"> <li>EA processes that are effective, efficient, consistent, predictable and of the highest standards.</li> <li>Consistent application of environmental considerations into federal policy and program proposals.</li> </ul>	3. Consistent and predictable application of environmental considerations into federal decision making.	3.1 Address gaps in the application of the Act and other federal EA processes.	31-32

EA – environmental assessment



## 3.2 Performance Accomplishments

### Figure 3-1 Resource Inputs

<b>Human Resource Utilization for 1998-99:</b>	<b>87 FTES</b>
<b>Financial Resources:</b>	
Planned Spending (1998-99 RPP)	\$ 8,140,000
Total Authorities (Public Accounts)	\$ 9,905,991
1998-99 Actual Expenditures	\$ 9,757,043

For additional financial information, refer to Section V: Financial Performance, beginning on page 39.

### Agency Performance Accomplishments

In assessing the Agency's accomplishments against commitments made in the 1998-99 Report on Plans and Priorities, two important factors should be kept in mind: *shared responsibility*, and the *nature of environmental assessment*.

Under the concept of self-assessment, individual departments and agencies that are responsible for making a decision with respect to a project are also responsible for ensuring an environmental assessment is conducted. This means that Agency accomplishments against strategic priorities listed on the previous page are shared with partners across the federal government. For example, improving the quality and consistency of EAs is not dependent solely on Agency training, guidance and advisory services. Factors such as other departmental resource constraints or increased EA capacities within departments also play significant roles. While this means that successes and shortcomings are shared, it also means that pinpointing and measuring specific Agency impacts or outcomes on the overall quality of EA is more difficult.

The nature of EA requires performance data to be long-term. For most EAs, it may take a whole generation to collect and appreciate fully the impact and effect the assessment has had on the design and execution of a project. It takes equally as long to measure the impacts on the quality of life of affected citizens. The aim of EA is to identify, reduce or eliminate potentially adverse environmental effects. It can be difficult to quantify the success of an EA for a project when predicted adverse effects do not occur. In addition, many large-scale assessments vary so greatly in characteristics that the Agency is limited in the tools it can use to measure impacts in a consistent manner.



However, these factors have not deterred the Agency from undertaking a number of initiatives designed to improve its results measurement and reporting capacities. Several significant and innovative programs reached important milestones during 1998-99, including the Compliance Monitoring Framework (see page 29) and the Ongoing Monitoring Program (see page 22). These initiatives resulted in the creation of firm performance indicators and baseline data that will be used by departments and agencies to measure performance. This information will assist the Agency in evaluating successes and shortfalls, and in identifying options to improve the quality of EAs. Ultimately, this will have an impact on the quality of services provided to Canadians.

The Agency recognizes that more work needs to be done. Ways are being explored to make performance information better and more meaningful, as the Agency prepares for a comprehensive review of the *Canadian Environmental Assessment Act*, based on its first five years of application. The Five Year Review will involve assessing the provisions and operations of the Act, and will assist the Minister of the Environment in preparing a report to be tabled before Parliament by January 2001.

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**RESULT COMMITMENT NO.1 TO CANADIANS:**

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**Environmental assessments that are effective, efficient, timely, involve public participation and support the principles of sustainable development.**

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**Strategic Priority 1.1**      ***Be recognized as a credible advocate  
of high-quality environmental assessment***

Advocacy is central to the Agency's leadership role in the federal EA process. In order to be an effective advocate of good environmental management, stakeholders and Canadians need to have faith in a system that is relevant to their needs and is based on sound practices. As an advocate of good EA, the Agency provides relevant and timely advice, training, guidance and recommendations to those that are ultimately responsible for making decisions. These decisions must consider public values and support the objective of sustaining the environment. Therefore, the public must have opportunities to participate in the process.

Good environmental management means conducting an EA that reflects good practice early enough in a project's planning stage so that adverse environmental effects and related financial costs are reduced or avoided. It also means conducting EAs that are broad enough to cover all potential environmental effects.

Key to advocating high-quality EA will be the Agency's ability to promote the value of good EA and its long-term environmental benefits to decision makers.



### **1998-99 Results**

**Training and Guidance:** During the year, the Agency continued to provide procedural training and project-specific guidance to other federal departments and agencies in support of their EA responsibilities and to improve the overall conduct of EA. Through the Compliance Monitoring Framework (see page 29), the Agency developed baseline data relating to the effectiveness and impact of training and guidance on federal EAs. These results concluded that:

- in 93 percent of sample screenings, practitioners had timely access to an environmental officer or EA process specialist; and
- in 15 percent of sample screenings, a lack of EA process knowledge was perceived to be a problem in conducting the EA.

Additional data will be collected and analyzed to assist the Agency in determining what modifications are required to its training and guidance programs in order to increase the quality of information and impact of advisory services provided to clients.

**Public Participation:** The Agency administers a Participant Funding Program that provides financial assistance to the public to prepare for and participate in the EA panel review process. Procedures and guidelines governing the program were revised during 1998-99 by the Agency in co-operation with a multi-stakeholder committee that consisted of other federal departments, provincial governments, environmental non-governmental organizations, Aboriginal groups and industry. These revisions resulted in an upgraded program that is more efficient and effective, and is seen by stakeholders as more responsive to the needs of the public.

Between 1996 and 1999 the Agency awarded over \$380,000 to 18 individuals or groups to participate in the Voisey's Bay mineral development review panel, with almost one-third allocated in 1998-99 (see page 43).

The Agency also actively promoted opportunities for Canadian citizens to participate in all EAs. As a result, public consultation during the preparation of comprehensive studies has become standard practice. This has improved the design and execution of projects undergoing an assessment. For example, public concerns about a proposed river channel project resulted in the additional requirement to identify and implement mitigation measures to protect the endangered piping plover and the Gulf of Saint Lawrence aster.

In its efforts to improve consultative methods with First Nations, the Agency also undertook a pilot project with Environment Canada. This project, entitled "How to Effectively Consult with Aboriginal People," has resulted in finding new and more effective ways to involve Aboriginal people in the development of policies and programs.



**Communication Capacities:** During the year, the Agency undertook to strengthen its communications capacity, thereby enhancing its ability to identify client information needs and respond to them. For example, considerably more information is now publicly available on the comprehensive study process. In addition, all products and services offered by the Agency are now available on its Web site. Ongoing user feedback will result in further modifications to the Web site in 1999-2000.

The Agency has also actively defined and clarified key messages, both within the federal government and with external partners and stakeholders, particularly through its advocacy roles in the regions (see page 27). This included promoting the benefits and best practices of good EA compiled from research and studies, such as the Ongoing Monitoring Program (see page 22).

Communicating the benefits of good EA and best practices has improved the overall quality of EAs. For example, the use of mitigation measures has increased in the project planning stages when EA practitioners and proponents are examining potentially adverse environmental effects. Mitigation measures have resulted in the promotion of sound economic development while reducing adverse effects on the environment.

**Comprehensive studies:** Comprehensive studies assess the environmental effects of larger-scale projects, which by virtue of their nature or characteristics, have the potential to result in significant adverse environmental effects or generate significant public concern. During 1998-99, the Agency supported the conduct of 25 comprehensive studies – ten initiated during the year and fifteen that were carried over from previous fiscal years. This support included providing advisory services to clients, monitoring the activities of responsible authorities to ensure that the requirements of the Act were fulfilled, and enhancing opportunities for public participation.

Five comprehensive studies were completed in 1998-99 (see below). The Agency provided recommendations to the Minister of the Environment for each one. These recommendations were based on an assessment of the final Comprehensive Study Report submitted by the responsible federal authority, as well as on comments received from the general public. In each case, the Minister concluded, after taking into account proposed mitigation measures, that the project under assessment was not likely to cause significant adverse environmental effects.

As a result of these comprehensives studies, the public had an opportunity to participate in the design of the project, and thus helped to reduce or mitigate any potential adverse environmental effects. These comprehensive studies also allowed decision makers to determine whether further public reviews were warranted, based on the likelihood of potential adverse environmental effects and the extent of public concern.

**Table 3-2 Comprehensive Studies Completed During 1998-99**

<b>Comprehensive Study</b>	<b>Project Proponent</b>	<b>Lead Department Responsible for EA</b>	<b>Project Description</b>
Tracadie Rivers Link Channel	Corporation du Développement des Deux Rivières Tracadie Inc.	Human Resources Development Canada	Proposal to construct a canal to facilitate development of a recreo-tourism project in Tracadie, New Brunswick.
Decommissioning of CFS Debert	Department of National Defence	Department of National Defence	Proposal to decommission a military base near Truro, Nova Scotia.
Alliance Pipeline	Alliance Pipeline Ltd.	National Energy Board	Proposal to construct and operate the Canadian portion of a major new natural gas pipeline from northeastern British Columbia to Chicago, Illinois.
Waste Treatment Centre Upgrade Chalk River	Atomic Energy of Canada Limited	Atomic Energy Control Board	Proposal to upgrade the liquid waste treatment centre at Chalk River Laboratories, Ontario.
Project Millennium – Oil Sands Mining Development	Suncor Energy Ltd.	Fisheries and Oceans Canada	Proposed expansion of oil sands operations in northern Alberta.

**Note:** All of the completed comprehensive studies were initiated prior to 1998-99. More detailed information on all comprehensive studies, completed or under way, can be obtained from the Agency's Communications Office (see page 47).

**Review Panels:** The Agency supported one environmental assessment review panel during 1998-99. This compares to seven the year before. The decrease is primarily due to the timing of project activities (since April 1999 four review panels have been established). In addition, more projects are being assessed using the comprehensive study process, as demonstrated by the increase in the number of comprehensive studies initiated each year.

A brief summary of the Voisey's Bay mineral development review panel and a description of it benefits follows. More detailed information on all review panels, completed or underway, can be obtained from the Agency's Communications Office.

**Voisey's Bay Mineral Development:** This review involved a proposal by Voisey's Bay Nickel Company Ltd. to develop both open-pit and underground nickel mines plus a mine-mill near Nain, Labrador. The joint federal-provincial-Aboriginal



review panel conducted public hearings from April 1997 to December 1998 before submitting its final report to the federal and provincial governments and to Aboriginal groups in March 1999.

In August 1999 the federal and provincial governments responded to the panel's report, accepting the majority of the panel's 107 recommendations. The panel's report and government response can be obtained from the Agency's Communications Office or Web site.

### **Benefits of a Review Panel – Voisey's Bay Mineral Development**

Direct benefits to the environment and to the economy which otherwise might not have been achieved can be attributed to review panels. Some of the benefits of the Voisey's Bay review panel are discussed below.

The Voisey's Bay review panel was the first of its kind in terms of the participation of Aboriginal groups throughout the EA process. It was established under a memorandum of understanding (MOU) with the federal government, the province of Newfoundland and Labrador, the Labrador Inuit Association and the Innu Nation as signatories.

This MOU provided a co-operative framework for the governments and Aboriginal groups to ensure a single and effective environmental assessment was conducted for the project. At the same time, the MOU met legal requirements of the federal and provincial governments while addressing the concerns of the Aboriginal groups.

As a result of the full participation of the Aboriginal groups, the quality and credibility of the environmental assessment process were strengthened. Local community participation was enhanced since they deemed the process was open and balanced. The outcome was a thorough and comprehensive review of all key issues by the panel.

The long-term impact of the public review process is still to be determined since the government only recently responded to the panel's recommendations and construction has not begun. However, the review process strongly influenced the design of the project and mitigation measures intended to address environmental and socio-economic issues. As a result of these measures, adverse impacts relating to the project will be reduced or eliminated. In addition, the review panel process identified and enhanced economic growth opportunities for local communities.

The end result was a review process that facilitated discussion among stakeholders. This is expected to improve the project design and lead to a more sustainable development in the region.





## **Strategic Priority 1.2      *Advance the science and practice of environmental assessment***

The Agency's capacity for leadership is limited unless it works at the leading edge of EA, and is seen to be doing so by its partners and stakeholders. The Agency does not intend to duplicate the specific expertise of other federal departments in strengthening its scientific capacity. Rather, its priority is to be a repository of EA trends and practices, in order to be a credible advocate for EA and an effective liaison between the federal government and stakeholders.

As governments downsize and privatize programs and services, it will be essential for the Agency to develop innovative approaches to EA and to engage other resources within and outside of government that improve the science and practice of EA. This will, in turn, assist in attaining sustainable development.

A number of innovative approaches were developed by the Agency during the year, designed to broaden the practice and application of EA. They range from alternative forms of involving public and stakeholder participation to exploring new trends in conducting EA.

### ***1998-99 Results***

**Traditional Ecological Knowledge:** Traditional Ecological Knowledge (TEK) refers to a knowledge of the environment, ecological systems and cultural values, and is rooted into the culture and lifestyles of traditional resource users. Aboriginal people have acquired and applied TEK for millennia as the foundation of their cultures.

During the year, the Agency, with the assistance of a First Nations consulting firm, completed the first step in designing federal government policy to integrate TEK into EA. This effort has resulted in a strategy to develop guidance material to assist EA practitioners in including TEK. This work also resulted in establishing working linkages between the Agency and Aboriginal people, which will guide ongoing activities on this initiative.

**Cumulative Effects Assessment:** Every assessment conducted under the Act must include consideration of the combined effects on the environment from existing and potential activities and projects. This is referred to as cumulative effects assessment. Recognizing the need to advance and encourage this practice, the Agency completed the Cumulative Effects Assessment Practitioners Guide in 1998-99, in partnership with federal, provincial and academic communities. This was followed by a series of cross-country training sessions. Consequently, the federal government, consultants and project proponents are more aware of both the need to consider cumulative effects and appropriate methodologies. In time, this will result in higher quality EAs and more sustainable projects.



**Alternative Dispute Resolution (ADR):** In partnership with Justice Canada, the Agency developed and implemented an awareness and training program to enhance the ability of the federal government to resolve disputes in the EA process. The awareness and training program is designed to help federal EA managers recognize the opportunities for, and benefits of ADR and how ADR can improve the quality of an assessment.

The Agency conducted six training sessions across Canada. Over 150 individuals participated, representing various stakeholder groups. As a result of these sessions, EA managers have increased their skill and knowledge base regarding ADR and have begun developing resource bases for its use. Feedback from the sessions allowed the Agency to tailor future training sessions which will address the current state of ADR practice, identify when ADR may be appropriate and how disputes may be avoided through better public consultation. Results of ongoing training sessions will be reported in next year's performance report.

**Class Screenings:** During 1998-99 the Agency worked with federal departments in developing model class screenings. Class screenings define EA procedures for projects of a similar nature and allow for more consistent and efficient assessments. Two class-screening reports were completed in 1998-99: Routine projects within the Town of Banff (Parks Canada), and importation of certified European honeybees into Canada (Canadian Food Inspection Agency).

Nineteen projects were assessed using the Town of Banff class-screening model in 1998-99. The result was a simplified and streamlined process where none existed before, which improved the efficiency and predictability for Parks Canada in screening projects in and around Banff. The results of the honeybee class-screening model will be reported in next year's performance report.

Both models will serve as a framework for developing additional class-screening reports. Information regarding completed class screenings and those under-development can be obtained from the Agency's Communications Office or Web site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)).

**National EA Standards:** The Agency continued to develop a national standard for environmental assessment in partnership with the Canadian Standards Association. During 1998-99, a draft standard applicable to all types and sizes of projects under any jurisdiction was completed. This was a considerable accomplishment, given that the committee completing the draft represented a vast and diverse array of interests, such as industry and environmental non-government organizations (see the Agency's 1997-98 Performance Report for a list of committee members).



Initial stakeholder consultation sessions were also completed on the draft. Preliminary feedback indicated the standard could be an effective tool for improving environmental management practices not just for the federal government, but for all who practise EA.

Interest for the standard has also grown in the international EA community, generated by the recognition that the standard can contribute to linking environmental management systems to EA.

### **Strategic Priority 1.3      *Learn from experience and share results***

There are many benefits to using past experience gained from conducting EAs. Evaluating the results of previous assessments greatly assists the Agency and other stakeholders in determining appropriate policy directions for the future. Governments and private-sector proponents are keenly interested in the environmental and economic benefits of EA, given that they absorb the majority of the costs. By effectively demonstrating long-term environmental and economic benefits of good environmental management, the Agency will facilitate the use of EA by decision makers on projects that may affect Canadians.

The Agency has a responsibility to take a leadership role in promoting continuous learning, responding to client needs and ensuring that communication with all stakeholders is maintained and enhanced. Measuring and reporting the success and effectiveness of EA helps to strengthen public confidence and maintain valuable public participation. To learn from experience and to share results also contributes to the Agency's position as a centre of EA expertise. This fortifies the Agency's capacity to communicate its vision and knowledge with others pursuing similar objectives.

#### ***1998-99 Results***

**Ongoing Monitoring Program (OMP):** A concern of stakeholders, echoed by the Commissioner of the Environment and Sustainable Development, is the lack of data on assessments conducted under the federal EA process. In response, the Agency undertook to identify and monitor societal, economic and environmental costs and benefits of EA, based on actual experiences with the Act. This involved 20 EA cases varying in size and type across Canada.

The OMP identified a number of societal benefits associated with EA. Analysis revealed that the Act:

- helped various stakeholders realize efficiencies while coordinating regulatory requirements, therefore contributing to better project planning;
- improved the quality of assessments in general, through guidelines and other guidance materials; and
- advanced sustainable development objectives by promoting measures to minimize or eliminate adverse environmental impacts associated with projects.

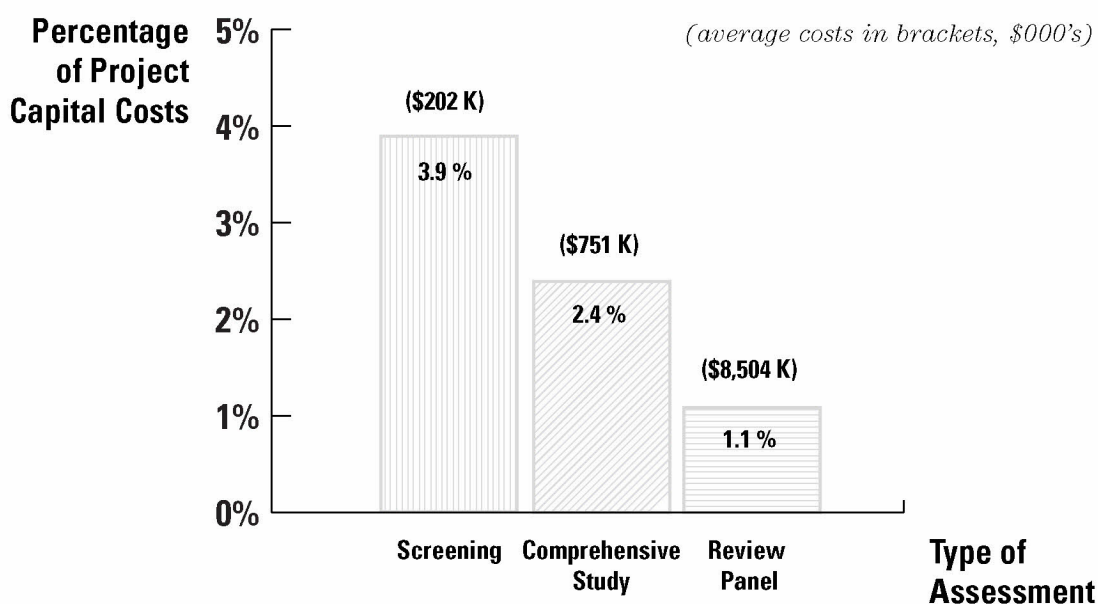


The OMP also demonstrated that the economic benefits of EA were greater than its costs. Three examples of how EA contributed to economic benefits follow.

- Offshore Oil Development Project – the EA established measures to reduce the likelihood and impact of future oil spills and thereby avoided injuries to the Grand Banks fishery.
- Mine Decommissioning – the EA resulted in the protection of existing groundwater resources being used by the local population, thereby avoiding costly alternatives.
- Golf Course Development – the EA resulted in a reduction in mercury exposure and thus avoided hazardous waste disposal costs.

The OMP also provided a new insight into the costs associated with conducting EA. As shown in Figure 3-2, the average cost to conduct an EA represents only a fraction of the total capital costs of the project under review. Project proponents concurred, indicating that EA costs were not adversely affecting economic growth and competitiveness. Rather, they viewed the federal EA process as a cost-effective project planning tool for addressing all issues of concern, beyond strictly environmental ones.

**Figure 3-2 Comparison of Average EA Costs as a Percentage of Project Capital Costs**





As a result of the OMP, the federal government now has a clearer understanding of the factors driving the benefits and costs of the Act. With this information, the Agency can work with stakeholders to reduce costs and increase the quality of EAs while maintaining and enhancing benefits. The OMP also identified areas for improvement, which will facilitate consultations during the Five Year Review of the Act. As well, the OMP contributed to improved compliance by providing the Agency with an effective tool to promote the benefits of EA.

The OMP report and case studies will be available to the public as background information to the Five Year Review.

**Public Access to EA Information:** During the year, the Agency invested in information management systems and technologies to allow for easier public access to EA information and exchange between the Agency and its stakeholders. Primarily, this included upgrades to the Federal Environmental Assessment Index (FEAI) and the Agency's Web site.

Due to technical difficulties, however, the Agency has been unable to respond to all stakeholder demands to improve the timing, consistency and quality of information entered into the FEAI. Nevertheless, the Agency did improve public access and research capabilities by enhancing search tools and installing the FEAI on the Internet. As a result, more than 48,000 user sessions were registered during 1998-99, making the FEAI the most popular page on the Agency's Web site.

Federal departments have expressed strong support for the FEAI concept, and continue to engage with the Agency to improve the capacities of the system. The Agency is upgrading the system to make it more user friendly and integrate it with all EA public registries across government. Results of this effort will be reported in next year's performance report.

The Agency also improved its Web site to allow easier public access to information and increased the volume of content available. During 1998-99, the Agency recorded more than 94,300 user sessions, slightly higher than the year before. As a result of client feedback, further modifications will be made to the Web site. These enhancements should foster additional information exchanges in a more meaningful and timely manner.



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**RESULT COMMITMENT No.2 TO CANADIANS:**

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**Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions.**

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**Strategic Priority 2.1**      ***Clarify and improve environmental assessment processes with other jurisdictions and with federal partners***

All federal and provincial jurisdictions in Canada administer some form of EA regime. When more than one regime applies to a project, harmonization between them is necessary in order to avoid duplication, increase certainty and reduce costs and delays. A priority for the Agency will be to continue pressing for greater efficiency and co-ordination of EA processes, and to seek co-operative arrangements wherever possible. As well, ongoing co-operative relations with Aboriginal communities remain crucial, since their emerging EA processes under self-government and land-claim agreements play an increasingly prominent role in the review of new projects.

The Agency is also engaging partners to clarify and improve EA processes that have international implications. International relationships give Canada the opportunity to share expertise and establish mechanisms to support sustainable development of global interests that may affect the health of the environment within Canada.

***1998-99 Results***

**Harmonization:** During 1998-99, the Agency continued to negotiate bilateral harmonization agreements with several provinces, including Alberta, Saskatchewan, Manitoba and Ontario in accordance with the *Sub-agreement on Environmental Assessment under the Canada-Wide Accord on Environmental Harmonization* (signed in January 1998). These bilateral agreements are intended to improve co-operation among jurisdictions on the EA of projects and provide both greater efficiency and the most effective use of resources when two or more parties are required to assess the same project.

The first Agreement, signed in 1997-98 between British Columbia and Canada, has resulted in increased co-operation. In September 1998, the Agency and the British Columbia Environmental Assessment Office co-established and chaired a working committee to assist in the implementation of the Agreement. The Canada-British Columbia Agreement has also been successful in reducing duplication and overlap between the federal and provincial EA processes. Since the Agreement was signed, six co-operative EAs involving both jurisdictions have been completed, and another nine co-operative arrangements are under way.



**Aboriginal Involvement in EA:** During the year, the Agency worked closely with Aboriginal groups in developing tools to assist First Nation communities to achieve environmental integrity and sustainable development goals while respecting cultural perspectives and self-determination objectives. The Agency also collaborated with First Nations and Indian and Northern Affairs Canada to develop EA regimes under Aboriginal systems of governance that can be harmonized with federal EA processes. This involved the ongoing negotiation of EA considerations into over 60 comprehensive land-claim and self-government agreements across Canada. The result was the successful inclusion of EA provisions in several agreements with First Nation communities, such as the Labrador Inuit Association (LIA) and Nisga'a Tribal Council in British Columbia.

These agreements require complex and often lengthy negotiations, and only a few are at the implementation stage. Therefore, preliminary performance information is not yet available. However, the Agency will monitor and report in the future on the success of its efforts, with the expectation that these agreements will promote an open and participatory process for assessing the environmental implications of projects on Aboriginal lands. This should result in improved integration of environmental and economic considerations in project planning.

**Substitution of EA processes:** The Agency continued to pursue opportunities to develop Agreements that would allow an existing EA process to be substituted for a review panel conducted under the *Canadian Environmental Assessment Act*. This would prevent one project from being subjected to two legal requirements, and thus result in cost and time savings. During 1998-99, the Agency focused on developing an agreement with the National Energy Board for the Canadian Millennium Pipeline project in southern Ontario. However, after extensive consultations, it was determined that joint review panel processes would be the most appropriate for this project. The Agency will continue to pursue substitution opportunities on a case-by-case basis in the future.

**Transboundary EA:** The Agency, on behalf of the Government of Canada, is negotiating with the United States and Mexico an agreement on transboundary environmental assessment. This agreement is intended to foster environmentally sound practices and international co-operation concerning conservation, environmental protection and environmental enhancement.

During 1998-99, all three countries made progress in defining obligations for a proposed agreement, including provisions for notification regarding projects with potential transboundary effects, sharing of information and identification of opportunities for assessment of project impacts and public participation. However, difficulties arose due to the wide disparity of environmental assessment systems in each country. As a result, the transboundary agreement has not been signed. Each country has agreed to continue to discuss the intended scope of application in order to find common ground on which the proposed agreement could eventually be applied.



## **Strategic Priority 2.2      *Strengthen relationships with partners and stakeholders***

Effective implementation of the Act requires the co-operation and participation of diverse segments of Canadian society. Building and maintaining strong working relationships is at the core of Agency success. Success can only be achieved, however, by demonstrating that products and services delivered by the Agency provide added value to stakeholders.

The most effective way the Agency has delivered services to its clients is through its regional offices. These offices operate at key points of interaction, providing credible advice, training, guidance and information to all stakeholders when it is needed most – during the planning stages of a project. They also promote co-operation and co-ordination among federal departments and between federal and provincial governments, thus fostering an effective and efficient process.

The Agency also relies on an extensive array of networks to establish common goals on which to base partnerships and to advance the federal EA process into the next millennium. Over the next few years, these partnerships will be vital in order to conduct an effective review of the provisions and operations of the Act, and to implement any possible improvements.

By understanding, fostering and enriching relationships, the Agency can advance federal interest in good EA. Canadians can then reap the benefits of improved environmental management.

### ***1998-99 Results***

**Regional offices:** During 1998-99 six regional offices were maintained throughout Canada. One new office, in Quebec City, was opened in January 1999. Together these offices provided ongoing, single-window liaison services between federal and provincial governments. This included the provision of advice and guidance to federal, provincial, private-sector and Aboriginal EA practitioners. These offices also assisted in negotiating and implementing bilateral harmonization agreements (see page 25). For example, the Agency's Pacific and Northern regional office and the province of British Columbia co-established a working committee to oversee the implementation of the *Canada-British Columbia Agreement for Environmental Assessment Co-operation*. As a result, both issues and solutions to problems were identified in an informal, co-ordinated and efficient manner – respecting the principles of the Agreement.

Regional offices also assisted in developing and delivering training sessions in 1998-99 (see page 30). As a result of their strategic location and knowledge of regional issues, clients received training and guidance materials that were adapted to their specific needs.





These offices have also been instrumental in enhancing national consistency when providing individual project assistance to federal departments. For example, the Agency's Prairie regional office co-ordinated 125 projects from Manitoba and Saskatchewan, with 27 (22 percent) of these projects subject to both federal and provincial EA processes. By co-ordinating the review of the project descriptions, earlier identification of federal requirements was facilitated and duplication of EA activities between the province and the federal government was eliminated. This resulted not only in cost savings to both levels of government, but also in increased consistency in conducting the assessments.

Co-ordination efforts by regional offices have improved project designs, since both federal and provincial governments are working together. The outcome for Canadians has been reduction or elimination of potential adverse environmental effects from these projects.

Regional office locations and contacts for additional information can be found on page 47.

**Networks:** During 1998-99, the Agency strengthened its internal and external EA networks. These networks often involved consultations and forums for client feedback to allow the Agency to judge how well it is performing and what changes to its products and services are required.

Two sessions were held with the multi-stakeholder Regulatory Advisory Committee (RAC). Consisting of federal, provincial, Aboriginal, industrial and environmental non-government organization members, the RAC serves as a key forum for consulting with EA stakeholders on regulatory and policy matters. The meetings resulted in the Agency receiving and incorporating stakeholder input to key regulatory and policy initiatives, including preparations for the Five Year Review of the Act and the process for the development of an EA standard (see page 21).

Eight meetings of the interdepartmental Senior Management Committee on Environmental Assessment were also held. These meetings resulted in a better knowledge across the federal government on EA issues and trends, and provided insight on how other departments are responding to Agency initiatives.

The Agency also met with provincial EA administrators to discuss cross-jurisdictional EA issues, and to receive feedback from provincial representatives on plans for the Five Year Review of the Act and the draft EA standard. The meetings resulted in an improved understanding of general provincial EA issues as well as specific provincial views on Agency initiatives.

The Agency also met with the EA Caucus of the Canadian Environmental Network. Annual meetings with this not-for-profit environmental organization provide an opportunity for the Agency and the Caucus to share information on issues and developments, and for the Agency to solicit advice on its key activities.



The Agency also expanded its networks to include Aboriginal and industrial groups. For example, the Agency met with the Assembly of First Nations on several occasions during 1998-99 to discuss and advance Aboriginal interests and issues regarding the development of policies and programs. The Agency also met, exchanged information and provided information and training to various industry associations.

Finally, the regional offices expanded networks in 1998-99 by strengthening Regional Environmental Assessment Committees (REAC). These committees, composed of representatives from various federal and provincial government departments, focused on training and guidance, resulting in enhanced project coordination among various jurisdictions.

### **Strategic Priority 2.3**      ***Improve the Agency's capacity to monitor, assess and foster compliance***

Government compliance with EA processes is an increasingly prominent issue. The Commissioner for the Environment and Sustainable Development has raised concerns regarding compliance, and recommended that the Agency take a leadership role in improving it. Although the Act does not explicitly contain enforcement provisions, a priority for the Agency has been to evaluate how well other departments understand their EA responsibilities and to play a more forceful advocacy role in encouraging both compliance and good EA practice. Key to this is the ability of federal departments to monitor their compliance with the Act and assess the quality of the EAs they conduct.

Consistent and predictable interpretation of responsibilities under the Act, both by other federal departments and by proponents, is extremely important to stakeholders. Environmental considerations can only be enhanced when practitioners have proper guidance tools at their disposal. As federal EA processes become more entrenched in everyday decision making, stakeholders demand more specialized guidance for their unique situations, and they want this information from a known and trusted source. The Agency is addressing this issue through a more sustained and directed education and training initiative.

#### **1998-99 Results**

**Compliance Monitoring:** In the summer of 1998, the Agency completed a framework designed to assist federal departments in monitoring compliance with the Act as well as the quality of assessments. Eleven departments and agencies participated in a pilot test of the framework by reviewing nearly 500 screening assessments.

For the first time, the compliance-monitoring framework has provided the government with a tool to identify the cause of problems associated with implementing the Act. As a result, federal departments and agencies have begun to change their internal procedures to address issues identified by the framework



and to report on results. The framework is also allowing the Agency to identify and respond to training and guidance needs, particularly at regional levels, to improve the consistency and quality of EAs.

In addition, many departments have committed themselves to develop, with the Agency, a quality assurance program that will establish systematic monitoring mechanisms within each department. This program will also assist in defining performance indicators for EA that in time could be linked to departmental sustainable development strategies. Longer-term results of the framework will be reported in next year's Performance Report.

**Compliance Policy:** In order to establish an effective policy that outlines promotion, education and guidance measures to foster compliance, the Agency first developed mechanisms to measure current compliance levels and to strengthen partnerships with its clients. Results of the Compliance Monitoring Framework, Ongoing Monitoring Program and training and guidance forums will provide the basis for finalizing a compliance policy next fiscal year. The Compliance Monitoring Framework and Ongoing Monitoring Program final reports will be available to the public as background information to the Five Year Review.

**Training and Guidance:** The Agency initiated the development of a training and guidance strategy, in partnership with an interdepartmental committee, to co-ordinate the development and implementation of training and guidance products. Over the long-term, this strategy will improve client service. However, this strategy has already resulted in increased client satisfaction with the quality, timing and relevancy of both basic and advanced training and guidance materials, as expressed through feedback surveys conducted with participants.

In collaboration with federal partners, the Agency also completed a number of guidance materials in 1998-99 designed to assist and improve federal departments' capacities to conduct EAs, such as the Cumulative Effects Assessment Practitioners Guide (see page 20) and a draft generic guide on EA for mining projects. Guidance material in the form of operational policy statements were also prepared to clarify for practitioners issues such as scoping of projects and identifying alternatives to projects.

These guidance materials are increasing the awareness and understanding of the need to consider certain factors when conducting EAs and consequently, in improved assessments, as measured by increased environmental considerations in project designs. Recently developed training and guidance materials are available on the Agency's Web site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)) or from the Agency's Communications Office.

In addition, the Agency delivered 25 training sessions nation-wide to more than 500 participants on subjects ranging from general orientation to the Act, to more complex sessions on how to conduct comprehensive studies. As a result of these training sessions, federal, provincial, industry and environmental stakeholders have an increased awareness of the Act and of their responsibilities with respect to EA.

**RESULT COMMITMENT No.3 TO CANADIANS:****Consistent and predictable application of environmental considerations into federal decision making.****Strategic Priority 3.1      *Address gaps in the application of the Act and other federal environmental assessment processes***

Since the Act came into force in 1995, a number of gaps have been identified in its application. For example, many federal organizations, particularly federal Crown corporations, are not required to conduct EAs of their own activities. An Agency priority has been to enhance the regulatory regime so that more activities with potential environmental effects are assessed. This effort evolved from extensive, nation-wide public consultations and continued input from various partners, such as the multi-stakeholder RAC.

By expanding the range of activities that are assessed, the application of the Act and other federal EA processes can become more transparent, predictable and consistent.

There is also a need to strengthen the application of EA for federal policy and program proposals (known as “strategic EA”). When conducted properly, strategic EA is an investment in good decision making, as it allows for the identification of broad, long-term environmental effects of policy and program proposals during the planning stage.

In addition, stakeholders and concerned citizens have indicated that the application of project-related follow-up must also be strengthened. Following up on environmental effects of a project is important for two reasons: it provides feedback on actual environmental impacts of a project to allow for remedial actions should these impacts deviate from predictions, and it provides information that will help to improve the quality and effectiveness of future environmental assessments.

***1998-99 Results***

**Regulatory Development:** During the year, the Agency continued its long-term program to broaden the range of federal activities assessed under the Act. In collaboration with Transport Canada, this involved the development of EA regimes for Canada Port Authorities and for local Airport Authorities operating on federal lands (see page 36). Since both initiatives were still in the developmental stage by the end of 1998-99, long-term direct impacts are not available. However, these efforts did result in providing a benchmark for the development of similar regimes to encompass additional federal Crown corporations in the future.



The Agency also consulted extensively in developing amendments to existing enabling regulations under the Act. These amendments will help the government focus more attention on projects with potentially adverse effects and less emphasis on projects with little impact on the environment or society. Once these regulatory initiatives are implemented, it will result in a more consistent application of the Act, enhanced federal accountability to Canadians, and increased transparency in the environmental management of projects.

**Strategic EA:** The Agency led an interdepartmental committee to update and improve a Cabinet directive and accompanying implementation guide on conducting EAs for federal policy and program proposals that are submitted to ministers or Cabinet. This resulted in clarifying the process for incorporating environmental considerations into federal policy, plan and program proposals and providing departments with better tools for conducting these assessments. It was also expanded to include federal plans that are likely to have environmental effects. As a result, requests from departments and agencies for Agency services has increased, and environmental factors have begun to appear more consistently in key policy documents.

The Agency also led an interdepartmental committee to develop guidelines on assessing environmental and health effects related to the design of climate change initiatives. This work had two outcomes: first, it generated information needed to conduct strategic EAs on proposed actions to reduce Canada's emission of greenhouse gases, and second, it raised other departments' understanding of how strategic EA can strengthen public policies.

**Project-related follow-up:** In consultation with EA practitioners across Canada, the Agency developed an options paper designed to increase follow-up. This paper identified current problems or issues related to the consistent implementation of follow-up across the federal government, and potential options or tools to rectify these problems, such as the development of a guide. It also illustrated examples of best practices and lessons learned from a variety of jurisdictions throughout Canada using follow-up techniques. This paper and examples of best practices will be available to the public as background information to the Five Year Review.

As a result of this effort, there is now a clearer understanding of the core problems related to follow-up in environmental assessment. The Agency is developing an action plan to address these issues. It is anticipated that the outcome will be improved efficiency and effectiveness of project-related follow-ups.



## SECTION IV: Consolidated Reporting

### 4.1 Year 2000 Readiness

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The Agency contracts with Environment Canada for its information technology services. An existing Service Level Agreement includes provisions for assessment, risk analysis and testing to ensure Year 2000 compliance for all Agency systems, equipment and infrastructure. In addition, the Agency's Director General of Corporate Services is part of the Environment Canada's Year 2000 Senior Managers Steering Committee.

During 1998, most of the Year 2000 action plans were completed. This included risk assessment, validation, testing, system renovation and implementation. Further validation and testing was done by the end of the 1998-99 fiscal year. The Federal Environmental Assessment Index, a database of all environmental assessments that have been conducted under the *Canadian Environmental Assessment Act* since 1995, is currently being upgraded to operate using web browser technology. Testing of the FEAI by Environment Canada will be completed by early fall 1999.

The Agency also has two non-mission critical systems, a Records Information Management System and a Library Records System, which are currently maintained on databases separate from Environment Canada's servers. The migration to the Department's database servers will be completed by the fall of 1999, after which Year 2000 testing will begin. In addition, Justice Canada provided an upgrade to a time-keeping system used by the Agency's legal services that will undergo testing this fall.



## 4.2 Sustainable Development Strategy

Key Goals	Performance Indicators/ Objectives	Targets/Actions for Reporting Period 1998-99	Progress to Date/ Results for 1998-99
1. Promote high-quality EA as a tool to implement sustainable development	Better use of project EA as a mechanism to support sustainable development	Provide guidance and advice in support of federal responsibilities in conducting EAs	Voisey's Bay review panel completed – mitigation include sustainable development measures  Five comprehensive studies completed with recommendations to Minister including sustainable development measures  Approximately 5,000 screening type assessments were completed in 1998-99
	Increased integration of strategic EA into federal policies, plans and program proposals	Develop consistent approach in preparing EAs for policy, plan and program proposals  Promote and provide training and guidance on strategic EA	Government has directed that federal departments use strategic EA in federal policy, planning and program proposals  Procedural guidance on strategic EA and climate change measures provided to stakeholders
	Improved awareness and understanding of the federal EA process	Provide procedural advice and guidance on the <i>Canadian Environmental Assessment Act</i> to practitioners  Develop compliance monitoring framework  Conduct education and training sessions on the CEA Act and EA process	Regional offices provided single window services – new regional office opened in Quebec City  Pilot program developed that assisted 11 departments in measuring compliance and quality of EAs  25 training sessions conducted to more than 500 participants across Canada
2. Promote the use of EA with other departments and jurisdictions	Harmonized application of the Act with other jurisdictions	Negotiate bilateral harmonization agreements with provinces  Conclude international EA transboundary agreement with Mexico and the United States  Negotiate EA provisions into self-government and comprehensive land-claims	Agreements in final stages with Alberta, Saskatchewan and Manitoba, and discussions initiated with Ontario  Two rounds of discussions held – further discussions are pending consensus of all parties  EA provisions successfully included in seven agreements (i.e. Nisga'a, LIA)
	Expanded application of the Act to other organizations	Develop EA regimes for organizations not covered under the Act	EA regime developed for 18 Canada Port Authorities – discussions initiated with 22 Airport Authorities operating on federal lands



## 4.2 Sustainable Development Strategy (continued)

Key Goals	Performance Indicators/ Objectives	Targets/Actions for Reporting Period 1998-99	Progress to Date/ Results for 1998-99
3. Refine and improve the science and practice of EA	Expanded and improved practice of EA	Support development of class-screening models for similar projects	Two model class-screening reports completed
		Support development of a national EA standard with the Canadian Standards Association	Draft standard developed that is applicable to all types and sizes of projects in any jurisdiction
		Implement action plan to guide integration of traditional ecological knowledge into the federal EA process	Framework policy for integrating traditional ecological knowledge developed
		Assume leadership role in the development and use of alternative dispute mechanisms in EA	Alternative dispute resolution awareness, training and recognition programs developed and delivered to clients
4. Increase awareness of EA and its effects on sustainable development	Strengthened Agency communications capacity	Enhance public access to information	Web site upgraded – improved search capacities
		Increase information available to the public	Expanded volume of information posted on Web site (documentation related to the comprehensive study process)
		Promote Agency products and services	Regional offices have separate Web sites – Agency Web site advertises available and upcoming products and services
	Enhanced opportunities for public participation in the federal EA process	Revise procedures and guidelines for the Participant Funding Program (PFP)	Updated procedures and guidelines approved by stakeholders that improves the effectiveness and efficiency of the PFP
5. Increase the Agency's environmentally sustainable practices	Implemented environmental management system based on ISO 14000	Develop environmental management policy for Agency	Policy prepared and signed by Minister and all Agency staff – commitments to sound environmental management practices
	Improved environmental management performance	Develop environmental management plan for solid waste, "green" procurement energy efficiency	Environmental management plan developed that includes measures and performance indicators  No waste program implemented, resulting in 70 percent of Agency waste diverted from landfill into recycling  Second waste audit completed in March 1999 measuring performance and identifying future actions





### 4.3 Regulatory Initiatives

<b>Purpose of Legislative or Regulatory Initiative</b>	<b>Expected Results</b>	<b>Performance Measurement Criteria</b>	<b>Results Achieved</b>
<b>CPA EA Regulations</b>			
To establish a federal EA process under the <i>Canadian Environmental Assessment Act</i> that captures projects initiated by Canada Port Authorities (CPA) which are established under the <i>Canada Marine Act</i> . This initiative is shared with Transport Canada.	<i>Short term</i> To bring 18 current CPAs under the coverage of the <i>Canadian Environmental Assessment Act</i> .	<i>Short term</i> Completion of Regulations in a format satisfactory for final approval.	<i>Short term</i> Draft Regulations approved by Ministers for public review and comments.
	<i>Long term</i> Consistency and quality of the EA process for ports improved.	<i>Long term</i> CPAs apply the requirements of the Regulations.	<i>Long term</i> Performance information will be outlined in next year's performance report.
	Enhanced accountability in the environmental management of port projects.	Decision making on port projects that incorporate environmental considerations.	
	Increased transparency and greater opportunities for public involvement in the assessment process.	Increased public involvement in the assessment process for port projects.	
<b>Private Operations Occurring on Federal Lands Regulations</b>			
Establishment of EA regimes for 22 local Airport Authorities currently operating on federally leased land. At present, no formal mechanism exists for the conduct of assessments for Airport Authority projects.	<i>Short term</i> Commencement of a program aimed at establishing an Airport Authority EA Regime.	<i>Short term</i> Cross-comparison study of current EA procedures and practices of 22 Airport Authorities.	<i>Short term</i> Process developed to carry out study of current EA procedures of 22 Airport Authorities.
	<i>Long term</i> Consistent, transparent and accountable EA regime for projects having potentially significant environmental effects.	<i>Long term</i> Application of an EA regime that will lead to the improvement of the overall quality of Airport Authority EAs.	<i>Long term</i> Performance information will be outlined in next year's performance report.



### 4.3 Regulatory Initiatives (continued)

Purpose of Legislative or Regulatory Initiative	Expected Results	Performance Measurement Criteria	Results Achieved
<b>Federal Co-ordination Regulations</b>			
Set out a process to be followed when several federal departments are required to conduct a federal EA for the same project. This will ensure a predictable and timely assessment process and will serve as a framework for conducting a single federal EA for each project subject to the <i>Canadian Environmental Assessment Act</i> .	<p><i>Short term</i></p> <p>Improvement in the co-ordination of all federal departments involved in the same EA.</p> <p>Facilitation of project assessment harmonization agreements with provinces where requirements exist.</p> <p><i>Long term</i></p> <p>Improved timeliness and cost efficiency of the federal EA process.</p>	<p><i>Short term</i></p> <p>Level of compliance with regulations by other federal departments.</p> <p>Year-over-year decrease in the amount of time required to determine nature of federal involvement in an EA.</p> <p><i>Long term</i></p> <p>Decrease in the number of projects subject to more than one federal EA or duplication of effort.</p>	<p><i>Short term</i></p> <p>Federal departments are identifying their involvement requirements earlier and co-operation among departments on matters such as scoping has increased.</p> <p><i>Long term</i></p> <p>Independent study indicated that expected results are only partially being achieved:</p> <ul style="list-style-type: none"> <li>i) departments are applying regulations on an uneven basis;</li> <li>ii) anticipated improvement in predictability and timeliness of the EA process as a result of regulations appears minimal; and</li> <li>iii) regulations have been successful in ensuring only one assessment per project.</li> </ul>



## 4.4 Statistical Summary of Environmental Assessments

In accordance with subsection 71(2) of the *Canadian Environmental Assessment Act*, the table below provides a statistical summary of all environmental assessments conducted during 1998-99 under the Act. More than 5,600 EAs were initiated, as reported by **lead** department or agency. This compares with more than 5,900 EAs initiated in 1997-98.

Department	Screenings			Comprehensive Studies		
	Total	Completed	Outstanding	Total	Completed	Outstanding
Agriculture and Agri-Food Canada	185	179	6	1	–	1
Atlantic Canada Opportunities Agency	178	178	–	1	–	1
Atomic Energy Control Board	6	3	3	2	–	2
Canadian Food Inspection Agency	14	13	1	–	–	–
Canadian International Development Agency	151	149	2	–	–	–
Canadian Transportation Agency	25	24	1	–	–	–
Canada Economic Development for Québec Regions	36	36	–	–	–	–
Correctional Services of Canada	9	9	–	–	–	–
Environment Canada	387	329	58	–	–	–
Fisheries and Oceans Canada	1,116	949	167	3	–	3
Foreign Affairs and International Trade	4	4	–	–	–	–
Health Canada	43	42	1	–	–	–
Human Resources Development Canada	243	43	200	–	–	–
Indian and Northern Affairs Canada	1,044	1,044	–	–	–	–
Indian Oil and Gas Canada	158	158	–	–	–	–
Industry Canada	181	181	–	–	–	–
National Defence	160	103	57	–	–	–
National Energy Board	61	51	10	2	–	2
National Research Council of Canada	1	1	–	–	–	–
Natural Resources Canada	20	20	–	–	–	–
Parks Canada Agency*	1,120	963	157	1	–	1
Public Works and Government Services Canada	34	32	2	–	–	–
Royal Canadian Mounted Police	142	142	–	–	–	–
Transport Canada	196	196	–	–	–	–
Veterans Affairs Canada	6	6	–	–	–	–
Western Economic Diversification Canada	33	32	1	–	–	–
Yukon Territory Water Board	87	87	–	–	–	–
<b>Sub-total</b>	<b>5,640</b>	<b>4,974</b>	<b>666</b>	<b>10</b>	<b>–</b>	<b>10</b>
<b>Total Initiated in 1998-99</b>	<b>5,650</b>					

\* Established as an independent department under the *Financial Administration Act* on December 21, 1998.

**Note:** The five completed comprehensive studies as reported on page 18 were initiated prior to the 1998-99 fiscal year.



## SECTION V: Financial Performance

### 5.1 Financial Performance Overview

The Agency ended fiscal year 1998-99 with a cash balance of 1.2 percent of its operating budget (or total authorities). After calculating entitlements remaining from Treasury Board, such as contingencies for signed collective bargaining agreements, the Agency's final budget surplus was 5.2 percent of its operating budget.

Overall, the Agency spent \$9,757,043 during the fiscal year. Direct expenditures for major areas of activity include: **(\$000's)**

- |   |         |
|---|---------|
| • Voisey's Bay mineral development review panel   | 1,095.1 |
| • Regional offices – information, advice, co-ordination and liaison support   | 1,069.0 |
| • Tools to advance the implementation of the <i>Canadian Environmental Assessment Act</i> and improve the process, including: development of new regulations, procedural guides and class screening models; delivery of client training and education materials; Compliance Monitoring Framework and the Ongoing Monitoring Program | 836.1   |
| • Modernization and maintenance of the informatics network, and preparation for Year 2000 via a Service Level Agreement with Environment Canada   | 429.0   |
| • Support for incorporation of Aboriginal interests and involvement in EA through development of provisions in land-claim and self-government agreements in addition to fulfilling obligations under the <i>James Bay and Northern Quebec Agreement</i>   | 393.2   |
| • Continued upgrading to the Federal Environmental Assessment Index to enhance reporting capabilities and facilitate improved compliance  | 367.5   |
| • Preliminary consultations and studies in preparation for the Five Year Review of the <i>Canadian Environmental Assessment Act</i>   | 365.7   |
| • Support to other departments in the conduct of comprehensive studies and development of recommendations   | 304.7   |
| • Development of a national standard on environmental assessment  | 227.4   |

Although the Agency received authority to recover costs from project proponents for conducting review panels in August 1998, this authority was not used because no eligible review panels were established by the end of the fiscal year. The Agency did generate revenues of approximately \$722,000 primarily from two sources: \$606,000 from the Province of Newfoundland for its share of costs pertaining to the Voisey's Bay mineral development review panel, and \$116,000 from training and publication services.



## 5.2 Financial Summary Tables

This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table 5-1, are displayed using three separate headings. For clarity, these headings are defined as follows.

- **Planned Spending/Revenues** – what the plan was at the beginning of fiscal year 1998-99.
- **Total Authorities** – includes planned spending plus additional spending Parliament has approved for departments to reflect changes in priorities and unforeseen events (referred as operating budget). Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities that are approved.
- **Actuals** – what was actually spent or collected for fiscal year 1998-99.

Two adjustments have been made to the terminology used in the tables below, with respect to last year's performance report.

- **Respendable Revenues** – previously referred to as Revenues Credited to the Vote, these are revenues that can be used by the Agency to offset program expenditures. An example would include cost recovery for review panels.
- **Non-Respendable Revenues** – previously referred to as Revenues Credited to the Consolidated Revenue Fund (CRF), these are revenues that are collected on behalf of the government and cannot be used by the Agency to offset program expenditures.

**Table 5-1 Financial Requirements by Authority**

		1998-99		
<b>Vote</b>	<i>(thousands of dollars)</i>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Canadian Environmental Assessment Agency</b>				
15	Program Expenditures	7,254.0	8,975.0	<b>8,826.0</b>
(S)	Contribution to Employee Benefit Plans	886.0	931.0	<b>931.0</b>
<b>Total Agency</b>		<b>8,140.0</b>	<b>9,906.0</b>	<b>9,757.0</b>

**Note:** The variance between **Total Authorities** and **Planned Spending** of approximately \$1.7 million is due to the following circumstances: contingency to fund ongoing review panels (\$1,000,000); new resources to fund non cost-recoverable review panels (\$145,000); carry-over of operating budget from 1997-98 (\$573,000).

**Table 5-2 Comparison of Total Planned Spending to Actual Spending**

<i>(thousands of dollars)</i>	1998-99		<b>Actual</b>
	<b>Planned Spending</b>	<b>Total Authorities</b>	
Full Time Equivalents (FTEs)	95	95	<b>87</b>
Operating	8,577.0	13,725.7	<b>10,267.5</b>
Voted Grants and Contributions	95.0	212.3	<b>212.3</b>
Total Gross Expenditures	8,672.0	13,938.0	<b>10,479.8</b>
Less: Respendable Revenues	(532.0)	(4,032.0)	<b>(722.7)</b>
Total Net Expenditures	8,140.0	9,906.0	<b>9,757.0</b>
Other Revenues and Expenditures			
Non-Respendable Revenues	—	(2.8)	<b>(39.7)</b>
Cost of Services Provided by Other Departments	1,219.6	1,219.6	<b>1,640.9</b>
<b>Net Cost of the Program</b>	<b>9,359.6</b>	<b>11,122.8</b>	<b>11,358.2</b>

**Note:** Due to rounding, figures may not add to totals shown. The variance of \$421,300 between Actual and Total Authorities for **cost of services provided by other departments** is due to incremental costs incurred by Justice Canada. These costs include overhead, regional services and salary increments not recovered directly from departmental resource bases.

**Table 5-3 Historical Comparison of Total Planned Spending to Actual Spending**

<i>(thousands of dollars)</i>	1998-99				
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Canadian Environmental Assessment Agency</b>	<b>10,213.9</b>	<b>9,758.0</b>	<b>8,140.0</b>	<b>9,906.0</b>	<b>9,757.0</b>

**Table 5-4 Respendable Revenues**

<i>(thousands of dollars)</i>	1998-99				
	Actual 1996-97	Actual 1997-98	Planned Revenues	Total Authorities	Actual
Canadian Environmental Assessment Agency	260.4	275.3	532.0	4,032.0	722.7
<b>Total Respendable Revenues</b>	<b>260.4</b>	<b>275.3</b>	<b>532.0</b>	<b>4,032.0</b>	<b>722.7</b>

**Note:** In September 1998, the Agency received authority to recover the costs of new review panels from project proponents. However, during 1998-99 no new eligible review panels were established. This resulted in the variance of approximately \$3.3 million between **Total Authorities** and **Actual** revenues collected.

**Table 5-5 Non-Respendable Revenues**

<i>(thousands of dollars)</i>	1998-99				
	Actual 1996-97	Actual 1997-98	Planned Revenues	Total Authorities	Actual
Canadian Environmental Assessment Agency	–	400.9	–	2.8	39.7
<b>Total Non-Respendable Revenues</b>	<b>–</b>	<b>400.9</b>	<b>–</b>	<b>2.8</b>	<b>39.7</b>

**Table 5-6 Statutory Payments**

<i>(thousands of dollars)</i>	1998-99				
	Actual 1996-97	Actual 1997-98	Planned Spending	Total Authorities	Actual
Canadian Environmental Assessment Agency	598.0	699.0	886.0	931.0	931.0
<b>Total Statutory Payments</b>	<b>598.0</b>	<b>699.0</b>	<b>886.0</b>	<b>931.0</b>	<b>931.0</b>

**Note:** The only statutory payment applicable to the Agency is for employee benefit plans.

**Table 5-7 Transfer Payments**

	1998-99				
(thousands of dollars)	Actual 1996-97	Actual 1997-98	Planned Spending	Total Authorities	Actual
<b>Contributions</b>					
Contribution to the Province of Quebec – James Bay and Northern Quebec Agreement	95.0	95.0	95.0	95.0	<b>95.0</b>
Contributions to support the research, development and promotion of environmental assessment	–	–	–	6.0	<b>6.0</b>
Contributions to assist public participation in environmental assessment reviews <sup>1</sup>	312.9	411.1	–	111.3	<b>111.3</b>
<b>Total Contributions</b>	<b>407.9</b>	<b>506.1</b>	<b>95.0</b>	<b>212.3</b>	<b>212.3</b>
<b>Total Transfer Payments</b>	<b>407.9</b>	<b>506.1</b>	<b>95.0</b>	<b>212.3</b>	<b>212.3</b>

1. The level of demand to fund public participation in review panels depends on the number of major projects under assessment. For 1998-99, only one review panel, Voisey's Bay mineral development, required funding assistance. Since delays in the conduct of this review panel were not identified until after Main Estimates were tabled, **Planned Spending** for 1998-99 was set at zero.

**Table 5-8 Capital Spending**

<i>(thousands of dollars)</i>	1998-99				<b>Actual</b>
	<b>Actual 1996-97</b>	<b>Actual 1997-98</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	
Canadian Environmental Assessment Agency	144.2	150.8	–	–	–
<b>Total Capital Spending</b>	<b>144.2</b>	<b>150.8</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Note:** Beginning in 1998-99, the Agency recorded all minor capital spending (under \$10,000) as operating. During the year, the Agency did not incur any major capital expenses (\$10,000 and over per item).







## SECTION VI: Other Information

### 6.1 Description of the Federal Environmental Assessment Process

Environmental assessment is an important tool for protecting and preserving our environment. Typically, it involves assessing the effects of a proposed project, policy or program on the ecosystem – the air, water, land and living organisms including affected human populations. Such assessments provide a solid basis for reducing or eliminating negative environmental effects, and for making informed decisions.

How does the federal EA process work? The *Canadian Environmental Assessment Act* applies when a federal department or agency (known as a responsible authority) is required to make a decision with respect to a project. A project is defined as an activity in relation to a physical work, such as construction of a bridge, or a physical activity, such as dumping of materials into the ocean. The types of decisions can range from issuing a permit or authorization to providing funding assistance, transferring use of federal lands, or proceeding with the project in cases when the federal government is also the proponent.

Since the Act came into force in early 1995, approximately 34 percent of all EAs have been triggered by the requirement to issue a permit or license, 34 percent from providing funding assistance, 21 percent when the government was the project proponent, and 11 percent from the transfer of the use of federal land.

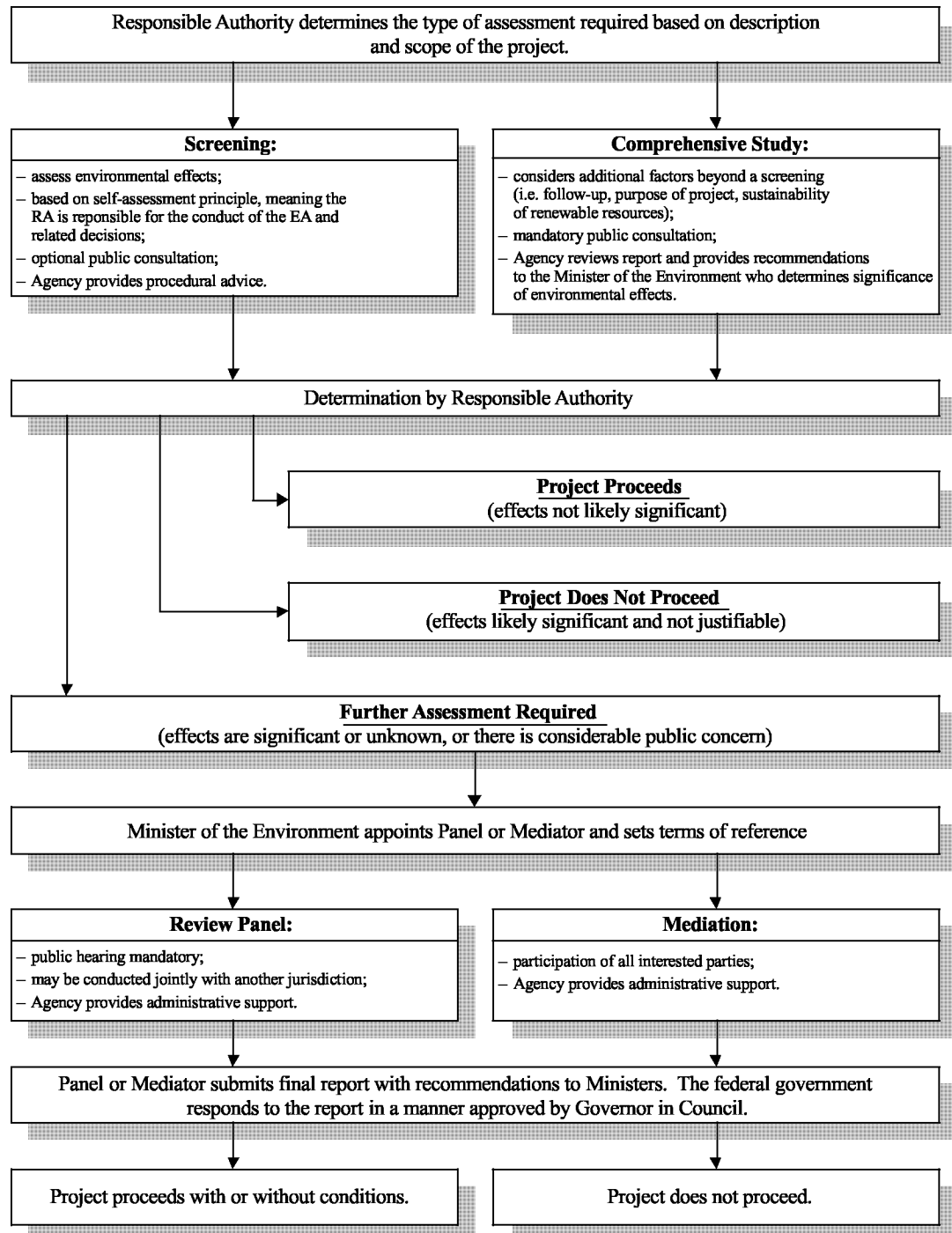
Depending on the nature of the project, and the significance of possible environmental effects, the type of assessment required will vary. Most projects are assessed relatively quickly under what is known as a screening type assessment. Of the more than 5,600 EAs initiated in 1998-99, approximately 99.8 percent were screenings. Under the concept of self-assessment, federal authorities are required to ensure these assessments are conducted for each project and to incorporate the results into their decisions.

Larger projects that have potential for greater environmental impacts may require a comprehensive study (10 were initiated in 1998-99). Comprehensive studies assess additional factors beyond a screening. These include the purpose for the project, alternative means of carrying out a project, the effects on renewable resources, and the need for follow-up studies to determine whether the assessment was accurate and the effectiveness of measures taken to prevent adverse environmental effects.

If environmental effects of a project are uncertain or potentially significant, or if public concern warrants, a review by an independent EA panel or mediator may be required (none were initiated in 1998-99, although one, Voisey's Bay mineral development, was completed – see page 18). The Minister of the Environment appoints both review panels and mediators, and the Agency provides administrative and advisory support services throughout the entire process.



The flowchart below summarizes the federal EA process administered by the Agency. It is intended to be an overview only; more detailed and exact responsibilities and procedures are available from the Agency's Communications Office or Web site.





## 6.2 Contacts for Further Information and Agency Web Site

### Canadian Environmental Assessment Agency – Headquarters

200 Sacré-Coeur Boulevard  
Hull, Quebec  
K1A 0H3

#### Communications Office

Tel.: (819) 994-2578  
Fax.: (819) 953-2891  
E-mail: [info@ceaa.gc.ca](mailto:info@ceaa.gc.ca)

#### Media Relations

Tel.: (819) 953-1856  
Fax.: (819) 953-2891  
E-mail: [gordon.harris@ceaa.gc.ca](mailto:gordon.harris@ceaa.gc.ca)

#### Internet Address:

<http://www.ceaa.gc.ca>

#### Federal Environmental Assessment Index

#### Web site:

[http://www.ceaa.gc.ca/registry/registry\\_e.htm](http://www.ceaa.gc.ca/registry/registry_e.htm)

**E-mail:** [index@ceaa.gc.ca](mailto:index@ceaa.gc.ca)

### Regional Offices

#### Pacific and Northern Region

Sinclair Centre, Suite 320  
757 West Hastings Street  
Vancouver, British Columbia  
V6C 1A1  
Tel.: (604) 666-2431  
Fax.: (604) 666-6990  
E-mail: [CEAA.Pacific@ceaa.gc.ca](mailto:CEAA.Pacific@ceaa.gc.ca)

#### Prairie Region

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123 Main Street  
Winnipeg, Manitoba  
R3C 4W2  
Tel.: (204) 983-5127  
Fax.: (204) 983-7174  
E-mail: [CEAA.Prairies@ceaa.gc.ca](mailto:CEAA.Prairies@ceaa.gc.ca)

#### Quebec Region

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1141 Rue de l'Église  
Sainte-Foy, Quebec  
G1V 4W5  
Tel.: (418) 649-6444  
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E-mail: [CEAA.Quebec@ceaa.gc.ca](mailto:CEAA.Quebec@ceaa.gc.ca)

#### Alberta Region

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10237 – 104 Street N.W.  
Edmonton, Alberta  
T5J 1B1  
Tel.: (780) 422-1410  
Fax.: (780) 422-6202  
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#### Atlantic Region

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#### Ontario Region

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Fax.: (819) 994-1469  
E-mail: [CEAA.Ontario@ceaa.gc.ca](mailto:CEAA.Ontario@ceaa.gc.ca)



## 6.3 Legislation Administered and Associated Regulations

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**The Minister is responsible to Parliament for the following Acts and associated Regulations:**

<i>Canadian Environmental Assessment Act</i> .....	S.C., 1992, C.37, as amended
<i>Law List Regulations</i> .....	SOR/94-636 (October 7, 1994), as amended
<i>Comprehensive Study List Regulations</i> .....	SOR/94-638 (October 7, 1994)
<i>Inclusion List Regulations</i> .....	SOR/94-637 (October 7, 1994)
<i>Exclusion List Regulations</i> .....	SOR/94-639 (October 7, 1994)
<i>Federal Authorities Regulations</i> .....	SOR/96-280 (May 28, 1996)
<i>Projects Outside Canada Environmental Assessment Regulations</i> .....	SOR/96-491 (November 7, 1996)
<i>Regulations Respecting the Co-ordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i> .....	SOR/97-181 (April 8, 1997)
<i>Environmental Assessment Review Panel Service Charges Order</i> .....	SOR/98-443 (August 26, 1998)
<i>Canada Port Authority Environmental Assessment Regulations</i> .....	SOR/99-318 (July 28, 1999)

## 6.4 Other Agency Statutory Reports and Information

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The following reports can be obtained from the Agency's Web site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)) or by contacting the Agency's Communications Office ([info@ceaa.gc.ca](mailto:info@ceaa.gc.ca)):

- Canadian Environmental Assessment Agency, 1999-2000 Estimates. Part III – Report on Plans and Priorities
- Cumulative Effects Assessment, Practitioners Guide, February 1999
- Report on the Proposed Voisey's Bay Mine and Mill Project, March 1999
- Strategic Environmental Assessment: The 1999 Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals. Guidelines for Implementing the Cabinet Directive, August 1999
- Federal Environmental Assessment Index (available only on the Agency's Web site)
- Guide to Information Requirements for Federal Environmental Assessment of Mining Projects in Canada (draft only)
- Report of the Commissioner of the Environment and Sustainable Development, "Environmental Assessment: A Critical Tool for Sustainable Development," 1998



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# Canadian Environmental Assessment Agency

## Performance Report

For the period ending  
March 31, 2000





## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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**025618**

## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to the TBS Internet site or to:

Planning, Performance and Reporting Sector  
Treasury Board Secretariat  
L'Esplanade Laurier  
Ottawa, Ontario, Canada  
K1A 0R5  
Tel: (613) 957-7167  
Fax (613) 957-7044

# **Canadian Environmental Assessment Agency**

## **Performance Report**

**For the period ending  
March 31, 2000**

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**The Honourable David Anderson, P.C., M.P.**  
*Minister of the Environment*

**025620**



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## Executive Summary

With a work force of about 100 people and an annual budget of approximately \$12 million, the Canadian Environmental Assessment Agency is involved in many complex and sensitive issues affecting Canadians.

These issues range from the environmental assessment of proposed projects throughout Canada to the negotiation of environmental assessment agreements with Aboriginal groups, provincial governments and other countries in support of sustainable development.

Given the potential for serious and irreversible damage that can result from human activity, environmental assessment is an essential planning tool for new proposals. It is the process of collecting the best possible information upon which to base informed decisions. These decisions can lead to activities that are more compatible with sustaining a healthy environment for both present and future generations.

Today, environmental assessment is an integral part of public policy and decision making at all levels of government in Canada. It is important, therefore, for the environmental assessment process to adapt and remain effective and efficient for it to maintain its status and relevancy as a tool in making informed decisions.

Over the last year, the Agency supported sustainable development with a number of major accomplishments including:

- supporting the completion of 10 comprehensive study environmental assessments that helped improve project design and mitigation measures to reduce or eliminate potential adverse impacts on local environments;
- the completion of bilateral agreements between the federal government and Alberta and Saskatchewan that contributed to improved co-ordination and harmonization of environmental assessment processes;
- the completion of the Canada Port Authority Environmental Assessment Regulations that contributed to improved consistency in the application of environmental assessments across federal departments and agencies; and
- the Five Year Review of the *Canadian Environmental Assessment Act* and the completion of comprehensive consultations with over 1,200 Canadians, that will lead to Minister of the Environment's report due in the autumn of 2000.

The 1999-2000 Performance Report demonstrates the results and achievements of the Agency during the most recent fiscal year against previously stated commitments. In addition, this report explains why environmental assessment is important to Canadians, explains how the federal environmental assessment process works and describes the Agency's role in this process.







## SECTION I: Minister's Message

In Canada, our natural environment is as diverse as our people and, in many ways, it is our relationship with the land that binds us as a nation. We take great pride in the physical beauty of our country and we benefit from its wealth of natural resources. The future economic and social well-being of every Canadian depends on the state of our natural environment.

These strong values led the Government of Canada to begin environmental assessments in the 1970's. The practice evolved rapidly, and in 1995, the *Canadian Environmental Assessment Act* became law. Now, five years later, an objective review has begun to find out what parts of the Act work and what can be improved.

The review, as mandated in the Act, has been at the forefront of the Agency's operations over the last 12 months. Public consultations sessions were held across Canada, which drew substantial public participation. In an effort to ensure the participation of rural Canadians, the Agency set up an interactive Web site that allowed people from all over Canada to submit their views. Separate consultations were held with the provinces and with Aboriginal groups. Suggestions on ways to improve the Act were also obtained from industry representatives and environmental organizations. The results of these consultations will be presented in my report to Parliament this fall.

Over the last year, the federal environmental assessment process has been put to the test. Development projects have been numerous and varied, highlighted by an in-depth review of the Diavik Diamond Mine in the Northwest Territories. The environmental assessment of this project ensures the integrity of Canada's North, while at the same time supporting significant economic benefits to the region.

As part of an ongoing initiative to harmonize the environmental assessment process in Canada, the Agency negotiated co-operative agreements with the governments of Alberta and Saskatchewan.

The Agency continued to support First Nations and Indian and Northern Affairs Canada in the negotiation of environmental assessment provisions into comprehensive land-claim and self-government agreements. These agreements, such as the Westbank self-government agreement, will assist First Nations communities in achieving sustainable development goals while respecting cultural perspectives and self-determination objectives.



With the assistance of Transport Canada, the Agency established environmental assessment regulations for 18 Canada Port Authorities which came into force in July 1999. Training sessions were provided to various organizations on the new rules.

Taking all we have learned since the Act came into force, combined with the valuable insights gained during public consultations for the review, we can now steer a course toward a new and improved era of environmental assessment in Canada.

David Anderson



## SECTION II: Departmental Performance

### 2.1 Societal Context

The Canadian Environmental Assessment Agency's performance expectations for the 1999-2000 fiscal year are presented in Table 1. Outlined are the Agency's objective, key long-term result commitments and strategic priorities. The second and third columns demonstrate how the Agency plans to support the new results commitments and show where 1999-2000 accomplishments can be found in this report.

**Table 1 Chart of Key Results Commitments**

The Agency's **objective**, as identified in Part II of the Main Estimates, is also the Agency's **mission statement**.

**Objective:**

*To provide Canadians with high-quality federal environmental assessments that contribute to informed decision making in support of sustainable development.*

**Key Result Commitments** are the Agency's longterm commitments to Canadians.

Key Result Commitments To be demonstrated by:	Strategic Priorities Means of demonstrating progress:	Achievement reported on pages:
Environmental assessments that are effective, efficient, timely, involve public participation and support the principles of sustainable development.	<ul style="list-style-type: none"> <li>Be recognized as a credible advocate of high-quality environmental assessment.</li> <li>Advance the science and practice of environmental assessment.</li> <li>Learn from experience and share results.</li> </ul>	12-20
Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions.	<ul style="list-style-type: none"> <li>Clarify and improve environmental assessment processes with other jurisdictions and with federal partners.</li> <li>Strengthen relationships with partners and stakeholders.</li> </ul>	20-22
Consistent and predictable application of environmental considerations into federal decision making.	<ul style="list-style-type: none"> <li>Improve the Agency's capacity to monitor, assess and foster compliance.</li> <li>Address gaps in the application of the Act and other federal environmental assessment processes.</li> </ul>	23-24

The Agency's internal strategy for delivering on its commitments is based on the Agency's **strategic priorities**. These priorities set the direction for Agency activities.\*

\* For the purpose of simplified reporting, Agency activities are grouped directly under each Key Result Commitment.



## Key Co-delivery Partners

Strategic partnerships are critically important for the Agency. Without them, it would be unable to deliver services to clients and fulfil its mandate. The Act is based on the principle of self-assessment. This means that federal departments and agencies are required to carry out an environmental assessment when they have decision-making responsibilities with respect to the project under review. However, responsibility may also be shared between the federal and provincial governments and with Aboriginal communities. Therefore, the Agency must develop and maintain strong working relationships with its partners to ensure that the process remains relevant and effective.

The Agency's key co-delivery partners include:

**Other Federal Departments and Agencies:** The Agency maintains close working relationships with most federal departments and agencies since they have responsibilities under the Act for either conducting environmental assessments or providing technical expertise in support of them. For example, 30 responsible authority departments and agencies initiated over 5,600 assessments in 1999-2000 (see Section 3.3: Statistical Summary of Environmental Assessments).

In addition, the Agency chairs the Senior Management Committee on Environmental Assessments as well as the Regional Environmental Assessment Committees consisting of numerous federal departments and agencies. Both are forums for sharing best practices, and shaping training and guidance materials as well as federal policy and regulation.

**Provincial Governments:** Provincial governments are working with the Agency to ensure effective and efficient delivery of environmental assessments: a single assessment covering federal and provincial requirements for a project is now asked for. The Agency also collaborates with its provincial counterparts to provide regional 'one-stop' single-window services to clients who are usually project proponents or concerned citizens. The Agency's regional offices are also key points of interaction with provincial governments, industry, environmental and Aboriginal organizations.

**Aboriginal Communities:** Comprehensive land-claim and self-government agreements are establishing new Aboriginal-based environmental assessment regimes. The Agency is working closely with Aboriginal groups to develop environmental assessment processes that will assist these communities in achieving sustainable development, while respecting their self-determination objectives.

**Environmental Non-Government Organizations (ENGOS) and Industry:** ENGOS and representatives from industry are also key participants in the delivery of products and services to Canadians. They assist the Agency in environmental





assessment of projects under the Act and are instrumental in providing ideas about and insight into the development of new regulations and improved policies and programs.

## Social and Economic Factors

The Agency operates in a complex and constantly evolving environment. Its capacity to carry out its mission is based on its ability to meet new challenges and adapt to emerging trends. One major element is the review of the Act, described in the next section. Other factors include:

**Environmental management is a shared responsibility:** Under the Canadian Constitution, responsibility for environmental management is shared between the federal and provincial governments. Although this can give rise to potential duplication and inconsistent application of environmental assessment, a spirit of co-operation between jurisdictions is emerging. To ensure a predictable, consistent and efficient process, the Agency must continue to foster co-operation among jurisdictions both through agreements and through clear communication.

**Advances in environmental assessment methodology:** The preparation and application of environmental assessment guidelines by federal and provincial governments as well as other countries have produced a substantial knowledge base. Many stakeholders are seeking to integrate this information into broader environmental management and planning activities such as environmental management systems and sustainable development strategies. The challenge for the Agency is to develop and deliver tools and guidance that assist clients in integrating environmental assessment information into more adaptive management strategies.

**Aboriginal self-government is reshaping environmental assessments throughout Canada:** Through comprehensive land-claim and self-government agreements, Aboriginal-based environmental assessment regimes are being established. The Agency must ensure that these new regimes respect the self-determination objectives of Aboriginal communities while at the same time provide the information necessary to make informed decisions concerning projects.

**The courts are shaping many areas of public policy:** A powerful recent trend in Canadian public policy has been the role of the courts in shaping many areas of public policy, from human rights to federal-provincial relations. Environmental assessment, too, has been affected by recent court decisions. This is a natural evolution for any new legislation. Over the long run, however, these initial growing pains provide the clarification and direction needed to increase the certainty and predictability of the environmental assessment process.



## The Review of the Act

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***“Five years after the coming into force of this section, a comprehensive review of the provisions and operation of this Act shall be undertaken by the Minister.”***

*s. 72(1), Canadian Environmental Assessment Act*

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Five years ago, environmental assessment in Canada took a major step forward with the passage of the *Canadian Environmental Assessment Act*. At that time, the obligations of federal departments and agencies to conduct environmental assessments of projects involving Government of Canada were enshrined in legislation. And, for the first time, opportunities for the public to participate in the environmental assessment process were confirmed in legislation.

Since its proclamation, a great deal of experience has been gained – by federal government departments, private sector proponents, non-governmental organizations and other groups. Much of this experience has been positive – there are many examples of assessments protecting sensitive environmental features and encouraging efficient project planning. Yet there also have been concerns about some areas of the Act’s operations.

In late 1999, as required under the Act, the Minister of the Environment launched a review of the Act. The review examined how to improve the federal environmental assessment process based on past experience. The review was based on three principal challenges:

- how to make the process more predictable, consistent and timely;
- how to improve the quality of environmental assessments; and
- how to strengthen opportunities for public participation.

The review had two distinct phases: analysis of the Act’s operations and national consultations. From the start, the Minister determined that the review of the Act would:

- be open and transparent;
- be broad and extensive;
- provide a forum where concerned individuals and organizations could present their views; and
- provide a forum for iterative discussions on key issues and options.



The Agency has played a key role in supporting the Minister's legislated review of the Act. Managed by an independent facilitator, national consultations for the review began in December 1999. The Agency offered a forum where stakeholder views were presented and where key issues, options and innovations were discussed.

To support the Minister's review of the Act, the Agency accomplished the following:

- A series of 12 background reports was commissioned on key issues identified in relation to the Act. The Agency also conducted discussions with its environmental assessment partners and stakeholders, including:
  - the federal government's Senior Management Committee on Environmental Assessment;
  - environmental practitioners in the federal government;
  - the provincial environmental assessment administrators;
  - the Minister's Regulatory Advisory Committee;
  - the environmental assessment caucus of the Canadian Environmental Network;
  - the environmental committee of the Assembly of First Nations; and
  - key industry associations.
- An intensive analysis of the background reports and results of preliminary consultations was undertaken, resulting in a document entitled: *Review of the Canadian Environmental Assessment Act – A Discussion Paper for Public Consultation*. The document was released to the public in December 1999. Its purpose was to provide focus for an extensive process of national consultations.
- A new, interactive Web site was developed specifically to support the review process. It provided direct access to all background reports and to the Agency's discussion document. It also provided access to key information on consultation venues; summaries of each consultation session (within a few days of its occurrence); and all briefs submitted in relation to the review. In addition, an electronic bulletin board was made available to facilitate public comment on any issue related to the review of the Act. As of the end of March 2000, the site received more than 23,400 visits.

#### **Government On-line**

The use of Internet technology provided the public with access to the same information base that was being used by the Agency in conducting its own analysis. Stakeholders and the public alike indicated that this enabled the consultation process to be very transparent and open, fostering productive exchanges of information and enhancing the credibility of the Minister of the Environment in his determination to understand and address their issues with respect to the federal environmental assessment process.





- National public consultations were conducted in 19 communities in every province and territory of Canada. These consultation sessions began in late January 2000 and were completed by the end of March, in which approximately 800 people participated.
- Regional workshops were held in seven of the 19 consultation locations. The purpose of the workshops was to allow a broad spectrum of stakeholders to discuss the key themes outlined in the Agency's discussion document and to try to reach consensus on proposed solutions. More than 350 individuals participated in the workshops.
- A special effort was also made to reach out to rural Canadians through an advertising campaign in regional newspapers and farm journals. The interactive Web site provided them with an opportunity to get information about the Five Year Review and to make their views known without attending the public consultation sessions.
- In addition to the consultations described above, the Agency provided financial support to the Métis National Council, the Inuit Tapirisat of Canada and the Assembly of First Nations to develop position papers in discussion with their respective memberships. Moreover, the regional offices of the Agency provided financial support for the development of 12 position papers submitted by regional Aboriginal organizations.
- Consultations on the review also occurred with stakeholders through the Regulatory Advisory Committee, with the provinces via the Environmental Assessment Administrators Committee and with federal departments through the Senior Management Committee on Environmental Assessment.
- By the end of March all public consultation sessions were completed, and the Agency began to consolidate and evaluate the resulting comments and suggestions. This will assist the Minister of the Environment in preparing his report to Parliament by the end of autumn 2000.

### ***A Well-managed Review***

The public consultation phase of the review of the Act was successfully completed within its established timelines and budget.

## **Management Strategy**

To meet the demands and manage the pressures, the Agency created a special review team dedicated solely to supporting the Minister of the Environment's legislated requirement to conduct a comprehensive review of the Act. This represented a slight change in the organizational structure, as resources were shifted from existing sources from within the Agency to the review team. Temporary resources were also provided to supplement the Agency's effort. In all, approximately 10 percent of the Agency's work force and 13 percent of its budget were assigned to the review of the Act full-time during the year. However, every section within the Agency, including all regional offices, contributed in some way to this initiative.





## 2.2 Performance Accomplishments

**Table 2 Presentation of Financial Information**

<b>Human Resource Utilization for 1999-2000</b>	<b>96 FTES</b>
<b>Financial Resources:</b>	
Planned Spending (1999-2000 Report on Plans and Priorities)	\$10,227,000
Total Authorities (Public Accounts for 1999-2000)	\$12,029,436
1999-2000 Actual Expenditures	\$11,415,641

The variance between Total Authorities and Planned Spending of approximately \$1.8 million is mainly due to supplementary funding for the legislative review of the Act. For additional financial information, refer to Section IV: Financial Performance.

### Agency Performance Accomplishments

In assessing the Agency's accomplishments against commitments made in the 1999-2000 Report on Plans and Priorities, two important factors should be kept in mind: *shared responsibility* and the *nature of environmental assessment*.

Individual departments and agencies responsible for making a decision with respect to a project are also responsible for ensuring an environmental assessment is conducted. The Agency's accomplishments measured against strategic priorities listed earlier are shared with partners across the federal government. For example, improving the quality and consistency of environmental assessments is not dependent solely on Agency training, guidance and advisory services. Factors such as other departmental resource constraints or increased capacities within departments also play significant roles. While this means that successes and shortcomings are shared, it also means that it is more difficult to pinpoint and measure specific Agency impacts or outcomes on the overall quality of assessments.

The aim of environmental assessment is to identify, reduce or eliminate potentially adverse environmental effects. The nature of environmental assessment requires long-term performance data. In most circumstances, it may take a whole generation to collect and fully appreciate its impact on the design and execution of a project. It takes equally as long to measure the impacts on the quality of life of affected citizens. It can be difficult to quantify its success on a project when predicted adverse effects do not occur. In addition, many large-scale assessments vary so greatly in characteristics that the Agency is limited in the tools it can use to measure impacts in a consistent manner.

However, some of this long-term information is now becoming available. Examples of how environmental assessment is making a difference to project planning and, ultimately, the environment can be found in a document entitled *Federal Environmental Assessment – Making a Difference*, available from the Agency's Communications Office. In addition, the Agency gathered a wealth of results and performance data concerning the provisions and operations of the Act in numerous



background studies. These studies fostered and advanced consultations with stakeholders as part of the review of the Act. All background studies are available on the Agency's Web site and from the Agency's Communications Office.

Another initiative designed to improve the Agency's results measurement and reporting capacity is the Quality Assurance Program (see page 23-24). Departments and agencies are using firm performance indicators and baseline data to measure performance. This information will assist the Agency in evaluating successes and in identifying options to improve services provided to Canadians.

### **KEY RESULT COMMITMENT 1:**

**Environmental assessments that are effective, timely efficient, involve public participation and support the principles of sustainable development**

### **Effective and Efficient Environmental Assessments**

In Canada, environmental assessment is based on the principle of self-assessment. Under this principle, federal departments and agencies responsible for making a decision on a project are, in general, responsible for the conduct of the environmental assessment. They determine the scope of the project and the factors to be considered, directly manage the federal environmental assessment process<sup>1</sup> and ensure that the assessment is prepared in accordance with the *Canadian Environmental Assessment Act*.

However, the Agency has specific responsibilities for certain types of assessments such as comprehensive studies, panel reviews, mediations and class screenings. The Agency is responsible for reviewing the procedural compliance of class screening reports and comprehensive study reports, and for providing opportunities for the public and other interested parties to comment on these reports. It also manages mediations and panel reviews. Reviews by an independent panel or mediator appointed by the Minister of the Environment may be required in exceptional circumstances, when major public concerns exist or when the environmental effects are uncertain or likely to be significant.

Thus, to promote efficient and effective environmental assessments, the Agency has taken action on two fronts. First, it has continued to provide policy advice as well as training and guidance to federal departments, to give them the tools necessary to conduct high-quality environmental assessments. Second, the Agency has fulfilled its own environmental assessment responsibilities in a way that promotes both efficiency and effectiveness.

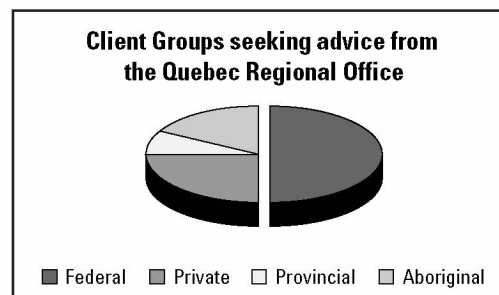
#### ***Agency Training Sessions***

- An Introduction to CEAA
- Cumulative Effects Assessment
- Comprehensive Studies
- First Nations Land Management
- Port Authorities and New Regulations
- Federal Co-ordination
- Environmental Assessment Methods
- Alternative Dispute Resolution



### **1999-2000 Results**

- The Agency provided procedural training and project-specific guidance and advice to other federal departments and agencies. In addition to delivering 38 general training sessions across the country, Agency staff built environmental assessment capacity and awareness among key stakeholder groups including federal departments, First Nations, private industry, non-government organizations and academics through more than 40 meetings and workshops designed specifically for individual clients.
- The Agency completed its network of cross-Canada regional offices with the opening of the Ontario Regional Office in Toronto. In addition to delivering training and guidance products, the Agency's six regional offices provided ongoing, single-window, liaison services between federal and provincial governments and other stakeholders. In 1999-2000, the Quebec Regional Office alone received over 300 requests for information and advice relating to the administration of the Act and its regulations.
- The Agency continued to prepare a research and development program to promote the science and practice of environmental assessment. An agenda for the research and development program was also developed through multi-stakeholder consultations.
- The Agency continued to support the development of 14 Model Class Screening Reports (MCSRs) with four different federal departments. Class screenings streamline and simplify the assessment process for projects of a similar nature. For example, during 1999-2000 the Canadian Food Inspection Agency conducted seven screenings for projects under the Importation of Certified European Honeybees MCSR. As a result, the process was simplified and streamlined, improving efficiency and predictability for the Canadian Food Inspection Agency in screening the importation of honeybees. Another 11 projects were assessed under the Routine Projects within the Town of Banff class-screening model.
- Comprehensive studies assess the environmental effects of large projects which could adversely affect the environment or generate public concern. In 1999-2000, the Agency supported the conduct of 29 comprehensive studies: nine were initiated during the year and 20 were carried over from previous fiscal years. This support included providing advisory services to clients, ensuring that the requirements of the Act were fulfilled and enhancing opportunities for public participation.



1. Detailed information regarding the federal environmental assessment process can be obtained from the Agency's Web site, Communications Office or from the 1998-1999 Performance Report, pages 45-46.





- Ten comprehensive studies were completed in 1999-2000 (see below). For each one, the Agency provided recommendations to the Minister of the Environment based on the Comprehensive Study Report and comments from the general public. The public had an opportunity to participate in the design of each project, and thus they helped to reduce or mitigate any potential adverse environmental effects.

**Table 3 Comprehensive Studies Completed During 1999-2000**

<b>Comprehensive Study</b>	<b>Project Proponent</b>	<b>Lead Department Responsible for Assessment</b>	<b>Project Description</b>
Aguathuna Quarry Development	Midatlantic Minerals Inc	Atlantic Canada Opportunities Agency	Proposal to re-open an abandoned open-pit limestone quarry in Aguathuna, Newfoundland
Halifax Lateral Pipeline	Maritimes and Northeast Pipeline	National Energy Board	Proposal to construct and operate a natural gas pipeline from the Maritimes and Northeast Pipeline mainline near Stellarton, Nova Scotia to Halifax
Grand-Mère Hydroelectric Facility	Hydro-Québec	Fisheries and Oceans Canada	Construction of a new hydro-electric facility on the St-Maurice River in Grand-Mère, Quebec
Waskaganish Permanent Road	Waskaganish First Nation	Indian and Northern Affairs Canada	Construction of a permanent road from Waskaganish, Quebec to the Matagami-LG2 road
Bruce Used Dry Storage Facility	Ontario Hydro	Atomic Energy Control Board	Proposal to construct and operate a dry storage facility for nuclear used fuel waste located at the Bruce Nuclear Power Development site, near Kincardine, Ontario
Mountain View Training Drop Zone	Department of National Defence	Department of National Defence	Proposal to develop and operate a military training drop zone near Trenton, Ontario
Valley South Water Project	Valley South Water Co-op Ltd	Prairie Farm Rehabilitation Administration	Proposal to construct and operate a water pipeline, a well and water treatment facilities in southern Alberta
Diavik Diamond Mine	Diavik Diamond Mines	Indian and Northern Affairs Canada	Proposal to construct, operate and decommission a diamond mine in the Lac de Gras area, Northwest Territories
Saint John Lateral Pipeline	Maritimes and Northeast Pipeline	National Energy Board	Proposal to construct and operate a natural gas pipeline from the Maritimes and Northeast Pipeline mainline near Big Kedron Lake to Saint John, New Brunswick
Greenville-Kincolith Road	BC Ministry of Transportation and Highways	Indian and Northern Affairs Canada	Proposal to construct a 23-kilometre two-lane gravel road from Greenville to Kincolith in British Columbia



### **Benefits of a Comprehensive Study – Example Diavik Diamond Mine**

The Diavik Diamonds Project is a proposal by Rio Tinto and Aber Resources to mine four deposits close to Yellowknife, Northwest Territories. The mine's operating phase has the potential to employ about 400 people and would yield significant economic benefits, both direct and indirect, to northern residents. However, development places stress on the relatively undisturbed and unpolluted ecosystems of the North. In particular, development could affect the well-being of the Bathurst Caribou Herd.

An environmental review of the project took place over the course of 19 months, beginning in March 1998. It was one of the most complex comprehensive studies to be initiated under the Canadian Environmental Assessment Act, addressing a variety of environmental and social impacts. Consultation on the project was extensive, including over 300 public meetings. The proponent also funded a variety of traditional knowledge studies and used community information gathered during the public consultation process in developing its project.

In addition to identifying measures to mitigate against the environmental impacts of the project, including steps to protect the Bathurst Caribou Herd, the Comprehensive Study Report contained a commitment to develop an environmental management framework for the Northwest Territories. The framework will be a proactive measure to protect the health of the environment and those that depend on it, resulting in timely development and resource management decisions. All appropriate federal, territorial and Aboriginal governments, non-governmental organizations, as well as industry, including Diavik, will be involved in the design and implementation of the management framework.

- Four active environmental assessment review panels were under way in 1999-2000: Red Hill Creek Expressway, Canadian Millennium Pipeline Project, Cheviot Coal Mine Project and the Highwood Storage and Diversion Plan. The Agency fulfilled its responsibilities within the timelines set by the Ministerial Guidelines on Panel Procedures thereby increasing the consistency and predictability of the process. Information regarding these review panels can be obtained from the Agency's Communications Office or from its Web site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)).



## Benefits of a Review Panel – Sable Island Offshore Gas Project<sup>2</sup>

The continental shelf off the coast of Nova Scotia is rich in natural gas. Since the early 1970s, significant reserves have been found at various sites near Sable Island, more than 100 kilometres from the Canadian mainland. In 1996 the Sable Island Offshore Energy Project, a consortium of oil and gas extraction companies, proposed developing the sites.

The project consisted of two main components. The first component included developing six gas fields near Sable Island, constructing an offshore processing facility and a pipeline to take the product to a processing plant near Goldboro, Nova Scotia. The second component included construction of the Maritimes and Northeast Pipeline to carry processed gas from Goldboro to a transfer point at the Canada-United States border.

Given the large size of the project, a number of regulatory bodies representing both federal and provincial interests needed to be involved. However, by conducting separate regulatory approval processes, environmental assessments could become less transparent, limiting the benefits of public participation – a fundamental aspect of the assessment process.

Recognizing this concern, involved federal departments pursued a co-ordinated environmental assessment with all the jurisdictions involved, thus harmonizing the review process. The Canadian

Co-operation between federal and provincial governments was a key aspect of the successful environmental assessment of the Sable Island Gas Fields in Atlantic Canada.

Environmental Assessment Agency, the National Energy Board, Natural Resources Canada, the Nova Scotia Ministries of Natural Resources and Environment, and the Canada-Nova Scotia Offshore Petroleum Board negotiated the Sable Island Joint Review Agreement.

A five-member review panel was appointed in September 1996. Given the role of the National Energy Board, the panel was structured along the lines of a quasi-judicial body and included formal hearings, swearing in of witnesses and other functions one might expect from a quasi-judicial body. However, in the spirit of co-operation, certain aspects of the hearings, including scoping sessions under the Canadian Environmental Assessment Act, became an intrinsic part of the review process.

2. Extract from *Federal Environmental Assessment – Making a Difference*. Available from the Agency's Communications Office.





### **Sable Island Offshore Gas Project (continued)**

In October of 1997, the joint review report was released. In turn, each of the regulatory agencies having jurisdiction in the project – after adopting a number of recommendations outlined in the panel report – gave their approval.

By combining the federal and provincial processes, both levels of government saved the proponent and taxpayers a great deal of time and money. It also created an open and inclusive review that involved extensive public consultation. Co-operation among members and a determination to put aside jurisdictional issues were key components to the overall success of the project.

Co-operation between federal and provincial governments was a key aspect of the successful environmental assessment of the Sable Island Gas Fields in Atlantic Canada.

### **Meaningful Public Participation**

Meaningful public participation is a fundamental aspect of the environmental assessment process. Through meaningful public participation, all interested persons and organizations can contribute and see how their contributions have been used. Proponents and government decision makers are provided with better information about possible environmental effects and can better address public concerns and priorities. This leads to final decisions that can better reflect community values. Effective public participation can also build greater public trust, confidence and acceptability in the process and in the decisions that result from the process.

An Agency study suggested that although not required, public participation has been included in about 10 percent to 15 percent of all screenings under the Act – though the level varies greatly across departments. Most public participation activities appear to be concentrated in larger, more complex environmental assessments.

In 1999-2000, the Agency continued to promote meaningful public participation through a variety of means.

#### ***Public Participation Means Better Environmental Assessment***

Background studies to the review of the Act revealed that federal departments consider public participation as an essential component to self-directed assessments, resulting in better and more informed decision making. They reported that public participation has made the process open and transparent, better informed and involved citizens of proposed projects, and better gauged the concerns of the public. Federal departments also cited numerous examples of public participation contributing to project decisions in the form of project-approval conditions, inclusion of specific mitigation and follow-up measures and changes in project design and development.



### 1999-2000 Results

- Through the Agency's Participant Funding Program, 23 individuals and organizations were awarded nearly \$50,000 to help them prepare and participate in two out of the four review panels. These organizations represented a broad range of Canadians, allowing for the views and concerns of the public to be fully addressed.
- The Agency greatly enhanced public access to information on-line by improving the performance, speed and dependability of its Federal Environmental Assessment Index. In addition to simplifying the data entry capabilities and enhancing the search functions, the Agency expanded linkages to departmental Web sites to improve access to environmental assessment reports. The feedback received to date has been positive, and 25 departments are currently entering information into the Index.
- Communicating the benefits of high-quality environmental assessment is fundamental to its ongoing support. In 1999-2000, the Agency greatly enhanced the promotion of its benefits to Canadians. It released *Working for Canada's Environment*, a document designed to tell Canadians how the Agency is meeting its commitments; *Federal Environmental Assessment: Making a Difference*, a document that presented examples of the way environmental assessment is making a difference to project planning and to the environment; and it issued a brochure for children called *Dilemma at I.M. Perplexed School* aimed at showing children how environmental assessment can be applied to everyday events. These and other promotional documents are available on the Agency's Web site or from the Agency's Communications Office.

#### **Waskaganish Comprehensive Study**

The comprehensive study for the Waskaganish Permanent Road in Quebec took a unique alternative approach to obtaining public comments on the final Comprehensive Study Report (CSR). In consideration of the particular needs of the Cree community in Waskaganish, the Agency held a two-day public meeting, in which the results of the CSR were presented to the community, and oral comments were heard and recorded.

### Supporting the Principles of Sustainable Development

Today, environmental assessment is recognized as an important decision-making tool that supports the goal of sustainable development, meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Achieving this goal requires the integration of environmental, social and economic considerations into project planning and decision making. Governments and leading industries worldwide recognize that sustainable development must become an essential part of the way they do business and are changing their planning processes to accommodate this new approach. Environmental assessment can help strengthen sound decision making in support of sustainable development. Considering adverse





environmental effects before carrying out a project prevents significant degradation of the environment, reduces risks to human health and decreases economic costs.

However, project decisions do not represent the full scope of federal decision making. The Environmental Assessment of Policy, Plan and Program proposals, also known as Strategic Environmental Assessment (SEA), seeks to incorporate environmental considerations into the development of public policies. Through SEA, environmental considerations can be addressed at the earliest appropriate stage of planning, as are economic and social considerations. Thus, SEA is particularly effective in incorporating sustainable development into federal decision making.

***Strategic Environmental Assessment enables the federal government to:***

- integrate environmental considerations into policy development and thus improve the quality of federal initiatives;
- help avoid unforeseen environmental issues that can result in economic, social or political liabilities;
- generate valuable information to respond to public concerns on an initiative;
- streamline project-level environmental assessment by eliminating the need to address some issues at the project stage; and
- optimize positive environmental effects and minimize or mitigate negative environmental effects from a proposal.

***1999-2000 Results***

- In 1990, Cabinet directed departments to consider environmental concerns at the strategic level of policy and program development. In the summer of 1999, the Cabinet Directive was updated to strengthen the role of Strategic Environmental Assessment (SEA) by expanding the requirement to include plans, clarifying the obligations of departments and agencies and linking environmental assessment to the implementation of Sustainable Development Strategies.
- During the year, the Agency promoted SEA across government to increase the awareness of the Directive and encourage departments to apply SEA to the design of policy, plan and program proposals which could affect the environment. Towards that end, the Agency:
  - distributed the Cabinet Directive and guidance material on SEA to deputy ministers and heads of agencies;
  - chaired an interdepartmental committee on Strategic Environmental Assessment whose mandate is to facilitate the implementation of the Cabinet Directive across departments and share information and best practices on SEA;
  - provided 11 briefing sessions to departments on the requirement of conducting SEA and assisted departments in determining how to implement SEA within the unique circumstances of their department; and
  - provided advice and guidance on the application of SEA principles to a variety of high-profile strategies, such as climate change measures, infrastructure programs and other government initiatives.



- In addition, the Agency was an active participant in numerous committees that are promoting a horizontal and co-ordinated approach to sustainable development. These committees include the Sustainable Development Co-ordinating Committee, the ADM Task Force on Sustainable Development, the Interdepartmental Network on Sustainable Development and the Performance Measurement for Sustainable Government Operations. Combined, these committees are involved in developing co-ordinated approaches and developing innovative practices to sustainable development across the federal government and collectively reporting on the results of these initiatives.

## **KEY RESULT COMMITMENT 2:**

### **Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions**

## **A Co-ordinated Approach to Environmental Assessment**

During the year, the Agency continued to strengthen its extensive array of internal and external networks. The Agency relies on its networks to establish common goals on which to base partnerships and to advance the federal environmental assessment process. These networks often involved consultations and forums for client feedback to allow the Agency to judge how well it is performing and what changes to its products and services are required.

By understanding, fostering and enriching partnerships, the Agency can advance interest in good environmental assessment. Canadians can then reap the benefits of improved environmental management.

### **1999-2000 Results**

- Several sessions were held with the multi-stakeholder Regulatory Advisory Committee (RAC). Consisting of federal and provincial government representatives and Aboriginal, industrial and environmental non-government organization members, the RAC serves as a key forum for consulting on regulatory and policy matters. The meetings resulted in the Agency receiving and incorporating input to key regulatory and policy initiatives, including review of, and comment on proposals to amend the *Canadian Environmental Assessment Act*.
- The interdepartmental Senior Management Committee on Environmental Assessment was also extremely active in 1999-2000. Its meetings resulted in a better knowledge across the federal government on emerging issues and trends and their impacts on the environmental assessment process, and provided insight on how other departments are responding to Agency initiatives.



- Finally, the regional offices expanded networks in 1999-2000 by strengthening the Regional Environmental Assessment Committees (REACs). These committees, composed of representatives from various federal and provincial government departments, focused on the sharing of information and the enhanced co-ordination of environmental assessment processes between various jurisdictions.

### **Environmental Assessments that are Harmonized with other Jurisdictions**

Environmental assessment in Canada is a shared jurisdiction between the federal and provincial governments and, more recently, with First Nations. When more than one jurisdiction is involved in the environmental assessment of a single project, harmonization is needed to avoid duplication, increase certainty and reduce costs and delays. The Agency continued to seek enhanced co-operation as well as greater quality and efficiencies of the environmental assessment process wherever possible. As well, ongoing relations with Aboriginal communities remain crucial, since their emerging processes under self-government and land-claim agreements play an increasingly prominent role in the review of new projects.

In 1999-2000, the Agency made significant progress in advancing the harmonization of the federal environmental assessment process with those of provinces and First Nations.

#### **1999-2000 Results**

- The Agency worked with the 14 First Nations and Indian and Northern Affairs Canada (INAC) to develop environmental assessment regimes under the *First Nations Land Management Act*. These are to be in place within 12 months of the individual band's land administration codes being approved by the band's administration. The new Act was passed by Parliament in June 1999, and three of the bands have developed and passed land administration codes.
- The Agency assisted Indian and Northern Affairs Canada in the negotiation of environmental assessment provisions into a number of land-claim and self-government agreements. For example, the Agency was active in the negotiation of the implementation arrangements for the Yukon Development Assessment Process (DAP) legislation, implementation arrangements for the Westbank self-government agreement and environmental assessment provisions in the Innu land-claim agreement.
- It is too early to determine long-term results stemming from the new *First Nations Land Management Act* as well as from negotiated land-claim and self-government agreements. However, over the short term, tools for environmental assessment processes have been developed that will assist First Nation communities achieve sustainable development goals while respecting cultural perspectives and self-determination objectives.





- The Agency and the Environmental Impact Review Board (EIRB) for the Inuvialuit Settlement Region concluded an agreement outlining how the environmental assessment process of the EIRB under the Inuvialuit Final Agreement may be substituted for a panel review under the *Canadian Environmental Assessment Act*. The Memorandum of Understanding (MOU) details the process and the steps each party would follow should the EIRB request such a substitution. Project-specific agreements would then be concluded by both parties on a case-by-case basis whenever they deem it appropriate. The MOU permits the hearing process of the EIRB to be a substitute for a review panel under the Act, provided certain conditions are met.
- Agency staff met with provincial administrators to discuss cross-jurisdictional environmental assessment issues, and to receive feedback from provincial representatives on plans for the review of the Act and the draft Canadian Standards Association national standard for environmental assessments. The meetings resulted in an improved understanding of general provincial issues as well as specific provincial views on Agency initiatives.
- The Agency concluded co-operative bilateral harmonization agreements with the provinces of Alberta and Saskatchewan (June and November 1999 respectively). These new federal-provincial agreements, the first under the 1998 *Canada-Wide Accord on Harmonization and the Sub-Agreement on Environmental Assessment*, will greatly improve the collaboration of environmental assessment processes for future projects (an agreement was reached with British Columbia in 1997, prior to the finalization of the Accord). They outline the broad principles and practices of co-operation for governments to work together to achieve the highest quality of environmental protection. This will result in a more cost-efficient and effective process and enhance the predictability of the process for project proponents, government and the public. In addition, the success and lessons learned from the completion of co-operative agreements with Alberta and Saskatchewan are being used to advance negotiations with Manitoba<sup>3</sup>, Ontario and New Brunswick.

***A Co-operative Approach in British Columbia Greenville to Kincolith Road***

In 1999-2000, 12 environmental assessments were underway in British Columbia that involved formal co-operation between the province and the Agency. One such review was the comprehensive study of the Greenville to Kincolith Road where a single assessment process addressed both federal and provincial environmental assessment requirements. As a result, this co-operative approach avoided costly duplication, enhanced predictability and thereby created a more efficient process for all levels of government.

3. A co-operative harmonization agreement was concluded with Manitoba in May 2000. Additional information is available from the Agency's Communications Office.



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**KEY RESULT COMMITMENT 3:**

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**Consistent and predictable application of environmental considerations into federal decision making**

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**Applying Environmental Assessment to a Wide Range of Federal Decision Making**

Since the Act came into force in 1995, a number of gaps have been identified in its application. For example, many federal organizations, particularly federal Crown corporations, are not required to conduct environmental assessments of their own activities. In 1999-2000, a priority of the Agency was to expand the coverage of the Act so that more activities with potential environmental effects are assessed. This effort evolved from extensive nation-wide public consultations and continued input from various partners, such as the multi-stakeholder Regulatory Advisory Committee.

By expanding the range of activities that are assessed, the application of the Act and other federal environmental assessment processes can be more transparent and their outcomes more predictable and consistent.

**1999-2000 Results**

- Regulations were completed to bring Canada's 18 Port Authorities under the *Canadian Environmental Assessment Act*. Under development for almost two years, these regulations were completed with the collaboration with Transport Canada and all Canada Port Authorities, in addition to other federal departments and the Regulatory Advisory Committee. These regulations will ensure that environmental assessments carried out by Canada Port Authorities will be conducted in a consistent manner while taking into account their unique competitive situations (see Section 3.2: Regulatory Initiatives for additional information).
- The Agency, in consultation with Environment Canada and the Assembly of First Nations, negotiated a Memorandum of Understanding (MOU) on Funding on Reserves with 13 federal departments that have the potential to fund initiatives on reserve lands. In the absence of the Indian Lands and Funding Regulations under the Act, neither a federal authority nor a First Nation is required to ensure that an assessment is done for federally funded projects on reserve lands. This created a gap which the Memorandum of Understanding now addresses by ensuring that all federal authorities will undertake an assessment before funding projects on reserve land.

**Consistent and Predictable High-quality Environmental Assessments**

Consistent and predictable interpretation of responsibilities under the Act is extremely important to stakeholders. In this regard, a priority for the Agency has been to develop mechanisms to evaluate how well other departments understand their responsibilities with respect to the Act and to promote both compliance and



good environmental assessment practice. However, the Agency and its federal partners require performance information to learn from past successes and mistakes and to adapt to changing environments. In the summer of 1998, the Agency, along with 11 departments and agencies, completed and tested a compliance monitoring framework. This program was designed to monitor overall compliance with the Act and to measure the quality of assessments based on a common set of indicators. In 1999-2000, the Agency built on the success of the pilot project, laying the foundation for an ongoing Quality Assurance Program.

### **1999-2000 Results**

- The compliance monitoring framework provided the government with a tool to identify the cause of problems associated with implementing the Act. As a result, federal departments and agencies have started to change their internal procedures to address issues identified by the framework and to report on results.
- All original program participants reaffirmed their commitment to the ongoing development and implementation of a government-wide Quality Assurance Program. An additional nine new departments and agencies joined the original group and established the Interdepartmental Quality Assurance Committee.
- In February 2000, a workshop involving all participants was conducted to address the subject of proceeding to full implementation of an ongoing, government-wide Quality Assurance Program. A work plan was developed which will guide the completion of a mutually acceptable quality assurance methodology by the end of the year 2000. To this end, consultations involving the Agency and individual participants in the program have begun.

#### ***Partners in Quality Assurance***

- Agriculture and Agri-Food Canada
- Atlantic Canada Opportunities Agency
- Atomic Energy Control Board
- Canada Economic Development
- Canadian Environmental Assessment Agency
- Canadian Food Inspection Agency
- Canadian International Development Agency
- Canadian Transportation Agency
- Environment Canada
- Fisheries and Oceans Canada
- Foreign Affairs and International Trade Health Canada
- Health Canada
- Human Resources Development Canada
- Indian and Northern Affairs Canada
- Industry Canada
- National Defence
- Natural Resources Canada
- Parks Canada
- Public Works and Government Services Canada
- Transport Canada
- Veterans Affairs Canada





## SECTION III: Consolidated Reporting

### 3.1 Sustainable Development Strategy

Key Goals	Performance Indicator / Objective	Targets / Actions for Reporting Period 1999-2000	Progress to Date / Results for 1999-2000
1. Promote high-quality EA as a tool to implement sustainable development	Better use of project EA as a mechanism to support sustainable development	Continue providing guidance to assist project proponents, Responsible Authorities and EA practitioners to effectively discharge their respective roles under the Act	<p>Four ongoing review panels were managed by the Agency during 1999-2000.</p> <p>30 departments and agencies completed nearly 4,800 screening type assessments in accordance with their EA obligations under the Act.</p> <p>Ten comprehensive studies were completed with recommendations to the Minister of the Environment that included sustainable development measures.</p> <p>The Agency provided ongoing advice to RAs to promote compliance with the Act in support of sustainable development.</p>
		Develop and deliver training products to a wide audience of stakeholders	<p>The Agency provided procedural training and project-specific guidance to other departments and agencies.</p> <p>The Agency delivered 38 training sessions on a variety of topics across the country.</p> <p>Over 40 meetings and workshops were held to build EA capacity and awareness among key stakeholder groups including federal departments, First Nations, private industry, non-government organizations and academics.</p> <p>Guidance material was developed to assist departments carry out their EA responsibilities, such as the <i>Reference Guide for Project Proponents on the Cost Recovery of EA Panel Reviews</i> (available from the Agency's Communications Office). Work is ongoing on Operational Policy Statements on Class Screenings and on Project Descriptions, and a Reference Guide on the Roles and Responsibilities of Panel Chairs and members.</p>
	Increased integration of strategic EA into federal policies, plans and program proposals	Work with other federal departments to advocate the implementation of the Cabinet Directive on Strategic Environmental Assessment (SEA) and promote consistent practices concerning SEA reporting across government	<p>The Agency promoted SEA across government in a variety of ways including:</p> <ul style="list-style-type: none"> <li>• distributing a set of comprehensive guidelines;</li> <li>• chairing an interdepartmental committee on SEA whose mandate is to facilitate the implementation of the Cabinet Directive and share information and best practices;</li> <li>• providing 11 briefing sessions to departments and assisting them in determining how to implement SEA; and</li> <li>• providing advice and guidance on the application of SEA principles when asked to assist in the preparation of SEAs.</li> </ul>



## Sustainable Development Strategy (continued)

Key Goals	Performance Indicator / Objective	Targets / Actions for Reporting Period 1999-2000	Progress to Date / Results for 1999-2000
2. Promote the use of EA with other departments and jurisdictions	Improved awareness and understanding of the federal EA process	Continue enhancing the role of regional offices as key centres of guidance and assistance to stakeholders	<p>A new regional office was opened in Toronto. There are now six regional offices across Canada.</p> <p>All offices delivered training, disseminated guidance products and provided advice and guidance to federal, provincial, private sector and Aboriginal EA practitioners. For example, the Quebec Regional Office received over 300 requests for information and advice in 1999-2000.</p>
		Work co-operatively with federal departments and agencies to implement a system for evaluating the quality of environmental screenings carried out under the Act	<p>The Interdepartmental Quality Assurance Committee, consisting of 22 departments and agencies, was established.</p> <p>Agreement was reached on a workplan to implement a government-wide Quality Assurance Program, which includes finalizing a methodology by the end of 2000. Consultations involving the Agency and individual participants in the program have commenced.</p>
		Continue providing guidance to assist project proponents, Responsible Authorities and EA practitioners to effectively discharge their respective roles under the Act	<p>Over 20 sessions were held with the multi-stakeholder Regulatory Advisory Committee, the Interdepartmental Senior Management Committee on Environmental Assessment and the Regional Environmental Assessment Committees.</p> <p>These sessions resulted in improved knowledge across the federal government on EA issues and trends and provided insight on how stakeholders are responding to Agency initiatives.</p> <p>The Agency also provided advice and support for the development of EA programs such as the Canada Infrastructure Works Program.</p>
	Harmonized application of the Act with other jurisdictions and groups	Negotiate bilateral harmonization agreements with provinces under the <i>Sub-agreement on Environmental Assessment</i>	<p>Bilateral EA co-operation agreements were completed with Alberta and Saskatchewan to improve collaboration of EA for proposed projects. This is resulting in a more efficient, effective and predictable EA process.</p> <p>Negotiations have been initiated with Ontario and New Brunswick to develop similar agreements (Manitoba agreement signed in May 2000).</p>
		Develop international links and agreements on transboundary environmental impact assessments	The Agency continued negotiations to develop a legally binding agreement on transboundary environmental impact assessment in accordance with the Commission on Environmental Co-operation Council resolution 97-03 (June 1997) of the North American Agreement on Environmental Co-operation.





## Sustainable Development Strategy (continued)

Key Goals	Performance Indicator / Objective	Targets / Actions for Reporting Period 1999-2000	Progress to Date / Results for 1999-2000
		Support federal negotiators addressing environmental management issues in Aboriginal land-claim and self-government agreements	<p>EA regimes and provisions were developed under the <i>First Nations Land Management Act</i> in collaboration with 14 First Nations and Indian and Northern Affairs Canada (INAC).</p> <p>The Agency assisted INAC in the active negotiation of several land-claim and self-government agreements. This included implementation arrangements for the Yukon Development Assessment Process legislation, implementation arrangements for the Westbank self-government agreement and EA provisions in the Innu land-claim agreement.</p> <p>The Agency and the Environmental Impact Review Board (EIRB) for the Inuvialuit Settlement Region concluded an agreement outlining how the environmental assessment process of the EIRB under the Inuvialuit Final Agreement may be substituted for a panel review under the <i>Canadian Environmental Assessment Act</i>.</p>
	Expanded application of the Act to other organizations	Work with organizations, such as airport authorities and other Crown corporations, to develop appropriate EA requirements for projects	The Agency, in collaboration with Transport Canada and in close consultation with the Canada Port Authorities, other federal departments, and the Regulatory Advisory Committee, completed the development of regulations that bring the 18 Canada Port Authorities under the <i>Canadian Environmental Assessment Act</i> .
		Develop, with other federal departments, an approach for conducting EAs of federally funded projects on reserve land	In collaboration with all federal authorities who fund projects on reserve land and the Assembly of First Nations, a Memorandum of Understanding was negotiated that will ensure that all federal authorities will undertake an assessment before funding for projects on reserve land.

**Sustainable Development Strategy (continued)**

<b>Key Goals</b>	<b>Performance Indicator / Objective</b>	<b>Targets / Actions for Reporting Period 1999-2000</b>	<b>Progress to Date / Results for 1999-2000</b>
3. Refine and improve the science and practice of EA	Expanded and improved practice of EA	Encourage the use of class screenings within the federal government	The Agency continued to support the development of 14 additional Model Class Screenings Reports (MCSRs) with four different federal departments.
		Support continuing development of a national standard for environmental assessment by the Canadian Standards Association	The Agency continued to contribute to the development of the standard through its membership on the multi-stakeholder Technical Committee, which is responsible for developing the standard.  The Agency also provided significant financial support to this undertaking. Consultation on the standard took place in the fall of 1999.
		Implement the action plan to guide integration of traditional ecological knowledge (TEK) into the federal EA process	A three-phased approach has been established to develop a guide on TEK. Phase one, which proposed options for the development of the guide, was completed.
		Partner with other federal departments on the development of alternative dispute resolution mechanisms in the EA process	The Agency secured funding from the Department of Justice to conduct research, and develop and implement a program to help federal departments to more fully utilize alternative dispute resolution (ADR) in environmental assessment. The Agency conducted training sessions in seven locations across Canada and is preparing a range of materials to promote awareness of ADR, such as inclusion in the Agency's newsletter, a process guide and a resource guide.
4. Increase awareness of EA and its effects on sustainable development	Strengthened Agency communications capacity	Increase information available to the public	A new interactive Web site was created to increase the information available to the public regarding the review of the Act. In addition, the Agency began to redesign its main Web site to improve access to information on environmental assessments.
		Examine the feasibility of enhancing public access to information by expanding the capabilities of the FEAI to include all new documentation contained in public registries and complete screening reports	The Agency greatly enhanced public access to EA information on-line by improving the performance, speed and dependability of its Federal Environmental Assessment Index (FEAI). In addition to simplifying the data-entry capabilities and enhancing the search functions, the Agency expanded linkages to departmental Web sites to improve access to various EA reports. The feedback received to date has been positive, and 25 departments are currently entering EA information into the Index on a consistent basis.



## Sustainable Development Strategy (continued)

Key Goals	Performance Indicator / Objective	Targets / Actions for Reporting Period 1999-2000	Progress to Date / Results for 1999-2000
		Publish an EA kit for students	The Agency developed and distributed a brochure for children called <i>Dilemma at I.M. Perplexed School</i> aimed at educating children on EA (available from the Agency's Communications Office).
		Promote Agency products and services	The Agency developed and distributed two new publications entitled, <i>Working for Canada's Environment</i> , a document that tells Canadians how the Agency is meeting its commitments; and <i>Federal Environmental Assessment: Making a Difference</i> , a document that presents examples of the way EA is making a difference to project planning and to the environment. These and other documents that promote EA are available from the Agency's Communications Office.
5. Increase the Agency's environmentally sustainable practices	Implemented environmental management system based on ISO 14000	Develop an Environmental Management Plan for the Agency	The Agency finalized an environmental management plan which is currently being implemented in all service sectors throughout the Agency.
	Improved environmental management performance	Continue to promote practices that conserve resources and prevent pollution	The Agency held activities during Environment Week and on Earth Day to raise employees awareness of greening our internal operations.  Pamphlets and other promotional material have been published to assist employees in recycling waste.
		Promote green transportation practices	The Agency developed incentive programs to encourage its staff to use alternative forms of transportation. In collaboration with other tenants, this included the installation of shower facilities for all employees in the Fontaine Building.  The Agency promoted and supported employee participation in the National Capital Region's Commuter Challenge during Environment Week.



### 3.2 Regulatory Initiatives

Purpose of Legislative or Regulatory Initiative	Expected Results	Performance Measurement Criteria	Results Achieved
<b>CPA EA Regulations</b>			
To establish a federal EA process under the <i>Canadian Environmental Assessment Act</i> that captures projects initiated by Canada Port Authorities (CPA) which are established under the <i>Canada Marine Act</i> . This initiative is shared with Transport Canada.	<i>Short term</i>	<i>Short term</i>	<i>Short term</i>
	To bring 18 current CPAs under the coverage of the Act	Completion of Regulations in a format satisfactory for final approval	Regulations received final Governor in Council approval, and the CPAs are now under the coverage of the Act.
	<i>Long term</i>	<i>Long term</i>	<i>Long term</i>
	Improved consistency and quality of the EA process for ports	CPA apply the requirements of the Regulations	CPA performance in the application of the Regulations will be covered in next year's report. The report will indicate the extent to which application of the Regulations improves the consistency, transparency and overall quality of port EA processes.
	Enhanced accountability in the environmental management of port projects	Decision making on port projects that incorporate environmental considerations	
	Increased transparency and greater opportunities for public involvement in the assessment process	Increased public involvement in the assessment process for port projects	
<b>Private Operations Occurring on Federal Lands Regulations</b>			
Establishment of EA regimes for 22 local Airport Authorities currently operating on federally leased land. At present, no formal mechanism exists for the conduct of assessments for Airport Authority projects. This initiative is shared with Transport Canada.	<i>Short term</i>	<i>Short term</i>	<i>Short term</i>
	Commencement of a program aimed at establishing an Airport Authority EA Regime	Cross-comparison study of current EA procedures and practices of 22 Airport Authorities	Commencement of a program aimed at establishing an Airport EA Regime. To date, the first phase of a study of current EA procedures at 22 Airport Authorities has been completed.
	<i>Long term</i>	<i>Long term</i>	<i>Long term</i>
	Consistent, transparent and accountable EA regime for projects having potentially significant environmental effects	Following the completion of both the review of the Act and the cross-comparison study, the establishment and application of an appropriate EA regime that will ensure the improvement of the overall quality of Airport Authority EAs	Performance information will be outlined in next year's performance report.





### 3.3 Statistical Summary of Environmental Assessments

In accordance with subsection 71(2) of the *Canadian Environmental Assessment Act*, the table below provides a statistical summary of all environmental assessments conducted during 1999-2000 under the Act. In total, 5,674 EAs were initiated, as reported by lead department or agency. This compares with 5,650 EAs that were initiated in 1998-1999.

Department / Agency	Screenings			Comprehensive Studies	PANELS <sup>4</sup>
	Total	Completed	Outstanding		
Agriculture and Agri-Food Canada	215	207	8	–	–
Atlantic Canada Opportunities Agency	187	187	–	1	–
Canadian Food Inspection Agency	7	7	–	–	–
Canadian Heritage	1	1	–	–	–
Canadian International Development Agency	121	121	–	–	–
Canadian Nuclear Safety Commission <sup>5</sup>	7	–	7	2	–
Canadian Transportation Agency	35	35	–	–	–
Canada Customs and Revenue Agency	2	1	1	–	–
Canada Economic Development	30	30	–	–	–
Canada-Newfoundland Offshore Petroleum Board	–	–	–	1	–
Correctional Service of Canada	9	9	–	–	–
Foreign Affairs and International Trade	3	3	–	–	–
Environment Canada	397	307	90	–	–
Fisheries and Oceans Canada	1,428	1,175	253	2	2
Health Canada	35	33	2	–	–
Human Resources Development Canada	117	116	1	–	–
Indian and Northern Affairs Canada	807	705	102	–	–
Indian Oil and Gas Canada	215	215	–	–	–
Industry Canada	258	258	–	–	–
Millennium Bureau of Canada	271	118	153	–	–
National Defence	181	90	91	1	–
National Energy Board	68	65	3	1	1
National Research Council of Canada	2	2	–	–	–
Natural Resources Canada	18	10	8	–	–
Parks Canada Agency	816	677	139	1	–
Public Works and Government Services Canada	57	46	11	–	–
Royal Canadian Mounted Police	16	16	–	–	–
Transport Canada	200	200	–	–	–
Western Economic Diversification Canada	44	43	1	–	–
Yukon Territory Water Board	115	115	–	–	–
<b>Sub-total</b>	<b>5,662</b>	<b>4,792</b>	<b>870</b>	<b>9</b>	<b>3</b>
<b>Total Initiated in 1999-2000</b>	<b>5,674</b>				

4. One current review panel, the Cheviot Coal Mine Project, was initiated in a previous fiscal year and is not included in this list.

5. On May 31, 2000, the former Atomic Energy Control Board officially changed its name to the Canadian Nuclear Safety Commission (CNSC).





## SECTION IV: Financial Performance

### 4.1 Financial Performance Overview

The Agency ended fiscal year 1999-2000 with a cash balance of 3.6 percent of its operating budget (or total authorities). After calculating entitlements remaining from Treasury Board, such as contingencies for signed collective bargaining agreements, the Agency's final budget surplus was 4.9 percent of its operating budget.

Overall, the Agency spent \$11,415,641 during the fiscal year. Direct expenditures for major areas of activity include:

	(\$000s)
• Regional offices – information, advice, co-ordination and liaison support	1,392.9
• Background studies, analysis and public consultation regarding the review of the <i>Canadian Environmental Assessment Act</i>	1,278.7
• Tools to advance the implementation of the <i>Canadian Environmental Assessment Act</i> and improve the process, including, development of new regulations, procedural guides and class screening models; delivery of client training and education materials; and Quality Assurance Program	950.1
• Policy initiatives including federal – provincial harmonization, Strategic Environmental Assessment and policy research and development	762.2
• Support for incorporation of Aboriginal interests and involvement in environmental assessment through development of provisions in land-claim and self-government agreements in addition to fulfilling obligations under the <i>James Bay and Northern Quebec Agreement</i>	490.1
• Costs associated with review panels, including Cheviot Coal Mine Project, Canadian Millennium Pipeline Project, Highwood Storage and Diversion Plan and the Red Hill Creek Expressway	437.8
• Support to other departments in the conduct of comprehensive studies and development of recommendations	333.5
• Modernization and maintenance of the informatics network and preparation for Government on Line initiatives	325.0
• Upgrading and maintenance of the Federal Environmental Assessment Index to enhance reporting capabilities and facilitate improved compliance	170.0



Although the Agency received authority to recover costs from project proponents for conducting review panels in August 1998, this authority has not yet been used because no eligible review panels have been established. The Agency generated revenues of approximately \$189,600 from the sale of training services and publications. A further \$154,400 was received from the Province of Newfoundland and Labrador for its share of 1998-1999 costs pertaining to the Voisey's Bay mineral development review panel.

## 4.2 Financial Summary Tables

This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table 4, are displayed using separate headings. For clarity, these headings are defined as follows.

- **Planned Spending / Revenues** – what the plan was at the beginning of fiscal year 1999-2000.
- **Total Authorities** – includes planned spending plus additional spending Parliament has approved for departments to reflect changes in priorities and unforeseen events (referred as operating budget). Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities that are approved.
- **Actuals** – what was actually spent or collected for fiscal year 1999-2000.
- **Respendable Revenues** – revenues that can be used by the Agency to offset program expenditures, for example, cost recovery for review panels.
- **Non-Respendable Revenues** – revenues collected on behalf of the government which cannot be used by the Agency to offset program expenditures.

**Table 4 Financial Requirements by Authority**

		1999-2000		
<b>Vote</b>	<i>(thousands of dollars)</i>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Canadian Environmental Assessment Agency</b>				
15	Program Expenditures	9,364.0	11,034.4	<b>10,420.6</b>
(S)	Contribution to Employee Benefit Plans	863.0	995.0	<b>995.0</b>
<b>Total Agency</b>		<b>10,227.0</b>	<b>12,029.4</b>	<b>11,415.6</b>

**Note:** The variance between Total Authorities and Planned Spending of approximately \$1.8 million is due to the following items: supplementary funding for the legislative review of the *Canadian Environmental Assessment Act* (\$1,000,000); carry-over of operating budget from 1998-99 (\$385,000); increments due to collective bargaining agreements (\$225,000) and dispute resolution incremental funding from Justice Canada (\$60,000).



**Table 5 Comparison of Total Planned Spending to Actual Spending**

<i>(thousands of dollars)</i>	1999-2000		<b>Actual</b>
	<b>Planned Spending</b>	<b>Total Authorities</b>	
Full-Time Equivalents (FTEs)	95	96	<b>96</b>
Operating	13,736.0	15,178.5	<b>11,304.7</b>
Voted Grants and Contributions	95.0	454.9	<b>454.9</b>
Total Gross Expenditures	13,831.0	15,633.4	<b>11,759.6</b>
Less: Respendable Revenues	(3,604.0)	(3,604.0)	<b>(344.0)</b>
Total Net Expenditures	10,227.0	12,029.4	<b>11,415.6</b>
Other Revenues and Expenditures			
Non-Respendable Revenues –	–	–	<b>(14.9)</b>
Cost of Services Provided by Other Departments	1,181.9	1,350.8	<b>1,350.8</b>
<b>Net Cost of the Program</b>	<b>11,408.9</b>	<b>13,380.2</b>	<b>12,751.5</b>

**Note:** Due to rounding, figures may not add to totals shown. The cost of services provided by other departments is approximately \$169,000 greater than planned as a result of increased employee insurance premiums and expenditures paid by Treasury Board Secretariat, salary and associated costs provided by Justice Canada and accommodation provided by Public Works and Government Services Canada.

**Table 6 Historical Comparison of Total Planned Spending to Actual Spending**

<i>(thousands of dollars)</i>	1999-2000				
	<b>Actual 1997-98</b>	<b>Actual 1998-99</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Canadian Environmental Assessment Agency</b>	<b>9,758.0</b>	<b>9,757.0</b>	<b>10,227.0</b>	<b>12,029.4</b>	<b>11,415.6</b>

**Table 7 Respendable Revenues**

<i>(thousands of dollars)</i>	1999-2000				
	<b>Actual 1997-98</b>	<b>Actual 1998-99</b>	<b>Planned Revenues</b>	<b>Total Authorities</b>	<b>Actual</b>
Canadian Environmental Assessment Agency	275.3	722.7	3,604.0	3,604.0	344.0
<b>Total Respendable Revenues</b>	<b>275.3</b>	<b>722.7</b>	<b>3,604.0</b>	<b>3,604.0</b>	<b>344.0</b>

**Note:** In September 1998, the Agency received authority to recover the costs of new review panels from project proponents. However, during 1999-2000 no new eligible review panels were established. This resulted in the variance of approximately \$3.3 million between Total Authorities and Actual revenues collected.

**Table 8 Non-Respendable Revenues**

<i>(thousands of dollars)</i>	1999-2000				
	Actual 1997-98	Actual 1998-99	Planned Revenues	Total Authorities	Actual
Canadian Environmental Assessment Agency	400.9	39.7	–	–	14.9
<b>Total Non-Respendable Revenues</b>	<b>400.9</b>	<b>39.7</b>	<b>–</b>	<b>–</b>	<b>14.9</b>

**Note:** Actual 1999-2000 non-respendable revenues consisted of monies received for contributions to employee benefit plans in relation to respendable personnel costs.

**Table 9 Statutory Payments**

<i>(thousands of dollars)</i>	1999-2000				
	Actual 1997-98	Actual 1998-99	Planned Spending	Total Authorities	Actual
Canadian Environmental Assessment Agency	699.0	931.0	863.0	995.0	995.0
<b>Total Statutory Payments</b>	<b>699.0</b>	<b>931.0</b>	<b>863.0</b>	<b>995.0</b>	<b>995.0</b>

**Note:** The only statutory payment applicable to the Agency is for employee benefit plans.

**Table 10 Transfer Payments**

<i>(thousands of dollars)</i>	1999-2000				
	Actual 1997-98	Actual 1998-99	Planned Spending	Total Authorities	Actual
<b>CONTRIBUTIONS</b>					
Contribution to the Province of Quebec – James Bay and Northern Quebec Agreement	95.0	<b>95.0</b>	95.0	101.0	<b>101.0</b>
Contributions to support the research, development and promotion of environmental assessment <sup>(1)</sup>	–	<b>6.0</b>	–	305.8	<b>305.8</b>
Contributions to assist public participation in environmental assessment reviews <sup>(2)</sup>	411.1	<b>111.3</b>	–	48.1	<b>48.1</b>
<b>Total Contributions</b>	<b>506.1</b>	<b>212.3</b>	<b>95.0</b>	<b>454.9</b>	<b>454.9</b>
<b>Total Transfer Payments</b>	<b>506.1</b>	<b>212.3</b>	<b>95.0</b>	<b>454.9</b>	<b>454.9</b>

- (1) Contributions to support research and development during 1999-2000 included supporting the development of consultation papers for the review of the Act, in particular, position papers involving First Nations' interests.
- (2) The level of demand to fund public participation in review panels depends on the number of major projects under assessment. For 1999-2000 only two review panels, Red Hill Creek Expressway and the Cheviot Coal Mine Project, required funding assistance. Since delays in the conduct of these review panels were not identified until after the Main Estimates were tabled, Planned Spending for 1999-2000 was set at zero.



## SECTION V: Departmental Overview

### 5.1 Mandate, Mission and Vision

The **mission** or **objective** of the Canadian Environmental Assessment Agency is:

***To provide Canadians with high-quality federal environmental assessments that contribute to informed decision making in support of sustainable development.***

The Canadian Environmental Assessment Agency's **vision** is to:

- be a proactive organization with a leadership role in federal environmental assessment;
- develop closer and more productive relationships with partners and clients across Canada;
- advance the scientific and research capacities that satisfy the needs of a more efficient and effective process;
- provide information on environmental assessment to Canadians through a variety of effective media; and
- build on prior successes and harness the skill, credibility and commitment of its own work force.

The business of the Agency is to ensure environmental effects are considered in decisions that will affect Canadians. It does this by providing leadership and serving as the centre of expertise for federal environmental assessments. The Agency manages the federal environmental assessment process that saw over 5,600 individual assessments carried out in 1999-2000.

Operating as an independent entity within the portfolio of the Minister of the Environment, the Agency administers the following instruments:

- i) the *Canadian Environmental Assessment Act* and its accompanying regulations (see Section 6.2);
- ii) the *Canada-Wide Accord on Environmental Harmonization* and bilateral harmonization agreements with provincial and territorial governments that set out mutually agreed-upon arrangements for environmental assessment; and
- iii) international agreements containing environmental assessment provisions to which Canada is a party, for example, the United Nations Economic Commission for Europe *Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998);

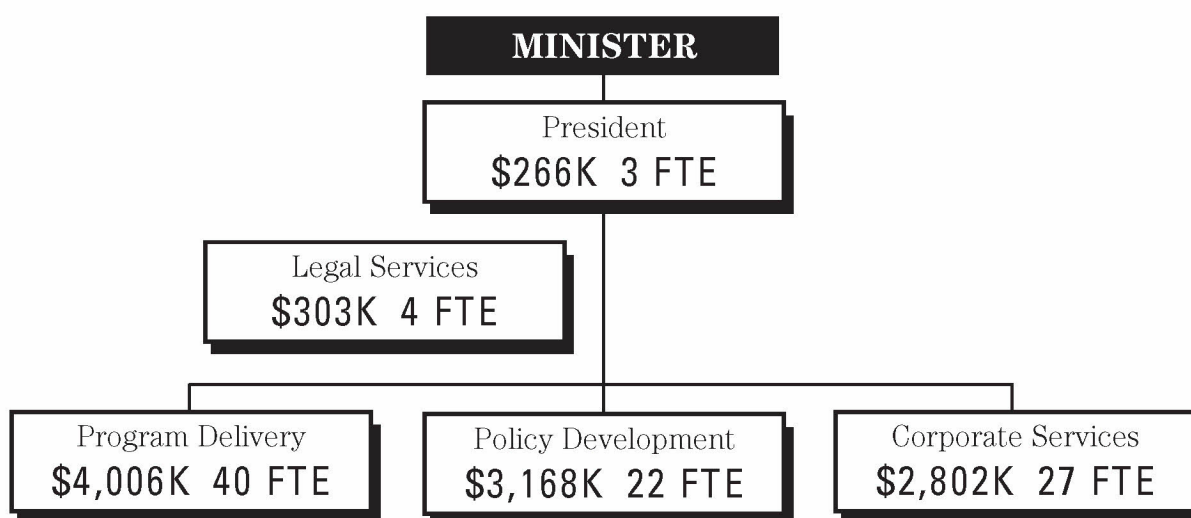


- iv) the 1999 *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, and the provision of guidance to federal authorities on environmental assessment considerations and requirements in respect of proposed policies and programs; and
- v) an order-in-council designating the President of the Agency as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*, and the *North Eastern Quebec Agreement*.

## 5.2 Departmental Organization

The Agency consists of one program and one business line. The reporting structure to the Minister of the Environment follows.

**Table 11 Organizational Chart**



Full-Time Equivalent (FTE) is a measure of human resource consumption based on average levels of employment. During 1999-2000 the Agency employed 96 FTEs which is equivalent to 96 individuals working a full year.



## SECTION VI: Other Information

### 6.1 Contact List

#### Canadian Environmental Assessment Agency – Headquarters

200 Sacré-Cœur Boulevard  
Hull, Quebec  
K1A 0H3

**Internet Address:**

[www.ceaa.gc.ca](http://www.ceaa.gc.ca)

**Communications Office**

Tel.: (819) 994-2578  
Fax.: (819) 953-2891  
E-mail: [info@ceaa.gc.ca](mailto:info@ceaa.gc.ca)

**Media Relations**

Tel.: (819) 953-1856  
Fax.: (819) 953-2891  
E-mail: [sylvie.begin@ceaa.gc.ca](mailto:sylvie.begin@ceaa.gc.ca)

**Federal Environmental Assessment Index****Web site:**

[www.ceaa.gc.ca/registry/registry\\_e.htm](http://www.ceaa.gc.ca/registry/registry_e.htm)

**E-mail:** [index@ceaa.gc.ca](mailto:index@ceaa.gc.ca)

#### Regional Offices

**Pacific and Northern Region**

Sinclair Centre, Suite 320  
757 West Hastings Street  
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Tel.: (604) 666-2431  
Fax.: (604) 666-6990  
E-mail: [ceaa.pacific@ceaa.gc.ca](mailto:ceaa.pacific@ceaa.gc.ca)

**Prairie Region**

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Fax.: (204) 983-7174  
E-mail: [ceaa.prairies@ceaa.gc.ca](mailto:ceaa.prairies@ceaa.gc.ca)

**Quebec Region**

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Fax.: (418) 649-6443  
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**Alberta Region**

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Fax.: (780) 422-6202  
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**Atlantic Region**

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Tel.: (902) 426-0564  
Fax.: (902) 426-6550  
E-mail: [ceaa.Atlantic@ceaa.gc.ca](mailto:ceaa.Atlantic@ceaa.gc.ca)

**Ontario Region**

55 St. Clair Avenue East, Room 907  
Toronto, Ontario  
M4T 1M2  
Tel.: (819) 997-2244  
Fax.: (819) 994-1469  
E-mail: [ceaa.Ontario@ceaa.gc.ca](mailto:ceaa.Ontario@ceaa.gc.ca)





## 6.2 Legislation Administered and Associated Regulations

**The Minister is responsible to Parliament for the following Acts and associated Regulations managed by the Canadian Environmental Assessment Agency:**

<i>Canadian Environmental Assessment Act</i> .....	S.C., 1992, C.37, as amended
<i>Law List Regulations</i> .....	SOR/94-636 (October 7, 1994), as amended
<i>Comprehensive Study List Regulations</i> .....	SOR/94-638 (October 7, 1994), as amended
<i>Inclusion List Regulations</i> .....	SOR/94-637 (October 7, 1994), as amended
<i>Exclusion List Regulations</i> .....	SOR/94-639 (October 7, 1994), as amended
<i>Federal Authorities Regulations</i> .....	SOR/96-280 (May 28, 1996)
<i>Projects Outside Canada Environmental Assessment Regulations</i> .....	SOR/96-491 (November 7, 1996)
<i>Regulations Respecting the Co-ordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i> .....	SOR/97-181 (April 8, 1997)
<i>Environmental Assessment Review Panel Service Charges Order</i> .....	SOR/98-443 (August 26, 1998)
<i>Canada Port Authority Environmental Assessment Regulations</i> .....	SOR/99-318 (July 28, 1999)

## 6.3 Other Agency Statutory Reports and Information

The following reports can be obtained from the Agency's Web site ([www.ceaa.gc.ca](http://www.ceaa.gc.ca)) or by contacting the Agency's Communications Office ([info@ceaa.gc.ca](mailto:info@ceaa.gc.ca)):

- Canadian Environmental Assessment Agency, 2000-01 Estimates. Part III – Report on Plans and Priorities
- *Federal Environmental Assessment – Making A Difference*, March 2000. This is a booklet on benefits and successes of environmental assessment.
- *Dilemma at I.M.Perplexed School*, Spring 2000. This is a brochure for children on the environmental assessment process.
- *Working for Canada's Environment*, March 2000. This is a brochure on recent accomplishments and commitments for the Canadian Environmental Assessment Agency.
- *Reference Guide for Project Proponents on the Cost Recovery of Environmental Assessment Review Panels*, March 2000.
- *Evaluation of the Canadian Environmental Assessment Agency's 1997 Sustainable Development Strategy*, Spring 2000. This document describes the accomplishments and results for each action plan that was described in its 1997 Sustainable Development Strategy.
- Review of the Canadian Environmental Assessment Act – A Discussion Paper for Public Consultation, December 1999.
- *Consolidated Regulations Under the Canadian Environmental Assessment Act – Inclusion List, Exclusion List, Comprehensive Study List and the Law List*, amended November 1999.
- *Strategic Environmental Assessment: The 1999 Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals. Guidelines for Implementing the Cabinet Directive*, August 1999.
- Federal Environmental Assessment Index.

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## Canadian Environmental Assessment Agency DPR 2000-2001

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### **Canadian Environmental Assessment Agency**

# **Performance Report**

**For the period ending  
March 31, 2001**

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The Honourable David Anderson, P.C., M.P.  
*Minister of the Environment*

**025664**

C0959-184

## Improved Reporting to Parliament Pilot Document

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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## Foreword

In the spring of 2000 the President of the Treasury Board tabled in Parliament the document "Results for Canadians: A Management Framework for the Government of Canada". This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a "citizen focus" shapes all activities, programs and services. This vision commits the government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results - the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting



of results through ministers to Parliament and citizens. Earlier this year, departments and agencies were encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on results - benefits to Canadians - not on activities. It sets the department's performance in context and associates performance with earlier commitments, explaining any changes. Supporting the need for responsible spending, it clearly links resources to results. Finally the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organization according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp> Comments or questions can be directed to this Internet site or to: Results Management and Reporting Directorate Treasury Board Secretariat L'Esplanade Laurier Ottawa, Ontario, Canada K1A 0R5 Tel.: (613) 957-7167 - Fax: (613) 957-7044

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## Executive Summary

The Canadian Environmental Assessment Agency promotes environmental assessment as a planning tool to protect and sustain a healthy environment, and to meet the expectations of Canadians who want a growing economy in harmony with a healthy environment. The Agency has an annual budget of approximately \$12 million and a staff of 100 dedicated employees who contribute to the Agency's mission of providing Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.

To carry out its mission, the Agency undertakes many activities which involve complex and often sensitive issues affecting Canadians. These activities range from the environmental assessment of proposed projects throughout Canada, to the promotion of environmental assessment at a more strategic level in government program planning, to the negotiation of environmental assessment provisions with provincial governments, Aboriginal groups and other countries.

Today, environmental assessment is an integral part of public policy and decision making at all levels of government in Canada. To remain effective and efficient in this capacity, environmental assessment processes must continually adapt and evolve. In this regard, the Agency also undertakes many activities to ensure that environmental assessment maintains its importance and relevancy as a tool in achieving sustainable development.

Over the last year, the Agency supported sustainable development through several major activities, including:

- Using the results of cross-Canada consultations to assist the Minister of the Environment in completing the Five Year Review of the Canadian Environmental Assessment Act, culminating in the introduction of Bill C-19 and the tabling of a report to Parliament in March 2001;
- Launching a new Research and Development Program designed to meet future challenges and improve the practice of environmental assessment;
- Supporting the completion of five comprehensive study environmental assessments which contributed to improved project design and mitigation measures to reduce or eliminate potential adverse effects on the local environment and economy; and
- Continuing consultations on bilateral agreements with four provinces and finalizing an agreement with Manitoba in order to improve co-ordination and harmonization of environmental assessment processes.

This report reviews the performance of the Agency for the 2000-2001 fiscal year against previously stated commitments. Key activities are highlighted to demonstrate how they contributed to protecting and sustaining a healthy environment.

## SECTION I: Minister's Message

I am pleased to present the Performance Report of the Canadian Environmental Assessment Agency for the period ending March 31, 2001.

Environmental issues have become increasingly important on the societal agenda both domestically and internationally. Canadians are proud of our national heritage and have made it clear that a healthy and sustainable environment is essential. Environmental assessment plays a key role in supporting sustainable development and helping to balance fiscal needs with environmental priorities.

On March 20, 2001, I tabled my report to Parliament - Strengthening Environmental Assessment for Canadians. This fulfilled the legal requirement to review the Canadian Environmental Assessment Act after it has been in force for five years. On the same day, I proposed amendments to the Act through Bill C-19. As a result, Canadians and Parliament now have the benefit of seeing the full extent of proposed legislative, policy and regulatory amendments arising out of the Five Year Review. These proposals are intended to increase the predictability and timeliness of the environmental assessment process, improve the quality of assessments and provide more meaningful opportunities for public participation. Such improvements will assist the Agency in meeting the challenges presented by increasingly complex development projects.

Throughout the year, the Agency provided support and expertise to federal departments and agencies on a variety of comprehensive studies and panel reviews. The Agency, together with the Government of Manitoba, also finalized a harmonization agreement in May 2000. The agreement will improve the collaboration of environmental assessment processes for future projects requiring assessment by both levels of government.

Also in 2000, the Agency launched a Research and Development Program. The program is designed to strengthen and advance environmental assessment practices and methods in the support of sustainable development - in a way that is relevant, credible and efficient. Research and development is fundamental to the work of the Agency. This new program is a major component in fulfilling the Agency's mandate for research and development, as specified by the Act.

In the coming year, the Agency will continue to deliver its core programs and services -fulfilling its mission of providing Canadians with high-quality environmental assessments, thereby preserving our rich environmental heritage.



David Anderson, P.C., M.P.

## SECTION II Agency Context

### 2.1 The Canadian Environmental Assessment Agency

The Canadian Environmental Assessment Agency promotes the environmental assessment policies and practices of the federal government. Environmental assessment is its single business. The Agency's objective, which is also its mission statement, is: "To provide Canadians with high-quality federal environmental assessments that contribute to informed decision making in support of sustainable development." The Agency is an independent organization accountable to Parliament through the Minister of the Environment [note 1].

The Agency's key role is to administer the federal environmental assessment process established by the *Canadian Environmental Assessment Act* (the Act). The Act, which came into force in January 1995, sets out a process for conducting environmental assessments of projects where the federal government has certain decision-making responsibilities. As a planning tool, environmental assessment helps to protect and sustain a healthy environment. It involves assessing the effects of a proposed project, policy or program on the ecosystem - the air, water, land and living organisms, including humans. It provides decision makers with the information they need to make decisions which support sustainable development.

Visit our Web site at: <http://www.collectionscanada.gc.ca/webarchives/20060118000719/http://www.ceaa-acee.gc.ca/> for additional information on the Agency and its business.

### 2.2 Co-Delivery Partners

The Act is based on the principle of self-assessment. As such, environmental assessments for proposed projects required under the Act are managed almost exclusively by other federal departments and agencies. Given that environmental assessment is also applied at various levels in Canada, responsibility for the conduct of an environmental assessment may be shared between the federal and provincial governments and with Aboriginal



communities. Input from environmental groups, industry and the general public also serves to strengthen the environmental assessment process. Additional information on the Agency's working relationships with its key partners can be found in Annex I.

### 2.3 Strategic Outcomes

The Agency's performance expectations for the 2000-2001 fiscal year are presented in [Table 1](#). Reported results have been based on commitments made in the 2000-2001 Report on Plans and Priorities, which was tabled in Parliament in the spring of 2000. The table outlines the Agency's strategic outcomes. These are the long-term commitments to Canadians which will enable the Agency to achieve its mission. Performance indicators and measures of performance are also outlined for each strategic outcome.

The indicators and measures outlined in [Table 1](#) were developed and introduced for the first time in the 2000-2001 Report on Plans and Priorities. As an initial step to assist in reporting on many of these longer-term performance measures, Bill C-19 includes specific provisions required for the collection of the necessary data. If approved by Parliament, Bill C-19 will also provide explicit authority, currently absent, for the Agency to obtain information from federal departments and other bodies that conduct assessments under the Act. In addition, new requirements to implement follow-up programs for larger projects will help to determine if mitigation measures for a given project have been implemented and are effective in reducing adverse environmental effects. The Agency also initiated development of program elements, including a quality assurance program, in support of the proposed legislative changes that will improve the collection of data and reporting to Canadians about environmental assessment.

**Table 1 - Strategic Outcomes**

Strategic Outcome	Performance Indicator	Measure of Performance
Environmental assessments that are effective, efficient, involve public participation, and support the principles of sustainable development	Enhanced effectiveness and efficiency of environmental assessments	Percentage of assessments where mitigation measures were implemented to reduce identified adverse environmental effects  Effectiveness of implemented mitigation measures in reducing identified adverse environmental impacts  Percentage of practitioners with adequate training and guidance  Percentage of environmental assessments which adhere to established time lines

	Improved opportunities for Canadians to be involved in the federal environmental assessment process	<p>Percentage of environmental assessments which included public participation</p> <p>Level of public satisfaction with involvement in panel review process</p>
	Better integration of environmental factors into planning and decision-making processes	Percentage of environmental assessments completed in early project planning stage
Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions	Enhanced effectiveness and efficiency of co-operative environmental assessment processes	<p>Percentage of projects subject to more than one environmental assessment regime that undergo a single assessment</p> <p>Percentage of co-operative environmental assessment processes that adhere to established time lines</p>
	New environmental assessment regimes that meet or exceed the requirements of the <i>Canadian Environmental Assessment Act</i>	Percentage of land claims and self-government agreements containing environmental provisions that meet or exceed the requirements of the <i>Canadian Environmental Assessment Act</i>
Consistent and predictable application of environmental considerations in federal decision-making	Application of environmental assessment extended to a wider scope of federal decisions and federal decision makers	Number of new types of projects or activities which have potentially adverse environmental effects subject to federal environmental assessment

Increased compliance with the <i>Canadian Environmental Assessment Act</i>	Percentage of environmental assessments compliant with the <i>Canadian Environmental Assessment Act</i>

## 2.4 Considerations

The following considerations serve as background to the progress that may be made by the Agency in achieving its strategic outcomes:

- Environmental assessment plays a significant role toward sound environmental management. However, a clean environment, as part of our quality of life, is achieved through a broad range of collective initiatives.
- The Agency administers a process which is largely applied by other federal departments and agencies, and involves input by a variety of stakeholders. Many performance achievements can only be reached through collective efforts. As such, successes and shortcomings are often shared.
- As the benefits of environmental assessment may often only be measured in the long-term, it is difficult to establish annual performance targets. In many circumstances, it may take decades to measure and thoroughly appreciate the effects of environmental assessment on a project. It takes as long to measure the impacts on the quality of life of affected citizens. It also can be challenging to quantify the success of environmental assessment on a project as predicted adverse effects may not necessarily occur.

## 2.5 Trends and Challenges

The Agency operates in a dynamic, complex and evolving environment. Environmental assessment is at the forefront of many sensitive issues affecting socio-economic development, environmental protection, Aboriginal interests and federal-provincial relations. The complexity and profile of projects undergoing assessments have increased, and involve competing stakeholder interests. This requires constant adaptation and adjustment to new trends and challenges.

### Federal Government Commitments

- Canada is committed to a clean and healthy environment. Domestic and international commitments in areas of global environmental change continue to challenge the Agency to further improve environmental assessment as a tool to achieve sustainable development.
- The federal government is placing increased importance on managing for results and value for money. In this regard, the Agency must continuously improve and clearly demonstrate the value and contribution that environmental assessment makes to government priorities and the lives of Canadians.

- Canada is committed to creating opportunities through innovation. Science has a key role in advancing this agenda. As such, the Agency must continue to take steps to enhance scientific research efforts in the field of environmental assessment.
- The government is also committed to strengthening its information infrastructure and connecting Canadians. In line with this, the Agency has recognized the need to use new technologies to continually improve the access, quality and timeliness of information that it offers to Canadians.

## Partnerships

- Environmental assessment is a shared jurisdiction in Canada. It is also inherently complex and multi-dimensional in nature. The Agency partners with many other players who contribute to ensuring that environmental assessment processes remain predictable, consistent and effective. In addition, solving problems means bringing people together to discuss solutions and helping to co-deliver results. The Agency fosters productive relationships to continually exchange information, deepen its knowledge and remain innovative.

## Social and Economic Factors

- Canada must face the challenges of an increasingly globalized economy. Globalization places a premium on the efficiency and effectiveness of public policy measures, especially as they relate to economic development and competitiveness. In this regard, it is important that environmental assessment laws and regulations do not unduly impede private sector activity, particularly when compared to those of our trading competitors. Environmental assessments in Canada typically account for a very low percentage of overall project costs, and provide a net economic benefit to society. Continuing improvements in efficiency and process predictability remain important to competitiveness.
- Environmental assessments involve input by numerous stakeholders with often competing interests. As the need to balance a strong economy with a healthy environment continues to grow, so will the Agency's challenge in reconciling various interests while maintaining productive relationships and ensuring high-quality, consistent environmental assessments.

## 2.6 Human Resource Management

As a centre of expertise and leadership on environmental assessment, the Agency is aware of the importance of sound human resource management to achieve its corporate objectives. Ensuring an exceptional workplace of choice that is able to effectively deliver on its mandate now and in the future is a high priority.

The Agency's human resource management results have been outlined in Section IV, 4.2, Human Resource Management.

## SECTION III: Five Year Review of the Act



## Context / Background

The Canadian Environmental Assessment Act requires that a comprehensive review of the Act be undertaken five years after its coming into force. In response to this legal requirement, a review of the Act was launched in December 1999 by the Minister of the Environment. As part of the review, broad consultations were held in 2000 to tap into the wealth of experience of environmental assessment practitioners, other federal government departments and agencies, provinces, private sector proponents, Aboriginal people, non-governmental organizations, industry and interested citizens across all regions of Canada. A Five Year Review Web site was also established to disseminate information to Canadians, receive comments, promote dialogue on key issues and encourage participation.

With the completion of the Review's public consultation phase on March 31, 2000, the Agency began to analyze the results of the cross-Canada consultations. The Agency also analyzed recommendations from the Minister's multi-stakeholder Regulatory Advisory Committee, input from regional and national Aboriginal organizations, and a report prepared and endorsed by all provinces and territories, except the Government of Quebec.

The review provided an opportunity for the Agency and its many partners to reflect on the experience gained in the application of the Act and make recommendations for improvements. The review confirmed that there is support for an effective and efficient environmental assessment process at the federal level. It also determined that much of the experience gained in the first five years has been positive; however, there are areas where the Act could be strengthened. These include:

- increased certainty, predictability and timeliness of the process;
- enhanced quality of environmental assessments; and
- more meaningful public participation.

The results of the Review provided the basis of the Minister's report to Parliament,

Strengthening Environmental Assessment for Canadians, tabled on March 20, 2001. The simultaneous introduction of Bill C-19 meant that Parliament and interested Canadians saw, without delay, the specific legislative proposals arising out of the Five Year Review.

The proposals in Bill C-19 and the Minister's report to Parliament will enhance the Agency's capacity to act upon its strategic priorities [\[note 2\]](#). For example:

- Establishing a Federal Environmental Assessment Co-ordinator for each screening or comprehensive study will help clarify and improve environmental assessment processes with other jurisdictions and other partners.
- New requirements to ensure a follow-up program is conducted for projects that have undergone a comprehensive study or review panel and will see the Agency and others learn from experience and share results.
- The requirement for a quality assurance program will help improve the Agency's capacity to monitor, assess and foster compliance.

- Amendments to require the assessment of federally funded projects on First Nations' reserve lands and new authority to deal with non-federal entities operating on federal lands, such as National Airports System Airport Authorities, will help to address gaps in the application of the Act.

In addition, the Bill proposes to increase certainty through amendments that will prevent a project that has undergone a comprehensive study from being assessed a second time by a review panel.

To further simplify assessments of small routine projects, Bill C-19 proposes a second type of class screenings under the Act. These "replacement class screenings" would remove the need for project-specific assessments for certain straightforward, simple projects that would not have site specific variations.

Detailed information on the Five Year Review, including copies of the Minister's report and Bill C-19 can be found on the Agency's Web site at  
<http://www.collectionscanada.gc.ca/webarchives/20060118000719/http://www.tbs-sct.gc.ca/rma/dpr/00-01/ceaa00dpr/www.ceaa-acee.gc.ca>

Canadians will also gain easy access to information about the environmental assessment of projects in their communities and across the country through a new proposed Internet-based Canadian Environmental Assessment Registry.

## Strategy

To meet the demands of the review, the Agency created a special team dedicated solely to supporting the Minister of the Environment's legislated requirement to conduct the review of the Act. This represented a slight change in the organizational structure of the Agency, as resources were shifted within the Agency to the Five Year Review team. Temporary resources were also provided to supplement the Agency's effort. In all, approximately 10 percent of the Agency's work force and 13 percent of its budget were assigned to the review of the Act full-time during the year. However, every section within the Agency, including regional offices, contributed in some way to this initiative.

## 2000-2001 Results

In 1999-2000, the Agency supported the Minister's review by preparing background reports and holding preliminary discussions with key partners. The Agency also launched the Five Year Review Web site and undertook national public consultations and regional workshops across Canada. In its continuing efforts to support the Minister, the Agency accomplished the following in 2000-2001:

- Additional discussions on improvements to the Act were held with various partners, including:
  - the federal government's Senior Management Committee on Environmental Assessment;
  - environmental practitioners in the federal government;
  - provincial environmental assessment administrators;
  - the Minister's Regulatory Advisory Committee;

- the environmental assessment caucus of the Canadian Environmental Network;
  - representatives of national Aboriginal organizations; and
  - key industry associations.
- The Five Year Review Web site was maintained to provide ongoing information on the review and to provide Canadians with access to the Minister's report to Parliament and Bill C-19. In total, the Web site received more than 41,000 visits and made a significant contribution to the input received across Canada.
  - Following provision of financial support in 1999-2000 from the Agency, the Assembly of First Nations, the Inuit Tapirisat of Canada and the Métis National Council facilitated discussions with Aboriginal peoples and developed recommendations for change which were received in April 2000. The Agency also received submissions from 13 additional regional Aboriginal organizations. These submissions resulted in several proposed amendments to Bill C-19 addressing Aboriginal environmental assessment issues.
  - The wide variety of input from Aboriginal and other partners to the Five Year Review was consolidated with the results of the general public consultations, regional workshops and other previous discussions. In all, there was a broad consensus among the more than 1,200 Canadians who provided input to the review on how the federal process could be strengthened.
  - In August 2000, a draft bill of proposed amendments to the Act was the subject of targeted consultations with provinces, representatives of national Aboriginal organizations and the Minister's Regulatory Advisory Committee.
  - The Agency assisted the Minister in developing and tabling a report and a bill to Parliament in a timely manner, five years after the coming into force of the Act. The transparency of the review and the extensive consultation process have strengthened public confidence in federal environmental assessment, and have resulted in concrete recommendations for improvements. In addition, the high degree of consensus achieved among the broad spectrum of Canadians consulted greatly influenced the contents of the Minister's report to Parliament and the proposed legislative changes in Bill C-19.
  - The Agency has undertaken the development of new regulations under the Act, as well as some improvement of existing regulations. This work is in accordance with the Minister's report and, in some instances, will depend on the outcome of the proposed amendments in Bill C-19. These regulatory changes will be implemented as early as possible. In the long term, they will broaden the scope of application of the Act and will allow a greater focus on projects that have a real potential to cause harmful environmental effects.

## SECTION IV Agency Performance

### 4.1 Strategic Outcomes

#### STRATEGIC OUTCOME 1:

Environmental assessments that are effective, efficient, involve public participation, and support the principles of sustainable development

## Context / Background

The Agency plays an important role in providing relevant and timely advice, guidance, training and recommendations to other government organizations. This helps to ensure that environmental assessment decisions comply with the Act, reflect effective and efficient environmental assessment practices, consider public values and support the principles of sustainable development.

Effective and efficient environmental assessment means many things. Among others, it means incorporating environmental factors early in a project's planning stage so that adverse environmental effects and related financial costs are reduced or avoided. It involves conducting environmental assessments that are broad enough to cover all potential environmental effects. It means ensuring that all groups having an interest or a stake in the outcome of the proposal have the opportunity to provide input. It also includes ensuring that those responsible for making decisions adequately understand and know how to apply the process.

Public participation means ensuring that Canadians have the opportunity to be involved in the federal environmental assessment process. It involves engaging the public in the environmental assessment process in a meaningful way and at appropriate times in the review process.

Supporting the principles of sustainable development means promoting environmental assessment as a tool to help achieve sustainable development. It involves integrating environmental factors into planning and decision making so that environmental effects which may cause serious and irreversible damage to the environment may be identified and mitigated.

## Strategy

The Agency has a responsibility to ensure that its actions contribute to these results. To achieve them, the Agency concentrates on four strategic priorities. Serving as more immediate outcomes, these priorities help to focus Agency activities and judge progress toward the Agency's longer-term commitments to Canadians.

*Be recognized as a credible advocate of high-quality environmental assessment*

Advocacy is central to the Agency's leadership role in the federal environmental assessment process. To be an effective advocate of good environmental assessment, Canadians need to have faith in a system that is relevant to their needs and is based on sound practices. Key to advocating high quality environmental assessment is the Agency's ability to promote its value to decision makers from both a business and environmental perspective.

*Advance the science and practice of environmental assessment*

The Agency's capacity to provide leadership is based in part on its ability to advance and promote leading edge environmental assessment practices. Innovation is increasingly dependent on sharing knowledge and working with others. As such, it is essential for the Agency to engage other resources within and outside government if it is to influence the development of innovative approaches and further the practice of environmental assessment.

The Agency's priorities in this role are to aid in the advancement of environmental assessment, to serve as a repository of environmental assessment trends and advances, and to be an effective knowledge-sharing link

between the federal government and other stakeholders.

#### *Learn from experience and share results*

There are many benefits to using past experience gained from conducting environmental assessments. Evaluating past assessments greatly assists the Agency and other stakeholders in determining appropriate policy directions and improving guidance. Reporting on the effectiveness of environmental assessment also helps to strengthen public confidence and encourage valuable public participation.

#### *Strengthen relationships with partners and stakeholders*

Building and maintaining strong working relationships with partners and stakeholders are at the core of the Agency's success. One effective way that the Agency continues to promote these relationships is through its regional offices. Being closer to clients and partners, regional officials help to maintain strong networks, and promote co-operation and co-ordination among federal departments and other partners across Canada. The Agency also relies on an extensive array of networks to establish common goals on which to base partnerships, advance environmental assessment and continually enhance opportunities for public participation in the process.

### **2000-2001 Results**

- A model class screening report (MCSR) was established for Routine Fish Habitat Restoration and Enhancement Projects in British Columbia and the Yukon. The Agency continued to support the development of 16 additional MCSRs with six federal departments. There are now three class screening models, all of which are frequently used to streamline the assessment process for projects of a similar nature. The Agency's regional offices also played a key role in working with federal departments and agencies to identify candidate projects for the MCSR process.

#### **Benefits of a Model Class Screening Report - Routine Fish Habitat Restoration and Enhancement Projects in British Columbia and the Yukon**

Class screenings are intended to simplify the environmental assessment process for projects that have common characteristics and predictable and mitigable environmental effects. Development of a model class screening report (MCSR) provides an opportunity to focus assessments, efficiently use resources and ensure that environmental considerations are taken into account in project planning and implementation.

During 2000-2001, the Agency declared the MCSR for Routine Fish Habitat Restoration and Enhancement Projects in British Columbia and the Yukon to be a class screening report for Fisheries and Oceans Canada. Approximately 70 routine, small-scale fish habitat restoration and enhancement projects requiring assessment under the Act are undertaken annually in British Columbia and the Yukon. The new model establishes a process for assessing the environmental effects of these routine projects and for identifying and putting in place measures to protect the environment. Typical projects covered by the model include mechanisms to improve fish movement, such as culverts or beaver dam bypasses; measures to control bank erosion, such as streamside fencing or vegetation planting; or improvements to habitat, such as spawning platforms or incubation boxes.

These projects are often carried out by local community groups and funded by Fisheries and Oceans Canada. In developing the model, consideration was given to all comments received from various partners, such as federal

departments, municipal authorities, environmental groups and the public.

- The Agency managed various environmental assessment review panels in 2000-2001. These included panels for the Red Hill Creek Expressway, the Canadian Millennium Pipeline Project, and the Highwood Storage and Diversion Plan. The Cheviot Coal Mine Project was also completed on September 12, 2000, when the joint review panel issued its final report. In its response issued on April 9, 2001, the federal government concurred with all 29 recommendations outlined in the report and agreed with the panel's overall recommendation that the project receive regulatory approval. The Agency fulfilled its responsibilities within established time lines. In addition, all panels included public participation in the review process.
- Advisory, co-ordination, public comment and ministerial services were provided for the completion of five comprehensive studies. The public had an opportunity to participate in the environmental assessment of each project, and thus helped to reduce or mitigate any potential adverse environmental effects. The Agency also provided support for 19 additional comprehensive studies in progress.

### Comprehensive Studies Completed during 2000-2001

Comprehensive Study	Project Proponent	Lead Department	Project Description
Kamloops Groundwater Collector Well	City of Kamloops	Western Economic Diversification Canada	The City of Kamloops in British Columbia submitted a proposal to install and operate a groundwater collector well on McArthur Island in Kamloops to provide an emergency intake for the City Central (Main) Water Supply.
Town of Oxford Water Supply	Town of Oxford	Atlantic Canada Opportunities Agency	The Town of Oxford in Nova Scotia submitted a proposal to construct and operate a well field and pipeline to supply a reliable source of potable water to its residents.
Swan Valley Gasification	Swan Valley Gas Corp. / Many Island Pipe Lines Canada Ltd.	Prairie Farm Rehabilitation Administration	The Many Island Pipelines Canada Ltd. and Swan Valley Gas Corporation submitted a proposal to construct and operate a natural gas pipeline system to service Swan Valley in the southern part of Manitoba.

Marmot Basin Ski Development	Ski Marmot Basin Ltd.	The Parks Canada Agency	Ski Marmot Basin Ltd. submitted a proposal to install and operate a new quad chairlift on Eagle Ridge within the Marmot Basin Ski Area in Jasper National Park, Alberta.
Aquarius Gold Mine	Echo Bay Mines Ltd.	Fisheries and Oceans Canada	Echo Bay Mines Ltd. submitted a proposal to develop an open-pit gold mine and ore processing facility on its Aquarius property in the Macklem Township near Timmins, Ontario.

### **Benefits of a Comprehensive Study - Kamloops Groundwater Collector Well**

The City of Kamloops, British Columbia, proposed a project to construct and operate a groundwater collector well at the west end of McArthur Island on the South Thompson River. The collector well has an estimated withdrawal capacity of 40,000 to 48,000 m<sup>3</sup> / day of groundwater. Western Economic Diversification Canada, which will be funding the project, was required to conduct a comprehensive study assessment of the project.

The federal and provincial environmental assessment processes were harmonized. The comprehensive study report, submitted to the Agency by the City of Kamloops, was also used as the British Columbia Environmental Assessment Act Application for Project Approval, and a joint public comment period was undertaken. The provincial review of the project is expected to be completed in the autumn of 2001.

Presently, 88 percent of the City's water supply is provided by the City Central Water System, a single surface water intake on the South Thompson River. There is currently no emergency water supply. The development of a test production groundwater well will serve as an emergency water supply system and ensure that the people of Kamloops are not at risk should the existing system fail. In addition, a long-term pumping test of the collector well will be conducted to assess its adequacy as an alternate water supply. These measures will assist the City in complying with the amended terms and conditions of its water supply permit resulting from water quality concerns raised in 1998 by the Medical Health Officer.

The comprehensive study report showed that the project could be implemented without causing significant adverse environmental effects, taking into account the proposed mitigative measures and follow-up program. Examples of these measures include the proponent's commitment to develop a series of environmental protection plans and to monitor the effect of drawdown on riparian vegetation. The environmental assessment conducted for this project allowed for consideration of environmental factors in the project's planning process, leading to improved environmental management of the project upon implementation.

- An Alternative Dispute Resolution Strategy was developed and adopted by the Agency in January 2001. The strategy was developed following focus group discussions held among senior executives within federal departments, provincial governments and industry. The discussions examined barriers to the increased use



of dispute resolution approaches in the environmental assessment process. The finalized strategy outlines a plan to further the use and acceptance of dispute resolution within the federal environmental assessment process.

- Training and guidance offered to partners have been increased by more than 10 percent from the previous year through the delivery of 31 formal training sessions and an additional 56 workshops and presentations on the Act and its application. Approximately 2,400 individuals participated from federal departments, Aboriginal groups, provincial and territorial authorities, private industry, non-governmental organizations and academia. Feedback received from the sessions indicated a high degree of satisfaction among participants. Suggestions for improvement were used to enhance the quality of subsequent courses and presentations.
- New operational policy statements were developed on preparing project descriptions and on the class screening process. The Agency also developed a draft operational statement on follow-up, which will be finalized for distribution later in 2001.
- For the first time, the Agency operated with a completed network of regional offices. These offices play a key role in delivering Agency training and guidance products. They have been instrumental in refining the advice offered by adapting training and guidance to reflect specific regional requirements. Regional offices also provided ongoing, single-window liaison services between partners including federal, provincial and territorial governments. In 2000-2001, the Quebec regional office alone received approximately 350 requests for information or advice relating to the Act and its regulations.
- The Agency improved the use of traditional ecological knowledge (TEK) in the federal environmental assessment process. Specifically, the Agency contributed to several initiatives undertaken by various partners to develop tools for the incorporation of TEK in assessments. In addition, Bill C-19 proposes amendments that formally recognize the value and use of community and Aboriginal traditional knowledge in conducting environmental assessments.
- The Agency successfully launched a new research and development (R&D) program in September 2000. The program was developed to foster innovation and excellence in the practice of environmental assessment. To date, 83 proposals have been received, of which 19 have received funding from the Agency. The Agency intends to further enhance support for R&D in the upcoming years by developing and expanding relationships with various partners, most notably with Canadian research institutes and universities. Through the R&D Program, the Agency is able to continue its leadership, both nationally and internationally, as an advocate of excellence in environmental assessment.

## **Research and Development in Environmental Assessment**

In 2000-2001, the Canadian Environmental Assessment Agency launched a research and development (R&D) program in environmental assessment to improve the practice of environmental assessment and to help the federal government meet future challenges.

Early on, innovation, excellence, relevance and communication were identified as guiding principles for the Program. The importance of providing value for money was also identified as a program priority. In addition, building partnerships with other organizations was seen to be crucial in implementing the Program, especially as it



was intended to be of interest and value to the Canadian environmental assessment community at large. As a result, the Agency implemented the Program in concert with other federal departments, and developed partnerships with the provinces, educational and research institutions, the private sector and environmental organizations.

The Program includes a transparent and competitive process for seeking proposals, and awarding funding for research projects. There is also a peer review process of final reports to ensure that the research meets the standards of excellence within the research community. Finally, in keeping with the principle of communicating and sharing information, the Agency will be publishing research reports on its Web site, in both official languages. As part of the Program, the Agency has also developed a cross-country seminar series that will bring together researchers, policy makers and practitioners to discuss implications of the research findings. This series promises to be extremely exciting as it bridges the gap between research and practice, and may result in future research projects aimed at combining the needs of practitioners with the future-oriented vision of researchers.

- The Agency's Web site was updated to make it more user-friendly. Launched in March 2001, the new site has undergone significant improvements to both design and content. As a result, the site has received more than a 100 percent increase in visits by the public. Further improvements will be made to the Web site in the near future to monitor the level of public participation it has facilitated. These improvements will help to assess its contribution to the Agency's strategic outcomes.
- Following the federal government's adoption of the Cabinet Directive on the Environmental Assessment of Policy and Program Proposals in 1999, the Agency has worked with other departments and agencies to promote high-quality, consistent strategic environmental assessment (SEA) practices. In 2000-2001, the Agency offered briefings to various government organizations on the directive and its implementation. Approximately 75 percent of the departments and agencies governed by the directive have been briefed. The interdepartmental SEA committee held two meetings this year to identify tools and approaches to implement the directive. Consistent with this initiative, the Agency has also put in place a new process to identify Cabinet initiatives that may require SEA.
- The Agency continued to actively participate in numerous committees which promote co-ordinated approaches to sustainable development. These committees include the Sustainable Development Co-ordinating Committee, the Assistant Deputy Ministers' Task Force on Sustainable Development, the Interdepartmental Network on Sustainable Development and the Performance Measurement for Sustainable Government Operations Committee.

## **STRATEGIC OUTCOME 2:**

Environmental assessment approaches that are co-ordinated across government and harmonized with other jurisdictions

### **Context / Background**

All federal and provincial jurisdictions in Canada administer some form of environmental assessment regime. The

application of these regimes to a single project requires co-operation to avoid duplication, increase certainty and reduce costs and potential delays.

The Agency promotes consistent approaches to environmental assessments across Canada and with its international partners. In this regard, the Agency works with provincial partners to develop harmonized processes wherever possible. It also fosters ongoing relations with Aboriginal communities. The emerging environmental assessment processes under self-government and land claim agreements play an increasing role.

Finally, the Agency is also engaged in clarifying and improving environmental assessment processes that have international implications. International relationships give Canada the opportunity to share and gain expertise and establish mechanisms to support global sustainable development, both within and outside Canada. In addition, Canada's international responsibilities must reflect foreign trade policy and ensure that the competitive position of Canadian exporters is not adversely affected.

## **STRATEGY**

To achieve this strategic outcome, the Agency has adopted as a strategic priority to:

Clarify and improve environmental assessment processes with other jurisdictions and with federal partners.

Effective application of environmental assessment processes requires input and co-operation by various stakeholders. By fostering interjurisdictional networks and partnerships, the Agency can play a role in improving environmental assessment processes at all levels. Canadians can then reap the benefits of improved environmental management.

## **2000-2001 Results**

- Advice and assistance continued to be provided on an ongoing basis to 14 First Nations and to Indian and Northern Affairs Canada toward the development of environmental assessment regimes under the new First Nations Land Management Act. These are to be in place within 12 months of the individual band's land administration codes being approved by the band's administration. Although several bands have now put in place such land codes, requests have been made to extend the time lines for implementation of environmental assessment provisions as a result of the complexity of implementation.
- The Agency supported federal negotiators as they worked to incorporate environmental assessment provisions into comprehensive land claim and self-government agreements. In the past year, the Agency has been actively involved in 37 negotiations involving Aboriginal groups from across Canada. Several of those agreements are nearing completion. In addition, in support of the federal negotiators and Agency officials involved in self-government and land claims negotiations, the Agency has completed and secured the endorsement of a comprehensive set of guidelines for negotiators. This initiative will ensure greater consistency among agreements. It is important to note that since implementation of the Act, all negotiated agreements providing an environmental assessment law-making authority, contain provisions requiring that resulting regimes meet or exceed the requirements of the Act.
- Adding to previously negotiated agreements with Alberta, Saskatchewan and British Columbia, a new

harmonization agreement was reached with Manitoba in May 2000 under the 1998 Canada-Wide Accord on Harmonization and the Sub-Agreement on Environmental Assessment. These agreements outline broad principles and practices of co-operation for governments to work together to achieve the highest quality of environmental protection. Work was also undertaken during 2000-2001 toward an agreement with Ontario, and initiation of negotiations began in the spring of 2001 with Newfoundland. Preliminary discussions were also held with New Brunswick. The success and lessons learned from the completion of the signed agreements are now being used to advance these new negotiations. Each new agreement serves to increase the number of projects that undergo a single assessment. For instance in 2000-2001, all proposed projects - within the provinces having signed an agreement and which required both a provincial environmental assessment and a comprehensive study under the Act - underwent a single, harmonized assessment.

- Throughout the year, the Agency worked with federal departments and agencies, territorial governments, resource management boards and First Nations in both the Northwest Territories and the Yukon to develop approaches for a co-ordinated review process for potential northern gas pipeline development. In the Northwest Territories, agreement was reached in March between over a dozen authorities on guidance to proponents of potential northern pipeline projects.
- The Agency provided support to the President of the Agency, who is also the federal administrator of the environmental and social protection regimes set out in the James Bay and Northern Quebec Agreement (JBNQA). In 2000-2001, the Agency developed and applied a co-ordinated approach for the application of the Act and the JBNQA environmental assessment processes for five projects, involving federal departments and the Federal Review Panel. The Agency also co-ordinated joint public consultation activities with the Provincial Review Panel involved in these projects. In addition, Canada-Quebec contribution agreements were also finalized for the two consultative committees (Cree and Inuit) identified under chapters 22 and 23 of the JBNQA
- The Agency continued to build on its relationships with partners through interdepartmental and multi-stakeholder committees such as the Regulatory Advisory Committee, the Senior Management Committee on Environmental Assessment, Federal-Provincial Environmental Assessment Administrators Group and Regional Environmental Assessment Committees. In particular, these committees have provided a significant contribution to the Minister's report to Parliament on the Five Year Review of the Act. Frank and open discussions held at these meetings helped to foster good working relationships among partners and have contributed to improved environmental assessment processes at all levels.

## Building Strong Partnerships

The Agency chairs several committees whose aim is to share information and strengthen environmental assessment.

Committee	Membership	Purpose
Regulatory Advisory Committee	Federal and provincial government representatives. Aboriginal, industry and environmental nongovernmental	Consult on federal environmental assessment regulatory and policy matters.

	organization members.	
Senior Management Committee on Environmental Assessment	Senior federal government managers representing various departments and agencies.	Share information on current and upcoming environmental assessment issues pertinent to the federal government.
Federal-Provincial Environmental Assessment Administrators Group	Senior federal and provincial environmental assessment representatives.	Discuss environmental assessment issues of cross-jurisdictional interest.
Regional Environmental Assessment Committees	Regional environmental assessment representatives from various federal and provincial government departments.	Share information and discuss co-ordinated approaches to environmental assessment between jurisdictions within a geographic region.

## STRATEGIC OUTCOME 3:

Consistent and predictable application of environmental considerations in federal decision-making

### Context / Background

Compliance with environmental assessment processes is an increasingly prominent issue. The Commissioner for the Environment and Sustainable Development has recommended that the Agency take a leadership role in assisting federal departments to comply with the Act. Currently, there are no explicit enforcement provisions in Act. Rather, the Agency seeks to foster active compliance by promoting consistent and predictable application of the Act by federal departments and agencies. It does so by working on expanding the coverage of the Act so that more activities with potential environmental effects involving the federal government are assessed. It also encourages compliance by ensuring that those responsible for applying the Act have the appropriate training and tools at their disposal to adequately fulfill their responsibilities.

### Strategy

To achieve this outcome, the Agency concentrates on two strategic priorities:

*Improve the Agency's capacity to monitor, assess and foster compliance*

Consistent and predictable interpretation of responsibilities under the Act is extremely important. To facilitate and improve compliance, the Agency has a role to play in evaluating how well other departments and agencies understand their responsibilities with respect to the Act. This allows the Agency to identify shortcomings and successes which helps it to improve the guidance offered. The Agency also has an ongoing responsibility to provide training and guidance tailored to the specific needs of federal departments and agencies.

*Address gaps in the application of the Canadian Environmental Assessment Act and other federal environmental assessment processes*

Since the Act came into force in 1995, the Agency has worked to increase the consistency and predictability of process application through regulations. Regulations serve to improve the quality of compliance and adjust the range of activities to be assessed. These efforts have evolved from extensive, nation-wide public consultations and continued input from various partners.

Finally, there is also the need to strengthen the application of project-related follow-up. It provides feedback on environmental impact predictions and the overall quality of the assessment. Follow-up allows for remedial actions, should impacts of a project deviate from predictions. More broadly, follow-up provides lessons which help to improve the quality of future environmental assessments.

## **2000-2001 Results**

- In January 2001, the Federal Authorities Regulations were amended to include the Canada-Nova Scotia Offshore Petroleum Board as a federal authority under the Act. This ensures that when land is leased by the Board to enable oil and gas development projects to proceed, such projects will be subject to an environmental assessment under the Act. This designation is part of the Agency's efforts to develop a more consistent and equitable approach to environmental assessments for offshore oil and gas development projects. The addition of the Board as a federal authority also serves to increase the number of new types of projects subject to the federal environmental assessment process.
- Taking into consideration Bill C-19, the Agency began work with various partners on the initial development and / or amendment of regulations which could potentially be required in connection with the proposed legislative amendments. These include amendments to the Exclusion List Regulations, the Federal Coordination Regulations, and the Canada Port Authorities Environmental Assessment Regulations, and potential development of new regulations applicable to band councils, the Canadian International Development Agency and local airport authorities operating on federally leased lands. Preliminary discussions among affected stakeholders on approaches for development of the regulations were also initiated in 2000-2001 in support of the proposed regulatory amendments. These new regulations, if approved, would lead to an increase in the number of proposed projects, having the potential for significant environmental effects, which would be subject to the Act.
- Adding to the work it had begun in previous reporting periods, the Agency continued to work on the development of a government-wide quality assurance program with federal government departments and agencies. During 2000-2001, the Agency and its partners focused their efforts on developing the program in a manner which would be consistent with proposed amendments put forward to the Act as a result of the Five Year Review. Specific changes were included within Bill C-19 which would enshrine a quality

assurance program within the amended Act. The proposed program would monitor and help to enhance compliance with the Act, and would measure the quality of assessments based on a common set of indicators. Its objective would be continual improvement of federal environmental assessments. The program would also provide an additional benefit of serving as a key initiative to improve the measurement of performance toward the Agency's strategic outcomes. Finalization of the program must await completion of the parliamentary process for Bill C-19, as well as comprehensive interdepartmental consultations.

## **4.2 Human Resource Management**

### **Context / Background**

Sound human resource management is recognized as a key factor in the Agency's ability to achieve its mission and deliver on its commitments. The Agency has recognized the importance of ensuring a workplace of choice and strives to continually improve human resource management practices.

### **Strategy**

In order to meet its human resource management commitment, the Agency concentrated on developing capacity in people and on becoming a learning organization. This requires creation of effective leadership at all levels based on public-service values.

### **2000-2001 Results**

With regard to human resource management, the Agency accomplished the following in 2000-2001:

- The Agency addressed common concerns highlighted in the Public Service Employee Survey. Workload, for example, was identified as a key area of concern. Work practices were reviewed and greater use made of student placements, secondments and corporate development programs such as the Management Trainee Program and the Career Assignment Program.
- The Agency continued to promote government programs such as Employment Equity and Official Languages. It succeeded in increasing representation of all target groups. In recognizing that such programs reflect sound management practices which help to attract and retain the best employees available, the Agency continues to monitor its staffing, training and general employment practices to ensure that the principles of these government programs are adequately considered and integrated.
- In valuing the energies, skills and knowledge of its staff, the Agency continued to recognize staff contributions through its Awards and Recognition Program. Awards were provided for exemplary achievements, and six employees were recognized for their years of service. In addition, all staff were offered training, with a variety of sessions offered in-house throughout the year.
- In fostering good working relationships and a shared vision for the Agency, various team-building initiatives were undertaken to bring staff together in a social or broad Agency information exchange setting. These gatherings have played an important role in building a cohesive and congenial working environment, and in ensuring that employees' feedback and concerns are regularly obtained.

# ANNEX I Other Agency Information

## A1.1 Co-Delivery Partners

The following outlines the Agency's working relationships with its key co-delivery partners:

**Federal Departments and Agencies:** The Agency maintains close working relationships with federal departments and agencies that have responsibilities under the Act for either conducting environmental assessments or providing technical expertise in support of them. For example, 29 responsible authority departments and agencies initiated over 6000 assessments in 2000-2001 (see [Annex III, A3.3](#), Statistical Summary of Environmental Assessments).

In addition, the Agency chairs the Senior Management Committee on Environmental Assessment as well as the Regional Environmental Assessment Committees consisting of numerous federal departments and agencies. Both are forums for sharing best practices, and shaping training and guidance materials as well as federal policy and regulation.

**Provincial Governments:** Environmental assessment is a shared responsibility. The Agency works with provincial governments to ensure predictable, consistent and effective program delivery. The Canada-Wide Accord on Harmonization and the bilateral agreements on environmental assessment co-operation have played a key role in enabling collaborative efforts to minimize duplication and inconsistent process application through joint assessments. The Agency has six regional offices which are key points of interaction and liaison with provincial governments and other partners. They also assist in providing "single-window" regional environmental assessment services.

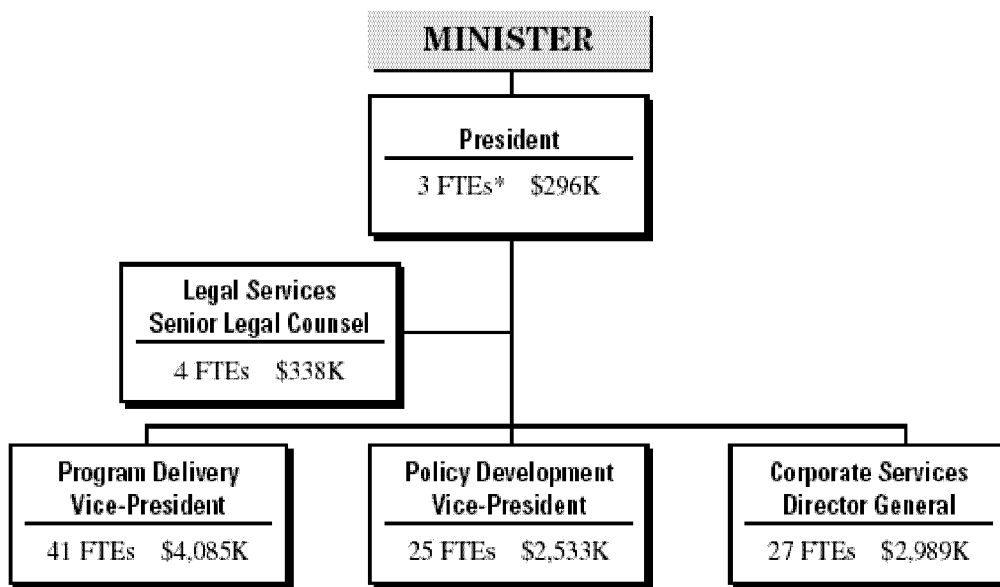
**Aboriginal Communities:** Comprehensive land claim and self-government agreements are establishing new Aboriginal-based environmental assessment regimes. The Agency is working closely with Aboriginal groups to develop environmental assessment processes that will assist these communities in promoting sustainable development.

**Environmental Non-Governmental Organizations (ENGOS) and Industry:**

ENGOS and representatives from industry are also key participants in the delivery of environmental assessment products and services to Canadians. They assist the Agency in environmental assessment of projects under the Act. They are also instrumental in providing ideas about and insight into the development of new regulations and improved policies and programs.

## A1.2 Agency Organization

### Chart A1: Organizational Chart



Net Cost of Program 2000-2001: \$10,241K

\* Full-time equivalent (FTE) is a measure of human resource usage based on average levels of employment. During 2000-2001, the Agency employed 100 FTEs, which is equivalent to 100 individuals working full time for one full year.

## ANNEX II Financial Information

### A2.1 Financial Performance Overview

The Agency ended fiscal year 2000-2001 with a cash balance of 6.0 percent of its operating budget (or total authorities). Overall, the Agency spent \$11,387,427 during the fiscal year. Direct expenditures for major areas of activity include:

	(\$000s)
Regional offices - information, advice, co-ordination and liaison support	1,448.7
Analysis, public consultation, development and tabling of a report and bill to Parliament related to the review of the Act	1,010.3
Tools to advance the implementation of the Act and improve the process, including: amendment of regulations; operational policy statements and class screening models; delivery of client training and education materials; quality assurance program; traditional ecological knowledge in assessments; and alternative dispute resolution strategy	
Policy initiatives including federal-provincial harmonization, Strategic Environmental Assessment and policy research and development	317.4



Support for incorporation of Aboriginal interests and involvement in environmental assessment through development of provisions in land-claim and self-government agreements in addition to fulfilling obligations under the James Bay and Northern Quebec Agreement	213.1
Costs associated with review panels, including Cheviot Coal Mine Project, Canadian Millennium Pipeline Project, Highwood Storage and Diversion Plan, and the Red Hill Creek Expressway	198.7
Support to other departments in the conduct of comprehensive studies and development of recommendations	110.2
Modernization and maintenance of the Agency's Web site and implementation of Government On-line initiatives	270.7
Management of human resource related activities to develop	432.4

Although the Agency received authority to recover costs from project proponents for conducting review panels in August 1998, this authority has not yet been used because no eligible review panels have been established. The Agency generated revenues of approximately \$181,662 from the sale of training services and publications.

## A2.2 Financial Summary Tables

This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table A1, are displayed using separate column and row headings. For clarity, these headings are defined as follows.

**Table A1**

<b>Planned Spending / Revenues</b>	What the plan was at the beginning of fiscal year 2000-2001.
<b>Total Authorities</b>	Includes planned spending plus additional spending Parliament has approved for federal departments to reflect changes in priorities and unforeseen events (referred as operating budget). Total Authorities are Main Estimates, plus Supplementary Estimates plus other authorities that are approved.
<b>Actual Responsible Revenues</b>	What was actually spent or collected for fiscal year 2000-2001. Revenues that can be used by the Agency to offset program expenditures, for example, cost recovery for review panels.
<b>Non-Responsible Revenues</b>	Revenues collected on behalf of the government which cannot be used by the Agency to offset program expenditures.

Note: The variance between Total Authorities and Planned Spending of approximately \$302,000 reflects the fact that the Agency did not seek full authority for its operating budget carry forward in 2000-2001. Actual expenditures were approximately \$1,050,000 less than Planned Spending due to delays in planned changes to the Act.

**Table A2 Comparison of Total Planned Spending to Actual Spending**

(\$000s)	2000-2001		
	Planned Spending	Total Authorities	Actual Spending
Full-Time Equivalents (FTEs)	95	100	100
Operating	15,935.0	15,257.2	11,126.2
Voted Grants and Contributions	95.0	471.0	471.0
Total Gross Expenditures	16,030.0	15,728.2	11,597.2
Less: Respendable Revenues	(3,591.0)	(3,591.0)	(209.8)
Total Net Expenditures	12,439.0	12,137.2	11,387.4
<b>Other Revenues and Expenditures</b>			
Non-Respendable Revenues	-	-	-
Cost of Services Provided by Other Departments	1,274.0	1,341.9	1,341.9
Net Cost of the Program	13,713.0	13,479.1	12,729.3

Note: Due to rounding, figures may not add to totals shown. The cost of services provided by other departments is approximately \$68,000 greater than planned as a result of increased employee insurance premiums and expenditures paid by Treasury Board Secretariat, and salary and associated costs provided by Justice Canada.

**Table A3 Historical Comparison of Total Planned Spending to Actual Spending**

(\$000s)	2000-2001				
	Actual 1998-1999	Actual 1999-2000	Planned Spending	Total Authorities	Actual
Canadian Environmental Assessment Agency	9,757.0	11,415.6	12,439.0	12,137.2	11,387.4

**Table A4 Revenue**

(\$000s)	2000-2001				
	Actual 1998-1999	Actual 1999-2000	Planned Revenues	Total Authorities	Actual
<b>Respendable Revenue</b>					
Canadian Environmental Assessment Agency	722.7	344.0	3,591.0	3,591.0	209.8
Unplanned	-	-	-	-	-
Total Respendable Revenues	722.7	344.0	3,591.0	3,591.0	209.8
<b>Non-Respendable Revenues</b>					
Canadian Environmental Assessment Agency	39.7	14.9	-	-	-

Unplanned	-	-	-	-	-
Total Non-Respendable Revenues	39.7	14.9	-	-	-
Total Revenues	762.4	358.9	3,591.0	3,591.0	209.8

Note: Respendable Revenues: In September 1998, the Agency received authority to recover the costs of new review panels from project proponents. Authorities are based on historical average annual panel costs. During 2000-2001, no new eligible review panels were established resulting in a variance of approximately \$3.4 million between Total Authorities and Actual Revenues collected.

Non-Respendable Revenues: Actual 2000-2001 Non-Respendable Revenues consisted mainly of proceeds from the disposal of surplus Crown assets.

**Table A5: Statutory Payments**

(\$000s)	Actual 1998-1999	Actual 1999-2000	Planned Spending	2000-2001	
				Total Authorities	Actual
Canadian Environmental Assessment Agency	931.0	995.0	1,021.0	1,146.0	1,146.0
Total Statutory Payments	931.0	995.0	1,021.0	1,146.0	1,146.0

Note: The only statutory payment applicable to the Agency is for employee benefit plans.

**Table A6: Transfer Payments**

(\$000s)			2000-2001		
	Actual 1998-1999	Actual 1999-2000	Planned Spending	Total Authorities	Actual
CONTRIBUTIONS					
Contribution to the Province of Quebec - James Bay and Northern Quebec Agreement	95.0	101.0	95.0	104.0	104.0
Contributions to support the research, development and promotion of environmental assessment [ table note 1]	6.0	305.8	-	324.2	324.2
Contributions to assist public participation in environmental assessment reviews [table note 2]	111.3	48.1	-	42.8	42.8
Total Contributions	212.3	454.9	95.0	471.0	471.0
Total Transfer Payments	212.3	454.9	95.0	471.0	471.0

Table notes:

1. Contributions to support research and development during 2000-2001 included projects aimed at improving the practice of environmental assessments.
2. The level of demand to fund public participation in review panels depends on the number of major projects under assessment. For 2000-2001, only the Canadian Millennium Pipeline Project required funding assistance. Given that delays in the conduct of this review panel were not identified until after the Main Estimates were tabled, Planned Spending for 2000-2001 was set at zero.

## ANNEX III Consolidated Reporting

### A3.1 Sustainable Development Strategy

The following outlines the Agency's progress toward meeting the goals set out in its 1997 Sustainable Development Strategy. Results have been reported based on commitments made in the Agency's 2000-2001 Report on Plans and Priorities. During the reporting year, a revised strategy was developed and tabled in February, 2001 [\[note 3\]](#). This revised strategy presents an opportunity for the Agency to advance sustainable development beyond the accomplishments of the first strategy. Progress toward the new goals set out in this revised strategy will be provided starting next reporting period.

#### **Key Goal #1: Promote high-quality environmental assessment as a tool to implement sustainable development**

#### **Performance Indicator/Objective: Better use of project environmental assessment as a mechanism to support sustainable development**

##### **Targets/Actions for Reporting Period 2000-2001**

##### **Progress to Date/Results for 2000-2001**

Continue providing guidance to assist project proponents, responsible federal authorities and environmental assessment practitioners to effectively discharge their respective roles under the Act.

Five ongoing panels were managed by the Agency during 2000-2001. Twenty-nine departments and agencies undertook 6,138 screening level assessments in accordance with their environmental assessment obligations under the Act.

Five comprehensive studies were completed with recommendations to the Minister of the Environment that included sustainable development measures.

The Agency provided ongoing advice to responsible federal authorities to promote compliance with the Act in support of sustainable development.

The Agency provided procedural training and project-specific guidance to other federal departments and agencies.

Develop and deliver training products to a wide audience of stakeholders.

The Agency delivered 31 formal training sessions and an additional 56 workshops and presentations to various partners on a variety of topics related to the Act and its operations.

Guidance material was developed to assist federal departments carry out their environmental assessment responsibilities. New Operational Policy Statements on preparing project descriptions and on the class screening process were developed. A draft Operational Policy Statement on follow-up was also prepared and due to be finalized in the upcoming year.

**Performance Indicator/Objective: Increased integration of strategic environmental assessment into federal policies, plans and program proposals**

**Targets/Actions for Reporting Period 2000-2001**

**Progress to Date/Results for 2000-2001**

Work with other federal departments to advocate the implementation of the Cabinet Directive on Strategic Environmental Assessment (SEA) and promote consistent practices concerning SEA reporting across government.

Since the adoption of the Cabinet Directive in 1999, the Agency has promoted SEA across government in a variety of ways including:

Chairing an interdepartmental committee on SEA whose mandate is to facilitate the implementation of the Cabinet Directive and share information and best practices. Two committee meetings were held during the year to develop tools and approaches to improve the implementation of the Directive;

Providing 30 briefing sessions to departments and assisting them in determining how to implement SEA;

Providing advice and guidance on the application of SEA principles when asked to assist in the preparation of SEAs; and

Putting in place a new Cabinet process to identify Cabinet initiatives that may require SEA.

**Key Goal #2: Promote the use of environmental assessment with other departments and jurisdictions**

**Performance Indicator/Objective: Improved awareness and understanding of the federal environmental assessment process**

**Targets/Actions for Reporting Period 2000-2001**

**Progress to Date/Results for 2000-2001**

Continue enhancing the role of regional offices as key centres of guidance and assistance to stakeholders.

For the first time, the Agency operated with a completed network of regional offices in 2000-2001.

Regional offices delivered training, disseminated guidance products and provided advice and guidance to federal, provincial, private sector and Aboriginal environmental assessment practitioners.

Work co-operatively with federal departments and agencies to implement a

The Agency, in co-operation with the interdepartmental Quality Assurance Committee, continued to work on the development of a government-wide quality assurance program. In 2000-2001, it focused its efforts on refining the development

system for evaluating the quality of environmental screenings carried out under the Act.	of the Program in a manner which would be consistent with the proposed amendments put forward for the Act. Finalization of the program must await completion of the Parliamentary review process of the proposed amendments to the Act, as well as comprehensive interdepartmental consultations
Continue providing guidance to assist project proponents, responsible federal authorities and environmental assessment practitioners to effectively discharge their respective roles under the Act.	<p>Several sessions were held with the multi-stakeholder Regulatory Advisory Committee, the Interdepartmental Senior Management Committee on Environmental Assessment, the Federal-Provincial Environmental Assessment Administrators Group and the Regional Environmental Assessment Committees.</p> <p>In addition to resulting in improved knowledge across the federal government on environmental assessment issues and trends, these sessions provided significant input to the development of the Minister's report to Parliament on the Five Year Review of the Act.</p>
Develop and deliver training products to a wide audience of stakeholders.	The training and guidance efforts outlined under Goal #1 included several partners within other departments and jurisdictions and thus helped promote goal #2.
<b>Performance Indicator/Objective: Harmonized application of the Act with other jurisdictions and groups</b>	
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Negotiate bilateral harmonization agreements with provinces under the <i>Sub-agreement on Environmental Assessment</i> .	<p>A bilateral environmental assessment co-operation agreement was completed with Manitoba to improve collaboration of environmental assessment for proposed projects. This will result in a more efficient, effective and predictable environmental assessment process.</p> <p>Following initiation of discussions in the previous year, work was also undertaken during 2000-2001 toward an agreement with Ontario. Discussions were also initiated with Newfoundland and New Brunswick.</p>
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Develop international links and agreements on transboundary environmental impact assessment.	<p>The Agency continued discussions with Mexico and the United States to develop a legally binding agreement on transboundary environmental impact assessment in accordance with the Commission on Environmental Co-operation Council resolution 97-03 (June 1997) of the North American Agreement on Environmental Co-operation.</p> <p>The Agency actively participated in the activities of the United Nations Economic Commission for Europe in support of the implementation of the Convention on Environmental Impact Assessment in a Transboundary Context. Such participation included support for Ministerial participation in two meetings of the parties to the</p>

	Convention.
Support federal negotiators addressing environmental management issues in Aboriginal land claims and selfgovernment agreements.	<p>Advice and guidance continued to be provided on an as-needed basis to 14 First Nations and Indian and Northern Affairs Canada (INAC) toward the development of environmental assessment regimes under the new <i>First Nations Land Management Act</i>.</p> <p>The Agency supported INAC as it worked to incorporate environmental assessment provisions into several comprehensive land claim and self-government agreements. The Agency continued to assist in the development of tools for environmental assessment processes to assist Aboriginal communities achieve sustainable development goals while respecting cultural and self-determination objectives.</p>
<b>Performance Indicator/Objective: Expanded application of the Act to other organizations</b>	
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Work with organizations, such as airport authorities and other Crown corporations, to develop appropriate environmental assessment requirements for projects.	The Agency, in collaboration with Transport Canada, worked on the development of an environmental assessment regime for 22 local Airport Authorities currently operating on federally leased land. More detailed work and communications with local Airport Authorities will continue following Royal Assent of Bill C-19, which outlines provisions for a more fulsome regulatory regime for these projects.
Develop, with other federal departments, a legislated approach for conducting environmental assessments of federally funded projects on reserve lands.	In collaboration with the Assembly of First Nations and all federal authorities who fund projects on reserve land, a Memorandum of Understanding, previously negotiated in 1999-2000, was implemented to ensure that all federal authorities will undertake an assessment before funding projects on reserve lands.
<b>Key Goal #3: Refine and improve the science and practice of environmental assessment</b>	
<b>Performance Indicator/Objective: Expanded and improved practice of environmental assessment</b>	
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Encourage the use of class screenings within the federal government.	The Agency continued to support the development of 16 additional Model Class Screening Reports (MCSRs) with 6 different federal departments. An MCSR was also established for Routine Fish Habitat Restoration and Enhancement Projects in

	British Columbia and the Yukon.
Support continuing development of a national standard for environmental assessment by the Canadian Standards Association (CSA).	The CSA discontinued work on this initiative in 2000-2001. It could resume should there be agreement from all concerned stakeholders.
Implement the action plan to guide integration of traditional ecological knowledge (TEK) into the federal environmental assessment process.	<p>The Agency undertook the following to guide the integration of TEK:</p> <ul style="list-style-type: none"> <li>■ Submitted proposed amendments to the Act related to TEK as part of the Five Year Review;</li> <li>■ Continued the evaluation of policy options and tools on the issue of TEK; and</li> <li>■ Contributed to several initiatives undertaken by various partners, such as the Union of Ontario Indians to develop tools for the incorporation of TEK in assessments. The development of a TEK guide has been delayed as a result of the Five Year Review of the Act. However, specific commitments to incorporate TEK into assessments have been proposed as a result of the legislative review, and the development of guidance to support those commitments will be necessary once the amendments have been passed.</li> </ul>
Expanding knowledge through research and development.	The Agency has initiated a Research and Development Program to improve the practice of environmental assessment. To date, the Agency has funded 19 research projects.
Partner with other federal departments on the development of alternative dispute resolution mechanisms in the environmental assessment process.	An Alternative Dispute Resolution Strategy was developed and adopted by the Agency in January 2001. The strategy outlines a plan to further the use and acceptance of dispute resolution within the federal environmental assessment process.
<b>Key Goal #4: Increase awareness of environmental assessment and its effects on sustainable development</b>	
<b>Performance Indicator/Objective: Strengthened Agency communications capacity</b>	
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Increase information available to the public.	The Agency's Web site was updated and launched in March 2001 to improve access to information on environmental assessments.



Examine the feasibility of enhancing public access to information by expanding the capabilities of the Federal Environmental Assessment Index (FEAI) to include all new documentation contained in public registries and complete screening reports.	A proposal has been made within the context of the Five Year Review to establish a new Canadian Environmental Assessment Registry (CEAR) under the Act. If adopted, the CEAR would replace the existing voluntary FEAI and would require departments and agencies to provide mandatory information on environmental assessments. In anticipation of these potential changes, the Agency suspended further work on the FEAI in 2000-2001.
Promote Agency products and services. Promote Agency products and services.	The Agency developed and distributed a brochure entitled <i>Working for Canada's Environment 2001</i> , which provides the public and stakeholders with an overview of Agency results over the previous 18 months. It also outlines the organization's commitments in the year ahead. The Agency took steps to increase its electronic network by converting surface mailing lists to e-mail format to increase efficiency in notifying partners of Agency products and services.
<b>Key Goal #5: Increase the Agency's environmentally sustainable practices</b>	
<b>Performance Indicator/Objective: Implement environmental management system based on ISO 14000</b>	
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Develop an Environmental Management Plan for the Agency.	Following development of an Environmental Management Plan the previous year, the Agency is exploring ways to reduce paper usage through increased electronic document management and Government On-line initiatives to improve program delivery.
<b>Performance Indicator/Objective: Improved environmental management performance</b>	
<b>Targets/Actions for Reporting Period 2000-2001</b>	<b>Progress to Date/Results for 2000-2001</b>
Promote green transportation practices.	The Agency promoted and supported employee participation in the National Capital Region's Commuter Challenge during Environment Week.

## A3.2 Regulatory Initiatives

Purpose of Legislative or Regulatory Initiative	Expected Results	Performance Measurement Criteria	Results Achieved
<p><b>Proposed Amendments to the Canadian Environmental Assessment Act</b></p> <p>To amend the Act following completion of a comprehensive, legislated review of the Act five years after its coming into force.</p>	<p><b>Short-term</b></p> <p>To develop and table a report and a bill to Parliament outlining proposed amendments to the Act.</p> <p><b>Long-term</b></p> <p>To improve the federal environmental assessment process.</p>	<p><b>Short-term</b></p> <p>Completion of a high quality review and tabling of a report and bill within established time lines.</p> <p><b>Long-term</b></p> <p>Increased certainty, predictability, and timeliness of the process; enhanced quality of environmental assessments; more meaningful public participation.</p>	<p><b>Short-term</b></p> <p>Broad input obtained from Canadians during the review process.</p> <p>High level of satisfaction registered and consensus obtained among those consulted.</p> <p>Tabling of a comprehensive report, <i>Strengthening Environmental Assessment for Canadians</i>, and Bill C-19 to Parliament on March 20, 2001.</p> <p><b>Long-term</b></p> <p>Performance information will be outlined following implementation of legislative amendments.</p>
<p><b>CPA Environmental Assessment Regulations</b></p> <p>To establish a federal environmental assessment process under the <i>Canadian Environmental Assessment Act</i> that comprehensively captures all appropriate Canada Port Authorities (CPA) activities. This initiative is shared with Transport Canada.</p>	<p><b>Short-term</b></p> <p>To measure the performance of the application of the CPA Environmental Assessment Regulations, which came into effect July 28, 1999.</p> <p><b>Long-term</b></p> <p>Improved consistency and</p>	<p><b>Short-term</b></p> <p>Extent to which application of the Regulations improves the consistency, transparency and overall quality of port environmental assessment processes.</p> <p><b>Long-term</b></p> <p>CPA continue to apply the requirements of the Regulations. Following Royal</p>	<p><b>Short-term</b></p> <p>Improvements in the quality of CPA environmental assessment processes.</p> <p><b>Long-term</b></p> <p>CPA performance in the application of the Regulations indicates that the application of the Regulations improves the consistency, transparency and overall quality of port environmental assessment processes.</p>

quality of the environmental assessment process for ports.	Assent of Bill C-19, the completion of amendments to the CPA Environmental Assessment
Enhanced accountability in the environmental management of port projects.	Regulations to ensure that a comprehensive range of activities are assessed.
Increased transparency and greater opportunities for public involvement in the assessment process.	Decision making on port projects that incorporate environmental considerations. Increased public involvement in the assessment process for port projects.

### A3.3 Statistical Summary of Environmental Assessments

In accordance with subsection 71(2) of the Act, the table below provides a statistical summary of all environmental assessments conducted during 2000-2001 under the Act. In total, 6,147 environmental assessments were initiated, as reported by lead department or agency. This compares with 5,674 environmental assessments that were initiated in 1999-2000.

Department / Agency	Screenings			Comprehensive Studies	Panels
	Total	Completed	Outstanding		
Agriculture and Agri-Food Canada	132	129	3	1	-
Atlantic Canada Opportunities Agency	205	205	-	-	-
Canadian Food Inspection Agency	7	7	-	-	-
Canadian International Development Agency	209	197	12	-	-
Canadian Nuclear Safety Commission	6	3	3	-	-
Canadian Transportation Agency	8	8	-	-	-
Canada Customs and Revenue Agency	20	13	7	-	-
Canada Economic Development	35	35	-	-	-
Canadian Space Agency	1	1	-	-	-
Canadian Space Agency	10	10	-	-	-
Foreign Affairs and International Trade	30	30	-	-	-
Environment Canada	531	481	50	-	-
Fisheries and Oceans Canada	1,387	1,199	188	2	-
Human Resources Development Canada	310	310	-	-	-
Indian and Northern Affairs Canada	996	862	134	1	-

Indian Oil and Gas Canada	403	403	-	-	-
Industry Canada	59	59	-	-	-
Millennium Bureau of Canada	310	292	18	-	-
National Defense	160	95	65	-	-
National Energy Board	66	54	12	-	1
National Research Council of Canada	2	2	-	-	-
Natural Resources Canada	27	21	6	-	-
Natural Sciences and Engineering	6	6	-	-	-
Research Council of Canada					
Parks Canada Agency	869	787	82	3	-
Public Works and Government	50	46	4	-	-
Services Canada					
Royal Canadian Mounted Police	14	14	-	-	-
Transport Canada	112	104	8	1	-
Western Economic Diversification Canada	66	63	3	-	-
Yukon Territory Water Board	107	107	-	-	-
Sub-total	6,138	5,543	595	8	1
Total Initiated in 2000-2001					6,147

## Notes:

1. The reporting structure to the Minister of the Environment can be found in Annex I.
2. The Agency's strategic priorities are discussed in greater detail in Section IV, 4.1, Strategic Outcomes.
3. For additional information on the Agency's revised strategy, please visit the Agency's Web site at <http://www.collectionscanada.gc.ca/webarchives/20060118000719/http://www.ceaa-acee.gc.ca/>

**Canada**



# Canadian Environmental Assessment Agency

## Performance Report

For the period ending  
March 31, 2002

Canada

## The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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## Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department’s performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

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This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to:

Results-based Management Directorate  
Treasury Board of Canada Secretariat  
L’Esplanade Laurier  
Ottawa, Ontario K1A 0R5

**OR** to this Internet address: [rma-mrr@tbs-sct.gc.ca](mailto:rma-mrr@tbs-sct.gc.ca)

# Canadian Environmental Assessment Agency



## PERFORMANCE REPORT

For the Period  
Ending  
March 31, 2002

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Minister of the Environment





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***SECTION I***  
**MINISTER'S  
MESSAGE  
AND  
EXECUTIVE  
SUMMARY**



## MINISTER'S MESSAGE

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I am pleased to present the *2001-2002 Performance Report* of the Canadian Environmental Assessment Agency (the Agency). This report outlines key results achieved by the Agency during the 2001-2002 fiscal year.

It is no accident that Canada has become recognized as one of the best countries in the world in which to live. Canadians are proud of the high quality of life that they enjoy. This quality of life, however, depends in large part on maintaining our clean air, water and soil. At the same time, our economic health depends on natural resources, such as energy, forestry and mining. It is vital that we wisely manage this balance with our natural resources in ways that do not compromise our quality of life now or in the future.

This is the core of environmental assessment and, more broadly, sustainable development. It makes us think about the environmental implications of any human activity — where it takes place, when and how. Given the possibility of adverse and irreversible effects, environmental assessments are essential to making informed decisions in support of sustainable development.

During the past year, the Agency has been working hard to anticipate and prepare for the changes proposed in Bill C-19, *An Act to amend the Canadian Environmental Assessment Act*, which is expected to come into force next year.

In an effort to ensure more meaningful public participation, the Agency has been developing an electronic registry that will give users access to timely and effective information about the environmental assessments that affect them.

The Agency is committed to promoting high-quality environmental assessments. To help facilitate this, the Agency's Research and Development Program is steadily building a solid knowledge base in the area of environmental assessment in Canada. The Agency also delivered 92 training sessions and workshops to more than 1,800 participants representing federal departments, Aboriginal groups, industry, non-government organizations and academia across Canada in 2001-2002.

Extensive work was undertaken to streamline the environmental assessment process for routine screening projects — bringing a greater measure of consistency and predictability to the process, for all participants.

Since its inception seven years ago, the Agency and its partners have been at the forefront of making environmental assessment an integral part of public policy and decision making at all levels of government. The Agency will continue to draw on its accumulated and growing experience to chart a renewed path for environmental assessment in Canada.

**David Anderson, P.C., M.P.**  
**Minister of the Environment**



## EXECUTIVE SUMMARY

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The Canadian Environmental Assessment Agency (the Agency) promotes environmental assessment nationally as a planning tool to protect and maintain a healthy environment that is in harmony with a strong and growing economy. The Agency has an annual budget of approximately \$12 million and a staff of 100 dedicated employees, helping to ensure high-quality environmental assessments that contribute to informed decision making in support of sustainable development.

The Agency actively contributes to the environmental assessment of proposed projects throughout Canada and promotes strategic environmental assessment in government policy and program planning. It also participates in the negotiation of environmental assessment agreements with other levels of governments, Aboriginal groups and other countries.

Today, environmental assessment is an integral part of public policy and decision making at all levels of government in Canada. To remain effective and efficient in this capacity, environmental assessment processes must continually adapt and evolve. In this regard, the Agency also plays a leadership role at the federal level to ensure that environmental assessment maintains its importance and relevancy as a tool in achieving sustainable development.

During 2001-2002, the Agency contributed to sustainable development through several key activities, for example:

- supporting Parliament's examination of Bill C-19, *An Act to amend the Canadian Environmental Assessment Act*, including appearances before the Standing Committee on Environment and Sustainable Development from December 2001 to March 2002;
- establishing and promoting the Research and Development Program, which is designed to meet future challenges and improve the practice of environmental assessment;
- providing guidance and advice on the completion of four comprehensive study environmental assessments, as well as the conduct of a further 20 active studies. This support contributed to improved project design and mitigation measures to reduce or eliminate potential adverse environmental effects; and



- consulting and advising on 28 land claim negotiations, negotiating several environmental assessment harmonization agreements with provincial governments, and taking a leadership role in the harmonization of environmental assessment and regulatory requirements for potential northern pipeline development.

This report reviews the Agency's performance for the 2001-2002 fiscal year against plans stated in its *2001-2002 Report on Plans and Priorities*.



***SECTION II***  
**STRATEGIC  
CONTEXT**

**025715**



## WHO WE ARE

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The Canadian Environmental Assessment Agency (the Agency) provides leadership and serves as a centre of expertise in its role as the administrator of the federal environmental assessment process. The Agency has one program objective, which serves as its mission.

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**The Agency's Mission:**  
**To provide Canadians with high-quality environmental assessments**  
**that contribute to informed decision making in support**  
**of sustainable development.**

---

Headed by the President, who reports directly to the Minister of the Environment,<sup>1</sup> the Agency is mandated by the following instruments:

- the *Canadian Environmental Assessment Act* (the Act) and its accompanying regulations;
- the Canada-Wide Accord on Environmental Harmonization and bilateral agreements with provincial governments that set out mutually agreed upon arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, the most notable being the United Nations *Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).

In addition, the Agency assists the Minister of the Environment in implementing *The 1999 Cabinet Directive on the Environmental Assessment of Policy, Plan, and Program Proposals* by providing guidance to federal authorities on environmental assessment considerations and requirements in respect of proposed policies, plans and programs.

**For more on the Agency, its business and a complete list of available publications, visit:**  
**[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)**

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<sup>1</sup>The reporting structure to the Minister of the Environment can be found in Figure 1, Annex 3.

## PARTNERS IN ENVIRONMENTAL ASSESSMENT

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Federal environmental assessment is based on the principle of self-directed assessment. This means that the federal department or agency responsible for regulating, funding or supporting the relevant project or activity must ensure that an environmental assessment is conducted. The Agency provides these departments and agencies (known as responsible authorities) with training, advice, guidance and support in fulfilling their environmental assessment responsibilities under the Act.

For the environmental assessment of projects with greater potential to cause significant environmental effects, the Agency is more involved. It manages the review panel process and the public comment period for comprehensive studies, provides opportunities for public participation, and provides advice and support to decision makers.

### Shared Responsibilities for Environmental Assessment

Responsibility for environmental assessment is shared among the federal government, provincial, territorial and municipal governments and Aboriginal communities. The Agency works cooperatively with other levels of government and Aboriginal organizations to ensure that assessments are conducted in an effective and consistent manner, and to promote efficient environmental assessment regimes that meet the objectives of all affected parties.

### Non-Government Organizations, Businesses, Citizen and Industry Groups

Environmental non-government organizations, citizens groups and representatives from industry are important consultative partners and sources of input during the development of policies, programs and regulations aimed at improving the environmental assessment process.

The Agency promotes effective channels for stakeholder communication through its support for several consultative committees. In 2001-2002, the Agency chaired the committees, listed in the following Table 1, to share information and strengthen environmental assessment.

**Table 1: Building Strong Partnerships**

<b>Committee</b>	<b>Membership</b>	<b>Purpose</b>
Regulatory Advisory Committee (RAC)	<ul style="list-style-type: none"> <li>• federal and provincial government representatives</li> <li>• Aboriginal, industry and environmental non-government organization members</li> </ul>	<ul style="list-style-type: none"> <li>• consult on federal environmental assessment regulatory and policy matters</li> </ul>
Senior Management Committee on Environmental Assessment (SMCEA)	<ul style="list-style-type: none"> <li>• senior federal government managers representing various departments and agencies</li> </ul>	<ul style="list-style-type: none"> <li>• share information on current and upcoming environmental assessment issues pertinent to the federal government</li> </ul>
Federal-Provincial Environmental Assessment Administrators Group	<ul style="list-style-type: none"> <li>• senior federal and provincial environmental assessment representatives</li> </ul>	<ul style="list-style-type: none"> <li>• discuss environmental assessment issues of cross-jurisdictional interest</li> </ul>
Regional Environmental Assessment Committees (REAC)	<ul style="list-style-type: none"> <li>• regional environmental assessment representatives from various federal and provincial government departments</li> </ul>	<ul style="list-style-type: none"> <li>• share information and discuss coordinated approaches to environmental assessment among jurisdictions within a geographic region</li> </ul>



## FACTORS INFLUENCING AND DRIVING PERFORMANCE

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The Agency operates in a dynamic, complex and evolving environment. Its capacity to carry out its mission is based on its ability to meet new challenges and adapt to emerging trends. Environmental assessment is at the forefront of many sensitive issues affecting socio-economic development, environmental protection, Aboriginal interests and federal-provincial-territorial relations. The complexity and profile of projects undergoing assessments have increased and involve competing stakeholder interests. This requires constant adaptation and adjustment to emerging trends and new challenges.

### Government Commitments

Canada is committed to a **clean and healthy environment**. Domestic and international commitments in areas of global environmental change continue to challenge the Agency to further improve environmental assessment as a tool to achieve sustainable development.

The federal government is placing increased importance on **managing for results and modern comptrollership**. In this regard, the Agency must continuously improve and clearly demonstrate the value and contribution that environmental assessment makes to government priorities and the lives of Canadians.

Canada is committed to creating opportunities through **innovation**. Science has a key role in advancing this agenda. As such, the Agency must continue to take steps to enhance scientific research in the field of environmental assessment.

The government is also committed to strengthening its **information infrastructure and connecting Canadians**. In line with this, the Agency has recognized the need to use new technologies to continually improve the access, quality and timeliness of information that it offers to Canadians.

## Shared Environmental Management Responsibility

Under the Canadian Constitution, responsibility for environmental management is shared among the federal, provincial and territorial governments. Although this arrangement can give rise to potential duplication and inconsistent application of environmental assessment, a spirit of cooperation exists among the federal, provincial and territorial governments, ensuring consistency, harmonization and efficiency of the process. The Agency **works closely with interested parties** to foster environmental assessment processes that remain predictable, consistent and effective. The Agency promotes cooperation through bilateral agreements and clear communication.

## Globalization

An important development in the last decade has been the globalization of the economy. In a global economy, public policies must be scrutinized for their impacts on competitiveness. Globalization draws attention to the potential for Canada's environmental assessment laws and regulations to adversely affect the private sector, particularly when compared to the processes of our trading competitors. Several studies have concluded that the cost of environmental assessment in Canada is a very low percentage of the total cost of a project. Effective environmental assessment processes provide net economic benefits to society, and greater certainty in the process is key to competitiveness.

## Balancing Competing Interests

Environmental assessment is at the forefront of many sensitive issues affecting environmental protection, Aboriginal interests and federal-provincial-territorial relations. The complexity and profile of projects undergoing assessments are increasing and involve competing stakeholder interests. The challenge is to balance these interests while maintaining productive relationships and delivering high-quality services to all stakeholders.



## Aboriginal Self-Governance

Through comprehensive land claims and self-government agreements, Aboriginal-based environmental assessment regimes are being established, reshaping the conduct of assessments throughout Canada. Aboriginal peoples have strong interests in environmental assessment issues, such as more effectively participating in the environmental process; incorporating traditional knowledge in the conduct of environmental assessments on their lands; participating in environmental assessments where the exercise of Aboriginal or treaty rights may be negatively impacted by development; and ensuring minimal disruption of traditional lifestyles and the natural environment. The Agency must ensure that these new regimes respect the self-determination objectives of Aboriginal communities, continue to maintain environmental integrity and achieve sustainable development goals.

## Litigation

A powerful recent trend in Canadian public policy has been the role of the courts in shaping many areas of public policy, from human rights to federal-provincial-territorial relations. Environmental assessment has also been affected by recent court decisions. This is a natural evolution for any new legislation. Over the long term, however, these initial growing pains provide the clarification and direction needed to increase the certainty and predictability of the environmental assessment process.

## Dispute Resolution

Dispute resolution is an effective means to improve the potential of the environmental assessment process to meet its objectives. It can serve to enhance the quality and durability of federal decisions and may improve the timeliness of the process. The Agency recognizes the benefits of using a dispute resolution approach more informally throughout the environmental assessment process. The anticipated changes resulting from the review of the Act will provide a clearer mandate and role for the Agency with regard to the use of dispute resolution.



***SECTION III***  
***REVIEW OF THE***  
***CANADIAN***  
***ENVIRONMENTAL***  
***ASSESSMENT***  
***ACT***



## CONTEXT

---

The Act requires that a comprehensive review of the legislation be undertaken five years after its coming into force. In response to this requirement, the Five Year Review of the Act was launched in December 1999 by the Minister of the Environment. On March 20, 2001, the Minister tabled his report to Parliament and introduced Bill C-19, *An Act to amend the Canadian Environmental Assessment Act*.

During the reporting period, the Agency provided support to the Minister of the Environment and to members of Parliament in their consideration of Bill C-19, and began preparations for implementation of proposed changes to the Act. Direct expenditures on this initiative, including salaries, were approximately \$1,322,000 in 2001-2002. However, as in past years, all sections of the Agency, including the regional offices, contributed to this initiative.

Bill C-19 passed second reading in the House of Commons on June 4, 2001, and was referred to the Standing Committee on the Environment and Sustainable Development for review. Hearings before the Standing Committee began in December 2001 and were still in progress at the end of March 2002.

## WHAT WE ACCOMPLISHED IN 2001-2002

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In its continuing efforts to support the Minister of the Environment's review of the Act, the Agency accomplished the following in 2001-2002:

- Further discussions on the implementation of proposed improvements to the Act were held with various partners, including:
  - the federal government's Senior Management Committee on Environmental Assessment;
  - environmental practitioners within the federal government;
  - provincial environmental assessment administrators;
  - the Minister's Regulatory Advisory Committee;
  - the environmental assessment caucus of the Canadian Environmental Network;
  - representatives of national Aboriginal organizations; and
  - key industry associations.

- The Five Year Review Web site was maintained to provide ongoing information on the review of Bill C-19 by the Standing Committee and to provide Canadians with access to the Minister's report to Parliament and the Bill. The Web site received approximately 600 visits per month during the year.
- The Agency initiated work concerning the development of new regulations to respond to anticipated amendments to the Act, as well as improvement to the existing *Exclusion List Regulations*. The completion of some of this work will depend on the outcome of the proposed amendments in Bill C-19.
- The Agency also began to develop several policy documents and guidance materials to assist departments and agencies in implementing new provisions that may result from the approval of Bill C-19. In addition, some existing guidance documents are being updated. This work is ongoing and involves staff in all sections of the Agency.

As a result of the Agency's work in 2001-2002 related to the review of the Act, federal environmental assessment practitioners and all other persons interested in the operation of the assessment process gained a better understanding of how an improved Act would result in more effective procedures and greater accountability to the public.

Similarly, the Agency's preliminary work on developing new and updated policy and guidance documents will enable prompt completion of that work once the final contents of Bill C-19 are known. This preliminary work will speed up the learning process for environmental assessment practitioners in all federal departments and agencies, so they will be ready to implement the improved version of the Act as soon as the Bill becomes law.

**For more on the Five Year Review of the Act, visit:  
[www.ceaa-acee.gc.ca/0001/index\\_e.htm](http://www.ceaa-acee.gc.ca/0001/index_e.htm)**

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**The Five Year Review Team received the  
Public Service Award of Excellence for 2002.**

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***SECTION IV***  
**AGENCY  
PERFORMANCE**

**025727**





## STRATEGIC OUTCOMES

This Departmental Performance Report is organized by Strategic Outcomes — the long-term, enduring benefits to Canadians derived from the Agency’s mission. Strategic Outcomes, the primary means to discuss future plans and priorities, are equivalent to “business line objectives” and “key results commitments” used in past Agency Departmental Performance Reports. The planning framework presented in this report is consistent with that presented in the *2002-2003 Report on Plans and Priorities*.

Under each Strategic Outcome, there are two or three supporting Intermediate Outcomes, which also serve as many of the Agency’s Sustainable Development Strategy objectives.

**Table 2: Summary of the Agency’s Strategic Outcomes**

Strategic Outcomes	Intermediate Outcomes – Sustainable Development Strategy Objectives
1. <b>Effective and efficient environmental assessment</b>	1.1 Be recognized as a credible advocate of high-quality environmental assessment. 1.2 Advance the science and practice of environmental assessment. 1.3 Learn from experience and share results.
2. <b>Coordinated and harmonized environmental assessments</b>	2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners. 2.2 Strengthen relationships with partners and stakeholders.
3. <b>Consistent and predictable application of environmental considerations in federal decision making</b>	3.1 Improve the Agency’s capacity to monitor, assess and foster compliance with the <i>Canadian Environmental Assessment Act</i> . 3.2 Address gaps in the application of the <i>Canadian Environmental Assessment Act</i> .





## STRATEGIC OUTCOME 1: EFFECTIVE AND EFFICIENT ENVIRONMENTAL ASSESSMENT

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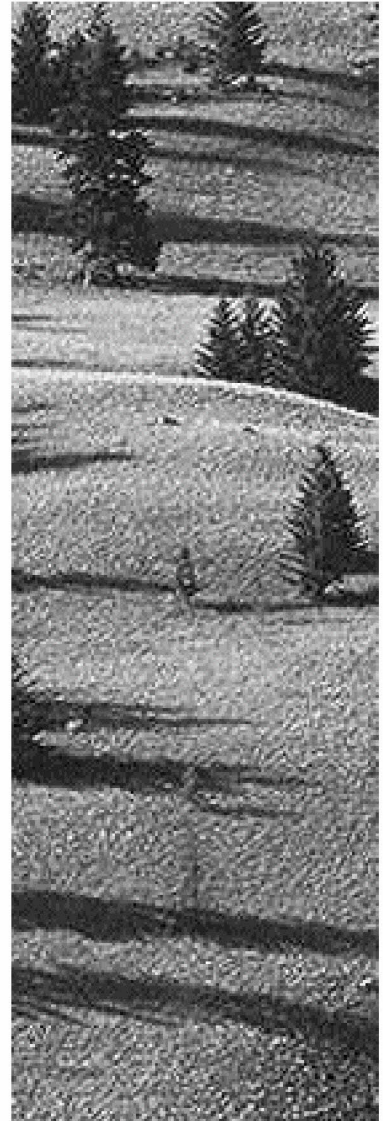
**The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation and support the principles of sustainable development.**

---

### Context

The Agency plays an important role in providing relevant and timely advice, guidance, training and recommendations to federal department and agency decision makers. This helps to ensure that environmental assessment decisions comply with the Act, reflect effective and efficient environmental assessment practices, consider public values and support the principles of sustainable development. The Agency also plays a greater role in the assessment of projects with the potential to cause significant environmental effects by managing elements of the assessment process, providing opportunities for public participation, and providing advice and support to decision makers.

Effective and efficient environmental assessment means many things. It means incorporating environmental factors early in a project's planning stage so that adverse environmental effects and related financial costs are reduced or avoided. It means conducting environmental assessments that are broad enough to consider all potential environmental effects arising from a project. It means ensuring that opportunities are provided in the environmental assessment process for Canadians to express their views, be involved in decisions that affect them and, ultimately, that allow for meaningful public contribution to the decision-making process. Finally, it means that those responsible for making decisions have the information necessary to make informed decisions in support of sustainable development.



## Strategy

The Agency has a responsibility to ensure that its actions contribute to these results. To achieve this Strategic Outcome, the Agency has focused on the following Intermediate Outcomes:

- 1.1 Be recognized as a credible advocate of high-quality environmental assessment.
- 1.2 Advance the science and practice of environmental assessment.
- 1.3 Learn from experience and share results.

## Intermediate Outcome

### **1.1 Be recognized as a credible advocate of high-quality environmental assessment.**

Advocacy is central to the Agency's leadership role in the federal environmental assessment process. For the Agency to be an effective advocate of high-quality environmental assessment, Canadians need to have confidence in a system that is relevant to their needs and is based on sound practices.

Through its interpretive guides and training courses, the Agency informs federal departments, agencies and other organizations as to how they can enhance their environmental assessment practices. The Agency's six regional offices play a key role in disseminating this information and providing ongoing liaison with federal, provincial and territorial governments.

The Agency advocates high-quality environmental assessment in a variety of ways. The Agency provides:

- secretariat support and advice to review panels;
- advice to responsible authorities, proponents and other participants during comprehensive studies, as well as to the Minister of the Environment in determining the next steps of the comprehensive study process; and
- advice to responsible authorities, proponents and other participants during both the screening process and the development of model class screening reports, as well as advice to the President of the Agency in declaring model class screening reports.

The Agency's ability to promote effective and efficient environmental assessment requires that it maintain a high level of internal expertise and be recognized as a provider of quality advice. The Agency has undertaken several activities to strengthen this role and has achieved the following results.

## **2001-2002 RESULT**

### **WE CONTINUED TO PROVIDE ADMINISTRATIVE SUPPORT TO ENVIRONMENTAL ASSESSMENT REVIEW PANELS.**

#### **Environmental Assessment Review Panels**

Review panels are the most visible and public form of environmental assessment. Extensive public participation is a distinguishing feature of review panels. The public is afforded an opportunity to participate in a thorough study of the environmental effects of a project. Review panels have the unique capacity to encourage an open and frank exchange of views, as well as to inform and involve large numbers of concerned groups and individuals in the environmental assessment process.

Review panels are independent from government, with members appointed by the Minister of the Environment. Upon completion of its assessment, the review panel reports to the Minister of the Environment and to the responsible authority. The review panel's recommendations are advisory, and the government responds to the review panel's report.

The panel conducts its assessment in an entirely open and public fashion, with individuals and groups presenting information and views through public hearings. Public participation in review panels is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

The Agency's primary roles in a review panel are to manage the review process, provide technical and administrative support to the panel, administer the Participant Funding Program, and design and implement a public information program.

**For more, visit:**

**[www.ceaa-acee.gc.ca/0009/0001/index\\_e.htm](http://www.ceaa-acee.gc.ca/0009/0001/index_e.htm)**

- Management of various environmental assessment review panels remained an important element of the Agency's business in 2001-2002. Although no panels were completed in 2001-2002, four review panels were active during this period. They are listed in the following Table 3. Two of those panels will continue to be active during the next fiscal year.



**Table 3: Summary of Review Panel Activity**

<b>GSX Canada Pipeline Project</b>	<b>Highwood Storage and Diversion Plan</b>	<b>Canadian Millennium Pipeline Project</b>	<b>Red Hill Creek Expressway Project</b>
<p>The joint review panel was formally initiated in 2001 through an agreement reached between the Minister of the Environment and the National Energy Board. Before the agreement was finalized, the Agency made it available for public review and comment; approximately 70 submissions from the public were received and considered.</p> <p>In October 2001 and January 2002, the joint review panel conducted public information sessions on the process and procedures it would follow, the issues that should be considered during the review process and the information that should be provided by the project proponent. The 12 sessions that were held were well attended, with the panel receiving over 150 submissions and/or presentations.</p> <p>The joint review panel is expected to hold public hearings on the project in the fall of 2002.</p>	<p>The joint review panel continued its review during 2001-2002. Conducted jointly with the Alberta Natural Resources Conservation Board, the panel held public meetings in June and December 2001 to hear updates concerning the progress of the project. The panel received a total of 45 submissions from the public over the two sessions.</p> <p>The joint review panel released its third Issues Progress Report in July 2001 and its fourth Issues Progress Report in March 2002.</p>	<p>In August 2001, the proponents of the project formally withdrew their applications. In early December 2001, the Minister of the Environment announced that the environmental assessment of the project was terminated, and disbanded the joint review panel.</p>	<p>In 1999, a joint review panel was appointed to examine the project. The City of Hamilton, the project proponent, subsequently challenged the application of the Act to the project in the Federal Court. The Federal Court ruled in April 2001 that the Act does not apply to the project and that the referral of the project to a review panel was not warranted. Although the federal government appealed that decision in part, it did not challenge the Court's conclusion that the project should not be referred to a review panel. The Minister wrote to the panel members indicating that the panel no longer had a legal mandate to carry out its review activities. The government lost its appeal in November 2001.</p>

## 2001-2002 RESULT

### WE PROVIDED ADVICE AND SUPPORT FOR THE MINISTER'S DETERMINATIONS ON COMPREHENSIVE STUDIES.

#### Comprehensive Studies

Certain projects may have the potential to cause significant adverse environmental effects or generate public concern. These types of projects have been identified and listed on the *Comprehensive Study List Regulations*. A comprehensive study examines the same factors as a review panel, although the assessment itself is managed and conducted by the responsible authority.

Prior to making any decision on a project, the responsible authority submits the comprehensive study report to the Agency for review. The Agency ensures that the report has been prepared in compliance with the Act, and then makes the report available for public review and comment. Following the public comment period, the Minister of the Environment determines the next step in the environmental assessment process, based on the comprehensive study report and the public comments received by the Agency.

The Agency's role in the comprehensive study process is to provide advice to responsible authorities, project proponents and the public; ensure the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment, in support of the Minister's determination of the potential significance of adverse environmental effects.

For more, visit:

[www.ceaa-acee.gc.ca/0009/0003/index\\_e.htm](http://www.ceaa-acee.gc.ca/0009/0003/index_e.htm)

- Four comprehensive studies were completed during 2001-2002. They are listed in the following Table 4. A fifth comprehensive study, Decommissioning of the Pyrocel Plant (Public Works and Government Services Canada), was subject to public review and comment in March 2002. It was completed in early April 2002.

**Table 4: Comprehensive Studies Completed During 2001-2002**

<b>Comprehensive Study</b>	<b>Project Proponent</b>	<b>Lead Department</b>	<b>Project Description</b>
<b>White Rose Offshore Oil Development</b>	Husky Oil Ltd.	Canada-Newfoundland Offshore Petroleum Board	Husky Oil Ltd. submitted a proposal to develop the oil reserves of the White Rose offshore discovery area approximately 350 km east of St. John's.
<b>Toulousteouc Hydroelectric Development</b>	Hydro-Québec	Fisheries and Oceans Canada	Hydro-Québec submitted a proposal to construct a 526-MW hydroelectric complex on the Toulousteouc River.
<b>St. Theresa Point/Wasagamack Airstrip and Connecting Road</b>	Manitoba Transportation and Government Services	Indian and Northern Affairs Canada	Manitoba Transportation and Government Services submitted a proposal to construct an airstrip and a 28-km all-weather road connection between St. Theresa Point First Nation and Wasagamack First Nation, located on the western shore of Island Lake, 500 km north of Winnipeg.
<b>Decommissioning of Whiteshell Laboratories</b>	Atomic Energy of Canada Limited	Canadian Nuclear Safety Commission	Atomic Energy of Canada Limited submitted a proposal to decommission the Whiteshell Nuclear Research Laboratories in Pinawa, Manitoba.



**CASE STUDY****Benefits of a Comprehensive Study — White Rose Offshore Oil Development**

Husky Oil Limited, in partnership with Petro-Canada, is proposing to develop the oil reserves of the White Rose offshore discovery area approximately 350 km east of St. John's, Newfoundland. The White Rose offshore oil development will involve recovering an estimated 36 million m<sup>3</sup> of oil from an area of approximately 40 km<sup>2</sup> in the Jeanne d'Arc Basin. The development costs for the project will be approximately \$2.35 billion, with costs to first oil being less than \$2 billion. The full field operating costs are expected to be approximately \$2 billion over the 15-year life of the oil field.

The Canada-Newfoundland Offshore Petroleum Board (CNOPB) is responsible, on behalf of the Government of Canada, and the Government of Newfoundland and Labrador, for petroleum resource management in the Newfoundland offshore area. The CNOPB and the other federal authorities for the project submitted a comprehensive study report to the Agency in April 2001.

The comprehensive study report stated that the project could be implemented without causing significant adverse environmental effects, taking into account the proposed mitigation measures and follow-up program. As a result of the comprehensive study report being completed, the following mitigation measures will be implemented:

- using water-based drilling muds where practical;
- recycling synthetic-based drilling muds and other drilling-related fluids and/or solids;
- treating drill cuttings;
- treating drilling-related fluids, deck drainage, bilge water, sanitary and domestic wastes, cooling water and produced water;
- transporting solid waste to shore;
- developing a waste management plan to provide guidance for addressing all offshore wastes;
- developing a fish habitat compensation plan;
- designing equipment to reduce atmospheric emissions; and
- preparing a contingency plan to mitigate and remediate the effects of offshore oil spills.

The environmental assessment conducted for this project allowed for consideration of environmental factors in the project's planning process, leading to improved environmental management of the project upon implementation.

On March 28, 2002, Husky Oil announced that it would be proceeding with the White Rose project and expects drilling to start by the summer of 2003.

For all comprehensive studies, the public is involved in various ways during the preparation of the comprehensive study report. In addition, the Agency conducts a public review and comment period at the conclusion of the comprehensive study process, prior to the Minister of the Environment's determination of next steps. In many cases, issues of concern to the public are resolved before the report is completed and no issues remain to be raised during the comment period.

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## 2001-2002 RESULT

### WE PROVIDED FORUMS FOR SHARING INFORMATION.

- In 2001-2002, more than 1,800 people attended 92 training sessions delivered by the Agency throughout Canada. These sessions included Orientation to the *Canadian Environmental Assessment Act*, Cumulative Effects Assessment Training and Screenings Under the *Canadian Environmental Assessment Act*.
- The Senior Management Committee on Environmental Assessment (SMCEA), a committee of senior federal managers representing departments and agencies across the National Capital Region, continues to work to promote dialogue between the Agency and its federal partners. The Agency has established a working group on training and guidance as a subcommittee of the SMCEA. The goal of the working group is to help the Agency identify the training and guidance needs of federal departments and agencies, as well as inform them of current Agency training and guidance activities. The information gathered from these sessions has been used to produce a forward-looking training and guidance strategy for 2002-2005.

For more on training, visit:  
[www.ceaa-acee.gc.ca/0010/0002/index\\_e.htm](http://www.ceaa-acee.gc.ca/0010/0002/index_e.htm)

## 2001-2002 RESULT

### WE PROVIDED ADVICE AND SUPPORT FOR THE IMPLEMENTATION OF STRATEGIC ENVIRONMENTAL ASSESSMENT.

#### Strategic Environmental Assessment

Strategic environmental assessment (SEA) is the systematic and comprehensive process of evaluating the environmental effects of a policy, plan or program and its alternatives. The federal government has had a directive in place requiring the assessment of policy proposals since 1990. This directive was updated with *The 1999 Cabinet Directive on the Environmental Assessment of Policy, Plan, and Program Proposals*. Since that time, the Agency has been actively promoting SEA as a key tool to support environmentally sustainable decisions.

According to the 1999 Cabinet Directive, an assessment of a policy, plan or program proposal must be conducted when two conditions are met:

- the proposal is submitted to an individual minister or Cabinet for approval; and
- the implementation of the proposal may result in important environmental effects, either positive or negative.

The 1999 Cabinet Directive assures Canadians that decision makers receive environmental analysis before decisions are made on policy, plan or program proposals.

For more, visit:

[www.ceaa-acee.gc.ca/0011/0002/dir\\_e.htm#Guidelines](http://www.ceaa-acee.gc.ca/0011/0002/dir_e.htm#Guidelines)

- The Agency has provided advice and support to federal departments in the implementation of the 1999 Cabinet Directive by:
  - briefing other departments and agencies and assisting in the development of SEA guidelines for their internal use to promote improved compliance with federal SEA policy;
  - hosting a meeting of the SEA Subcommittee of the Senior Management Committee on Environmental Assessment in October 2001 to facilitate information exchange among federal organizations on the practice of SEA; and
  - developing new Web resources in partnership with other federal departments and agencies, including a series of case studies and several frequently asked questions that will help policy analysts across government better understand their obligations under the 1999 Cabinet Directive. The materials are due to be posted on the Agency's Web site in 2002.

- The Agency has also promoted SEA internationally by participating in a workshop hosted by the Public Sector Reform Initiative in China, at an international forum on SEA held in The Hague, and as an observer at four sessions of the AdHoc Working Group on the Development of an SEA Protocol under the *Esposo Convention on Environmental Impact Assessment in a Transboundary Context*.

## CASE STUDY

### Implementing Strategic Environmental Assessment — Federal Progress

The Agency has been working within the federal community to assist in the implementation of the 1999 Cabinet Directive. Several federal departments have made significant progress by establishing internal processes to support SEA, including Industry Canada, Transport Canada, and Foreign Affairs and International Trade. For example, Foreign Affairs and International Trade has developed a *Framework for Conducting Environmental Assessments of Trade Negotiations* and *Guidelines for Conducting Strategic Environmental Assessments of Policy, Plan and Program Proposals*.



## Intermediate Outcome

### **1.2** Advance the science and practice of environmental assessment.

The Agency's capacity to provide leadership is based in part on its ability to advance and promote leading edge environmental assessment practices. As such, it is essential for the Agency to engage other resources within and outside government — if it is to influence the development of innovative approaches and further the practice of environmental assessment.

The Agency's priorities in this role are to assist in the advancement of environmental assessment, support innovative research into the practice of environmental assessment, monitor environmental assessment trends and advances, and be an effective knowledge-sharing link between the federal government and other stakeholders.

In its role as an advocate for good environmental management, the Agency works to develop environmental assessment tools and ensure access for partners. It has achieved the following results.

## **2001-2002 RESULT**

### **WE SUPPORTED THE DEVELOPMENT OF MODEL CLASS SCREENING REPORTS AND NEW PROCEDURES AND GUIDANCE MATERIALS.**

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#### **Class Screening**

The environmental assessment of certain routine projects may be streamlined through the use of a model class screening report. A model class screening report presents the accumulated knowledge of the environmental effects of a given type or class of project and identifies the known measures to reduce or eliminate the likely adverse environmental effects. It also includes a process for applying this knowledge to future projects of the same type or class.

Responsible authorities submit a completed model class screening report to the Agency for review and declaration. The Agency then makes the report available to the public for review and comment. Public comments are taken into account by the Agency and the responsible authority, prior to the Agency declaring the report to be acceptable as a model class screening.

**For more, visit:**

**[www.ceaa-acee.gc.ca/0009/0004/0001/index\\_e.htm](http://www.ceaa-acee.gc.ca/0009/0004/0001/index_e.htm)**

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■ During 2001-2002, the Agency supported the development of class screenings by providing process and technical assistance to federal departments and project proponents. The Agency continued its work on more than a dozen model class screening reports and class assessment guidelines, including:

- Prairie Grain Road Projects, Prairie Farm Rehabilitation Administration;
- Married Quarters and Detachment Building Construction in British Columbia, Royal Canadian Mounted Police; and
- Green Infrastructure Program, Office of Infrastructure and Crown Corporations.

The Agency expects that the above model class screening reports, and others being developed, will be submitted to the Agency for declaration during 2002-2003. Use of these model class screening reports will enable responsible authorities to focus assessments, efficiently use resources and ensure that environmental considerations are taken into account in project planning and implementation.

- In anticipation of proposed changes to the class screening provisions contained in Bill C-19, the Agency initiated the development of procedural and guidance materials. Training and awareness sessions are being planned; their delivery depends on the date of proclamation. This work is expected to continue during the next fiscal year.

## **2001-2002 RESULT**

### **WE CONTINUED TO SUPPORT PUBLIC PARTICIPATION.**

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#### **Participant Funding Program**

The Participant Funding Program provides financial assistance to members of the public and to organizations so that they may prepare for and participate in environmental assessment review panels. This assistance helps members of the public:

- prepare for and participate in the background “scoping” meetings that identify the factors that a project proponent must address in its environmental impact statement; and
- review the environmental impact statement, and prepare for and participate in the public hearings of the review panel.

The work that is provided financial assistance must relate to the environmental assessment of the project in question and should provide the panel with new information not presented by the proponent or other participants.

A funding review committee is established by the Agency for each review panel. The committee is independent of the panel and the proponent. The committee reviews the funding applications and makes recommendations to the President regarding the allocation of funds. The President makes the final decision on funding.

**For more, visit:  
[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)**

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- In June 2001, the Agency announced that the federal government would provide up to \$100,000 in participant funding for the Georgia Strait Crossing Pipeline Project Joint Review Panel. Following a review of the applications, eight recipients, representing a range of community, environmental and Aboriginal organizations, were awarded funding to enable their participation in the assessment being conducted by the joint review panel.

- To improve accessibility to the program, the Agency developed and made available its guide, application form and contribution agreement on its Web site.
- Since the coming into force of the *Canadian Environmental Assessment Act* in 1995, the Agency has provided over \$1,000,000 in participant funding to approximately 75 recipients regarding nine projects.

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### **Transboundary Provisions Under the Act**

The potential environmental effects of a project do not necessarily respect borders, boundaries or jurisdictions. Thus, in accordance with sections 46, 47 and 48 of the Act, the Minister may be requested by governments or petitioned by parties to refer a project for assessment of its transboundary environmental effects. This can be done by means of a mediator or a review panel. The Agency coordinates the investigation of projects subject to transboundary requests and petitions. The Agency also provides support to the Minister in the efficient, timely and consistent evaluation of petitions and requests, and by advising as to whether projects that may cause significant transboundary effects warrant assessment.

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- In 2001-2002, the Agency initiated the investigation of 13 projects subject to requests or petitions under the transboundary provisions of the Act. As of March 31, 2002, the Agency had completed the review of four of these projects. After careful consideration and technical analysis by expert federal departments, it was concluded that those projects were not likely to cause significant transboundary effects and therefore were not referred to a review panel or mediator by the Minister. The potential transboundary environmental effects of the remaining nine projects continued to be under investigation by the Agency as of March 31, 2002.



## **2001-2002 RESULT**

### **WE SUPPORTED THE DEVELOPMENT OF A VARIETY OF INNOVATIVE PRACTICES.**

- In October 2001, the Agency hired a Facilitation and Dispute Resolution Manager to promote dialogue and communication between parties involved in environmental assessments. The Manager has presented courses on interest-based negotiation to Agency staff, improving their skills and knowledge. The positive response to these training sessions has led to the development of a similar course to be offered to external clients in 2002-2003. In addition, dispute resolution experts were hired on contract in two regions to consult with other federal departments and stakeholders, and to act as facilitators if requested to do so.

#### **CASE STUDY**

##### **Mediation at Work — Alternative Dispute Resolution and Bruce Peninsula**

The purchase of a property adjacent to Bruce Peninsula National Park in Tobermory, Ontario, for park and conservation use is one example of the success of the Agency's facilitation and dispute resolution initiative. Originally, the Northern Bruce Timber Logging Company proposed logging the white cedar on the property, one of the largest privately owned forested tracts in the area. The proposal met with strong opposition from groups such as the Canadian Parks and Wilderness Society, the Federation of Ontario Naturalists, and the Chippewas of Saugeen and Nawash First Nations, among others.

The Agency determined that key groups were willing to attempt to resolve the issue through mediation. The Agency offered the services of a mediator who determined that the logging company was willing to sell the 567-hectare (1,400-acre) property to the Nature Conservancy of Canada and Parks Canada. The mediator was able to assist the parties in agreeing on the terms of the sale, which is expected to be concluded early in 2002-2003. In addition to the positive resolution of the conflict, there is promise that lands critical to maintaining the ecological integrity of the Bruce Peninsula National Park will be protected and preserved for future generations.

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## Research and Development

The Research and Development Program, launched in September 2000, has a “solutions focus.” It addresses policy and process issues to improve the effectiveness and efficiency of environmental assessments. The Program provides \$200,000 per year to researchers to fund work in the following priority areas:

- determining the significance of environmental effects;
- follow-up;
- human impact assessment;
- regional environmental frameworks; and
- integrating climate change into environmental assessment.

For more, visit:

[www.ceaa-acee.gc.ca/0010/0001/index\\_e.htm](http://www.ceaa-acee.gc.ca/0010/0001/index_e.htm)

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- Under the Research and Development Program, the Agency has funded 10 research projects in 2001-2002 in several priority areas, such as regional environmental effects, significance and follow-up.
- The Agency has developed a guidance document entitled *Good Practice in Scoping*. The document is a collection of best practice examples gathered from the experiences of federal government departments and agencies that have conducted environmental assessments. The report will be integrated into future Agency documents aimed at innovating the practice of environmental assessment.
- Ongoing monitoring and review of the public comments received by the Agency have guided the enhancement of the Federal Environmental Assessment Index. New and improved search capabilities have been put in place to facilitate access to information related to environmental assessments filed in the Index. A quick search with respect to public participation has been added to provide the public with a one-stop reference to assessments for which comments have been invited.
- The Agency worked on a discussion paper regarding the current status of traditional ecological knowledge as a prelude to developing guidelines for responsible authorities. Bill C-19 proposes to amend the Act to acknowledge the role of traditional ecological knowledge in federal environmental assessment.

## Intermediate Outcome

# 1.3

### Learn from experience and share results.

There are many benefits to using past experience gained from conducting environmental assessments — evaluating past assessments greatly assists the Agency and other stakeholders in determining appropriate policy directions and improving guidance. Reporting on the effectiveness of environmental assessment also helps to strengthen public confidence and encourage valuable public participation.

Among its partners and clients, the Agency promotes continuous learning and the development of new environmental assessment practices. It also works to ensure that results are shared among environmental assessment practitioners to promote sound practices and the integration of environmental factors into the decision-making process. The Agency's activities in these areas have achieved the following results.

## 2001-2002 RESULT

### WE CONTINUED TO PROMOTE BEST PRACTICES IN ENVIRONMENTAL ASSESSMENT.

- To share recent results of the Research and Development Program, the Agency held three seminars in Montreal, Toronto and Vancouver. Researchers made presentations on the results of their work in the areas of **follow-up**, **climate change** and **significance**. Approximately 300 people attended the seminars.
- A new training course, Screenings Under the *Canadian Environmental Assessment Act*, was launched. This course is directed at environmental assessment practitioners and provides a best practices approach to screenings under the Act. Seven sessions were held in various locations throughout the country.
- Through its regional offices, the Agency has worked with federal departments and agencies on specific issues which have provided learning opportunities to advance the procedural and managerial aspects of their environmental assessment responsibilities. For example:
  - The Pacific and Northern Office worked with Canadian Heritage and other federal departments and agencies on the preliminary identification of environmental issues and the development of an environmental assessment strategy related to the Vancouver-Whistler bid to host the 2010 Winter Olympics.

- The Prairies Office worked with Western Economic Diversification to address issues regarding scoping and public participation in the environmental assessment of a controversial proposal to develop an arena in downtown Winnipeg.

## **2001-2002 RESULT**

### **WE ENSURED THAT CANADIANS HAVE ACCESS TO TIMELY INFORMATION ON ENVIRONMENTAL ASSESSMENT.**

- The Agency's redesign of its Web site has provided a comprehensive source of information with respect to environmental assessment (see Government On-Line Initiative, Annex 1). A powerful search tool and a well-defined menu have greatly improved the accessibility of information contained on the Agency's Web site.

## **2001-2002 RESULT**

### **WE ARE DEVELOPING NATIONAL GUIDANCE FOR INCORPORATING CLIMATE CHANGE INTO ENVIRONMENTAL ASSESSMENT.**

- A federal-provincial-territorial working group was established in January 2002 to develop national guidance for incorporating climate change into environmental assessment. Progress to date includes:
  - Terms of reference and a work plan were developed. The work was divided into five phases: information collection and analysis, development of draft guidance, government consultations, stakeholder consultations and forwarding the guidance to jurisdictions for their consideration. By April 1, 2002, Phase 1 of the group's work was completed.
  - A summary document was prepared which compiled information gathered on the science of climate change, actions to reduce greenhouse gas emissions and manage climate change impacts, consideration of climate change in past environmental assessments, consideration of climate change in international environmental assessments, possible methodologies for use in the draft guidance and a list of relevant resources such as Web links, articles, papers and presentations.

- Phase 2, development of draft guidance, was under way by April 1, 2002. All five phases are expected to be completed by December 2002. Once complete, environmental assessment practitioners will have basic guidance on how to deal with the complex issue of incorporating the impact of climate change into assessments.



## STRATEGIC OUTCOME 2: COORDINATED AND HARMONIZED ENVIRONMENTAL ASSESSMENTS

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The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and harmonized with other jurisdictions.

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### Context

All federal, provincial and territorial jurisdictions in Canada administer some form of environmental assessment regime. The application of these regimes to a single project requires cooperation to avoid duplication, increase certainty, and reduce costs and potential delays.

The Agency promotes consistent approaches to environmental assessments across Canada and with its international partners. The Agency works with provincial partners to develop harmonized processes wherever possible. It also fosters ongoing relations with Aboriginal communities. The emerging environmental assessment processes under self-government and land claims agreements play an increasing role in the evolution of sustainable development practices in Canada.

### Strategy

The Agency works cooperatively with partners to establish common goals and advance sound environmental assessment practices and procedures. To achieve this Strategic Outcome, the Agency has focused on the following Intermediate Outcomes:

- 2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners.
  - 2.2 Strengthen relationships with partners and stakeholders.
- 



## Intermediate Outcome

### **2.1** Clarify and improve environmental assessment processes with other jurisdictions and other federal partners.

Effective application of environmental assessment processes requires input and cooperation of various stakeholders. By fostering inter-jurisdictional networks and partnerships, the Agency plays a role in improving environmental assessment processes at all levels of responsibility. Canadians benefit from this improved environmental management.

Clear and coordinated environmental assessment processes across jurisdictions maximize predictability, increase efficiency, minimize conflicts and contribute to a better overall assessment regime. The Agency has undertaken several activities toward this end and has achieved the following results.

## **2001-2002 RESULT**

### **WE IMPROVED THE COOPERATION AND COORDINATION OF ENVIRONMENTAL ASSESSMENT PROCESSES.**

- Discussions with Ontario and Newfoundland and Labrador continued for the development of cooperative agreements on environmental assessment. Discussions with British Columbia were well advanced during the reporting period to extend the 1997 Agreement on Environmental Assessment Cooperation that expired in April 2002. Initial discussions for agreements with Nova Scotia and New Brunswick have also commenced.
- The Agency has been actively pursuing the development of an approach to ensure effective, efficient and predictable environmental assessment and regulatory processes for potential northern natural gas pipeline route options. A draft plan that provides a framework for cooperation between the different authorities, with public hearing requirements for a Mackenzie Valley project, was in development during 2001-2002. The draft plan was released for a 90-day public consultation in December 2001. The cooperation plan, to be finalized in 2002-2003, will help to avoid duplication of work. It will also provide clarity and certainty of process for potential proponents and the public.

**CASE STUDY****Harmonization Agreements at Work — Comprehensive Study of the St. Theresa Point and Wasagamack Airport and Connecting Road, Island Lake, Manitoba**

Manitoba Transportation and Government Services and Indian and Northern Affairs Canada proposed the construction of a new airport and connecting road for the communities of St. Theresa Point First Nation and Wasagamack First Nation. The work was required to provide year-round, safe and dependable access to an airstrip that equally serves the needs of both locations. The communities are accessible by ice road for approximately six to eight weeks each winter and by air to a nearby airstrip for the balance of the year. However, there is no road joining the communities to either the airstrip or each other. Access between the airstrip and the communities is by boat in the summer and ice road in the winter.

A comprehensive study was conducted in cooperation with the Government of Manitoba, pursuant to the *Canada-Manitoba Agreement for Environmental Assessment Cooperation*. The agreement provides for the coordinated and cooperative assessment of projects in a manner that meets both federal and provincial legislative requirements. The Government of Manitoba determined that the comprehensive study completed under the *Canadian Environmental Assessment Act* would also satisfy its environmental assessment requirements under the *Manitoba Environment Act*.

The steering and technical committees, composed of representatives of the First Nation communities, and federal and provincial departments and agencies, were formed to ensure that the comprehensive study was completed in accordance with the requirements of both federal and provincial legislation.

A joint public comment period was conducted, enabling the consultation needs of both the federal and provincial governments to be met.

**For more on harmonization agreements, visit:**  
**[www.ceaa-acee.gc.ca/0009/0001/0003/0001/index\\_e.htm](http://www.ceaa-acee.gc.ca/0009/0001/0003/0001/index_e.htm)**



## **2001-2002 RESULT**

### **WE SUPPORTED FEDERAL NEGOTIATORS IN ADDRESSING ENVIRONMENTAL MANAGEMENT ISSUES IN ABORIGINAL LAND CLAIMS AND SELF-GOVERNMENT AGREEMENTS.**

- In April 2001, the environmental assessment chapter of the federal *Guidelines for Negotiators: Environmental Management in Self-Government Agreements and Comprehensive Land Claims* was finalized and approved by the Federal Steering Committee on Self-Government and Comprehensive Land Claims. These guidelines will ensure greater consistency among agreements and lay the groundwork for harmonization.
- The Agency continues to support federal negotiators in addressing environmental assessment management issues in self-government and comprehensive land claims agreements. The Agency monitored and participated in 28 land claims negotiations during the past year. The successful negotiation of these agreements can be a lengthy process.
- The Agency has also been working with Indian and Northern Affairs Canada to support opening the *First Nations Land Management Act* to additional First Nations.

## **2001-2002 RESULT**

### **WE SOUGHT TO CONCLUDE INTERNATIONAL ENVIRONMENTAL ASSESSMENT AGREEMENTS.**

- The Agency continues to lead Canada's participation in the development of a trilateral agreement between Canada, Mexico and the United States on transboundary environmental impact assessment. Concluding such an agreement will simplify the practice of environmental assessment by laying the foundation for cooperative work among jurisdictions when projects are likely to have transboundary effects. Various approaches are being discussed among the countries concerning the scope of the agreement.
- Also at the international level, the Agency provided advice to the discussions between Canada and France concerning the development of an administrative arrangement to implement the *United Nations Convention on Environmental Impact Assessment in a Transboundary Context* (the Convention). Potential oil and gas development in the offshore area of Saint-Pierre-et-Miquelon has prompted Canada and France to develop an agreement on the management of hydrocarbon

fields that straddle boundary lines. As per the Convention, transboundary environmental impact assessment obligations will form part of the agreement. It is anticipated that the administrative arrangement will assist in the operational delivery of the Convention obligations.

## **2001-2002 RESULT**

### **WE PROVIDED ADMINISTRATIVE AND MANAGEMENT SUPPORT TO THE FEDERAL ADMINISTRATOR OF THE JAMES BAY AND NORTHERN QUEBEC AGREEMENT.**

#### ***The James Bay and Northern Quebec Agreement***

The *James Bay and Northern Quebec Agreement* (JBNQA) is the first comprehensive land claim treaty between Canada and Aboriginal people. Signed in 1975, the Agreement includes self-governance components and establishes a strong relationship among the Cree, Inuit and the Government of Canada. The President of the Agency has been designated by Order in Council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the JBNQA.

- In 2001-2002, the Agency developed and applied a coordinated approach for the application of the Act and the JBNQA environmental assessment processes for a water collection and treatment project, and two marine infrastructure construction projects. These assessments involved the coordination of multiple federal departments and review bodies under the JBNQA, as well as public consultations.
- Canada-Quebec contribution agreements were also finalized for the two consultative committees (Cree and Inuit) identified under chapters 22 and 23 of the JBNQA.

## Intermediate Outcome

# 2.2 Strengthen relationships with partners and stakeholders.

Building and maintaining strong working relationships with partners and stakeholders are at the core of the Agency's success. One effective way that the Agency continues to promote these relationships is through its regional offices. Being closer to their clients and partners, regional officials help to maintain strong networks, and promote cooperation and coordination among federal departments and other environmental assessment partners across Canada. The Agency also relies on an extensive array of networks to establish common goals on which to base partnerships, advance environmental assessment and continually enhance opportunities for public participation in the process.

The partners involved in environmental assessment benefit from building strong relationships with good communication and cooperation toward a common goal. The Agency has undertaken several activities toward strengthening these relationships and has achieved the following results.

## 2001-2002 RESULT

### WE PROMOTED REGIONAL OFFICES AS CENTRES OF GUIDANCE AND ASSISTANCE.

- Each of the Agency's six regional offices continues to chair a Regional Environmental Assessment Committee. These committees, comprising representatives of federal departments and agencies and, in most cases, provincial agencies, serve as a forum to share information on regional environmental assessment issues offered by the Agency. Information gathered at these meetings is used by Regional Liaison and Guidance to refine its training materials and better meet client needs.
- To promote good environmental assessment practice, the Agency's Quebec Regional Office presented three workshops on the environmental assessment requirements of the *James Bay and Northern Quebec Agreement* to representatives of federal departments and agencies.

## **2001-2002 RESULT**

### **WE IMPROVED THE DESIGN AND DEVELOPMENT OF TRAINING AND GUIDANCE SERVICES TO BETTER MEET THE NEEDS OF PARTNERS IN ENVIRONMENTAL ASSESSMENT.**

- The Agency delivered 92 training sessions and workshops for approximately 1,800 participants, and developed a new Training and Guidance Strategy in collaboration with other federal departments.
- New and innovative training and guidance materials were also provided, for example, *Good Practice in Scoping*.
- The Agency's Research and Development seminar series partnered with representatives from industry, environmental non-government organizations, government and academia to help build collaborative relationships across institutional and jurisdictional lines. Improving the dissemination of information and best practices within the community will promote better understanding, clarity and efficiency of environmental assessment.





## STRATEGIC OUTCOME 3: CONSISTENT AND PREDICTABLE APPLICATION OF ENVIRONMENTAL CONSIDERATIONS IN FEDERAL DECISION MAKING

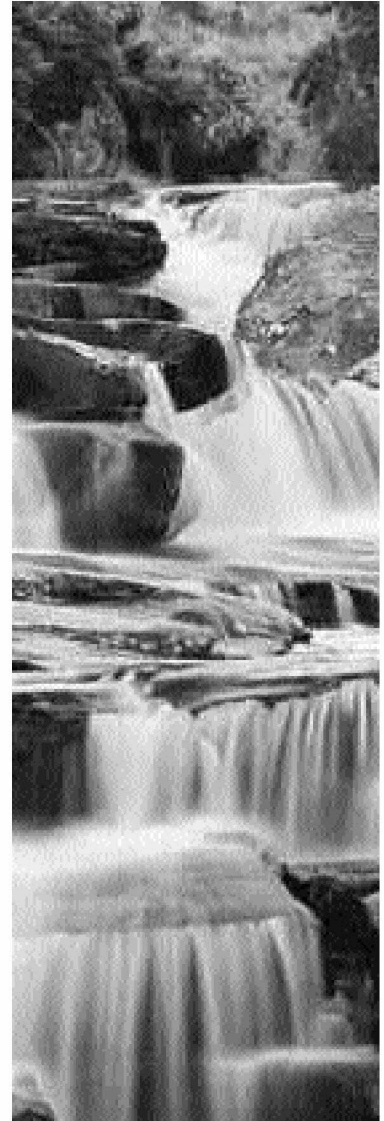
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The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.

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### Context

The Agency takes a leadership role in assisting federal departments and agencies to comply with the Act. Although the Act does not contain enforcement provisions, a priority of the Agency is to work with other government departments to promote its consistent and predictable application. The Agency does so by working on expanding the coverage of the Act so that more activities with potential environmental effects involving the federal government are assessed. It also encourages compliance by ensuring that those responsible for applying the Act have the appropriate training and tools at their disposal to adequately fulfil their responsibilities. An additional priority is addressing areas where discrepancies within the federal environmental assessment process may exist.



### Strategy

To achieve this Strategic Outcome, the Agency has focused on the following Intermediate Outcomes:

- 3.1 Improve the Agency's capacity to monitor, assess and foster compliance with the *Canadian Environmental Assessment Act*.
- 3.2 Address gaps in the application of the *Canadian Environmental Assessment Act*.

## Intermediate Outcome

### **3.1** Improve the Agency's capacity to monitor, assess and foster compliance with the *Canadian Environmental Assessment Act*.

Consistent and predictable interpretation of responsibilities under the Act is extremely important. To facilitate and improve compliance, the Agency has a role to play in evaluating how well other departments and agencies understand their responsibilities with respect to the Act. This allows the Agency to identify shortcomings and successes, and develop improvements to the guidance offered. The Agency also has an ongoing responsibility to provide training and guidance tailored to the specific needs of departments and agencies.

Monitoring and assessing compliance ensure that the Act is being applied in an effective and consistent manner across Canada. It also affords an opportunity to identify issues with the federal environmental assessment regime that may require further attention or action. The Agency's activities in this area have achieved the following results.

## **2001-2002 RESULT**

### **WE WORKED ON MONITORING THE COMPLIANCE, CONSISTENCY AND OVERALL QUALITY OF ENVIRONMENTAL ASSESSMENTS.**

#### **Quality Assurance Program**

The Five Year Review of the Act identified strong support among Canadians to promote greater compliance with the Act. To meet that objective, Bill C-19 would amend the Act to establish a clear role for the Agency in promoting and monitoring compliance with the Act. Under the proposed change, the Agency would have the power to request information from responsible authorities. Using this authority, the Agency would lead a Quality Assurance Program for assessments done by federal departments and other entities subject to regulations. The Program would include an ongoing mechanism to monitor compliance with the Act and the overall quality of assessments, and may include guidance to promote consistency in the application of the Act.

- Development of the elements of the Quality Assurance Program continued within the Agency during the past year. Progress has been satisfactory, but further efforts await the completion of the parliamentary review of Bill C-19.

## Intermediate Outcome

### **3.2** Address gaps in the application of the *Canadian Environmental Assessment Act*.

The Agency continues to increase the consistency and predictability of the federal environmental assessment process through improvements to the regulatory framework. This process involves extensive, nation-wide public consultations and input from various partners, helping to ensure that regulatory reform and enhancement improve the scope and range of activities which are subject to assessment.

Improving consistency and predictability requires that the Agency address several areas where discrepancies within the federal environmental assessment process may exist. To this end, the Agency seeks to identify any discrepancies within the environmental assessment regime and works with partners to address them. The Agency has undertaken several activities that have achieved the following results.

## **2001-2002 RESULT**

### **WE ARE PURSUING THE DEVELOPMENT OF ENVIRONMENTAL ASSESSMENT REGIMES FOR AIRPORT AUTHORITIES AND OFFSHORE PETROLEUM BOARDS, AMONG OTHERS.**

#### **Crown Corporations**

Currently, Crown corporations are covered under the Act in the same manner as their private-sector counterparts; an environmental assessment is required if a federal department or agency has a decision-making responsibility for the project in question. Due to the unique nature of Crown corporations and other similar entities, provisions exist within the Act to develop regulations to design environmental assessment regimes specific to their circumstances. Following the Five Year Review of the Act, the Minister proposed in his report to Parliament to develop regulations for selected Crown corporations. Bill C-19 would amend the Act to facilitate the development of regulations.

- Work is under way to investigate potential options for developing an environmental assessment regime for Crown corporations.
- Similarly, work has begun on establishing environmental assessment regulations for airport authorities operating on leased federal lands in anticipation of changes to the Act arising from Bill C-19.



- In preparation for approval by Governor in Council, stakeholders reviewed proposed amendments to several regulations under the Act relating to oil and gas. Once approved, the amendments will require a range of projects be authorized by the Canada - Nova Scotia and Canada - Newfoundland Offshore Petroleum Boards. These would be subject to the Act, in the same way as similar projects are in the rest of the country.
- The Agency offered its views and expertise during interdepartmental deliberations to develop options to give statutory authority to Export Development Canada's environmental assessment and review process. Amendments to the *Export Development Act* were proclaimed on December 21, 2001. The amendments require environmental reviews under the *Export Development Act* of projects supported by Export Development Canada.

## **2001-2002 RESULT**

### **WE BEGAN DISCUSSIONS ON BAND COUNCIL ENVIRONMENTAL ASSESSMENT REGIMES.**

#### **Amendments and Reserve Lands**

During the Five Year Review, Indian reserve lands were identified by Aboriginal and federal authorities as being insufficiently covered under the Act. Current legislation requires an environmental assessment to be conducted when a decision is taken to provide federal funding to a project — except when such projects are conducted on Indian reserve lands. Under proposed amendments to the Act, the environmental assessment of all federally funded projects on reserve lands would be carried out when the essential details of the projects are known. The amendments will also provide additional scope and flexibility in the development of the regulations.

To initiate the establishment of environmental assessment regulations, which Band councils could adopt and apply on reserve lands, the Agency has joined in exploratory discussions with the Mi'kmaq of Nova Scotia. The experience gained by the Agency in working with the Mi'kmaq on developing environmental assessment regulations can be extended to other regions of Canada and discussions with other Aboriginal peoples.

- The Confederacy of Mainland Mi'kmaq, the Union of Nova Scotia Indians and the Assembly of First Nations are working with the Agency to define what a Band council environmental assessment regulation might generally contain and, consequently, its provisions and limitations. Exploratory discussions were held

with the Confederacy of Mainland Mi'kmaq in preparation for future negotiations on the development of a Band council environmental assessment regime under proposed amendments to the Act. Financial resources were provided to facilitate Aboriginal participation in those discussions. The Agency has also agreed to hold similar discussions with the Union of Nova Scotia Indians in 2002-2003. The creation of Band council environmental assessment regulations under the Act will enable Band councils to apply, with full legal authority, environmental assessment regimes which are culturally and politically appropriate while still meeting, as a minimum, the standards set by the Act.





## ANNEXES



# ANNEX 1

## CONSOLIDATED REPORTING

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### Human Resources Management

In the January 2001 Speech from the Throne, the Government of Canada committed itself to a “Public Service that is innovative, dynamic and reflective of the diversity of the country.” Greater emphasis was placed on the importance of having a public service that distinguishes itself by excellence and by being equipped with the skills to respond to an evolving knowledge-based economy and society.

In line with government-wide human resources commitments, the Agency’s human resource management practices and efforts are focused on embracing diversity, promoting official languages and fostering a learning organization that values knowledge and new ideas. The Agency recognizes the importance of having a dedicated, motivated and skilled workforce to deliver the best possible services and results to its clients, partners and ultimately to Canadians.

To move its agenda forward, the Agency has established a Human Resources Management Modernization Committee which focuses on six key themes: Learning, Information Sharing, Awards and Recognition, Results-Based Management, Improvement of Workplace Technology, and A Healthy Workplace. In 2001-2002, the Committee provided the Agency with internal tools, guidance and policies that foster good human resources practices, as well as address human resources and workload issues.

The Agency is committed to managing its business according to the highest public service values. Accordingly, the Agency developed a Policy on Internal Disclosure of Information on Wrongdoing in the Workplace. This Policy encourages employees to disclose any behaviour that goes against public service values and good governance.

Although most of the immediate results related to human resources are internal, Canadians directly benefit from sound human resources management via the strategic outcomes described in this report.

## Sustainable Development Strategy

This is the first progress report on the Agency's second Sustainable Development Strategy (SDS), entitled *Environmental Assessment: A Critical Tool for Sustainable Development*. The Agency's SDS promotes environmental assessment as a critical tool for sustainable development, and supports the Agency's internal effort to green its operations by outlining 70 commitments grouped under three main goals for 2001-2003:

1. Expanding the knowledge;
2. Building effective partnerships; and
3. Strengthening internal capacity (including Sustainable Development in Government Operations).

Within the above goals, the intermediate outcomes from the Agency's strategic planning framework are identified as objectives. These are combined with additional unique objectives to form the basis of the Agency's SDS.

### 1. Expanding the Knowledge

The Agency has expanded the knowledge with respect to environmental assessment and supported sustainable development through:

- managing and promoting its Research and Development Program;
- developing model class screening reports; and
- increasing awareness through training and guidance materials, and through the sharing of experiences and results.

### 2. Building Effective Partnerships

The Agency builds partnerships with the other levels of government, Aboriginal groups and a wide variety of stakeholders to promote a more consistent, comprehensive and coordinated approach to environmental assessment. The Agency thus promotes sustainable development.

In this context, the Agency:

- reviewed the appropriate scope and coverage of the Act;
- initiated discussions with Aboriginal groups to develop regulations governing environmental assessment on reserves as well as promoting the harmonization of Aboriginal and federal environmental assessment processes;



- continued to work on clarifying and improving processes with other jurisdictions and with federal partners by negotiating bilateral harmonization agreements on environmental assessment cooperation with those provinces currently without an agreement of this nature; and
- continued to encourage the early integration of environmental considerations into the federal policy-making processes by working to implement *The 1999 Cabinet Directive on the Environmental Assessment of Policy, Plans, and Proposals*.

### **3. Strengthening Internal Capacity and Promoting Sustainable Development in Government Operations**

The Agency promotes internal awareness about sustainable development by incorporating it into training guides and orientation material, recruiting a knowledgeable workforce and encouraging ongoing efforts to promote more environmentally sustainable practices within the Agency.

A management framework has been developed to help monitor progress in implementing the sustainable development strategy. This framework consists of a Sustainable Development Committee and a Monitoring and Tracking System. The Committee has been tasked to measure and report on the Agency's performance in implementing the SDS, while the System has been developed to allow committee members to document activities that support the progress toward SDS commitments. Updates on progress are required three times a year. In addition, the Agency has recently revised the environmental management plan that provides direction regarding the greening of internal operations.

#### ***Sustainable Development in Government Operations***

The Agency leases all its office space requirements. As a result, its greatest impacts with respect to the Sustainable Development in Government Operations (SDGO) initiative are in the areas of solid waste management, green procurement and vehicle fleet management.

*Solid Waste Management:* Since 1999, the Agency has operated the No Waste Program at its headquarters as a means of reducing, recycling and otherwise diverting waste from landfill. All regional offices also have recycling programs in place. The Agency donates its used office equipment such as bookshelves, desks and office chairs to local charities. In addition, outdated computers are sent to the federal government's Computers for Schools program. New staff are introduced to the Agency's waste management strategy in employee orientation material.



A March 1999 waste audit concluded that the Agency diverts approximately 70% of its solid waste. A follow-up waste audit is planned before the end of the current SDS cycle (2001-2003) to ensure that the Agency is achieving its solid waste management goals and objectives.

*Green Procurement:* Procurement activities are guided by current government standards and best practices for sustainable development. For example, ISO 14001, Ecologo and Energy Star certification, TCO'95 compliance and other standards are considered for all significant procurement decisions. Highlights of the Agency's green procurement activities include:

- 100% of the Agency's contracts contain statements affirming the contractor's obligations with respect to sustainable development.
- \$65,000 worth of green purchases were reported in 2001-2002, representing approximately 16% of all procurement.

*Vehicle Fleet Management:* The Agency has a single vehicle which is located in its Vancouver regional office. The vehicle was driven approximately 4500 km and consumed approximately 400 litres of gasoline in 2001-2002.

## **Sustainable Development Strategy Challenges**

The Agency's ability to implement its SDS is based on its capacity to meet new challenges and adapt to emerging trends. In the course of implementing the current SDS, the following challenges have arisen:

- Changes in the parliamentary schedule for the review of the Agency's enabling legislation have led to a decision to delay the implementation of several SDS commitments.
- In some cases, achieving a given SDS commitment requires the participation and cooperation of one or more outside parties who may have varying levels of commitment to the issue.
- The Agency has been asked to establish better linkages between its overall program and sustainable development. In response, the Agency plans to develop a more detailed report on how environmental assessment contributes to sustainable development. Four training modules will also be developed to provide training on sustainable development and on the Agency's environmental management system for both employees and external clients.

- Continuous improvement in the greening of the Agency's internal operations is restrained by the terms of its lease and occupancy agreements for office space, and by the evolution of the government procurement process and establishment of clear green procurement standards.

**For more on the Agency's SDS, visit:**

**<http://www.ceaa-acee.gc.ca>**

**For more on Sustainable Development in Government Operations, visit:**

**[www.greeninggovernment.gc.ca/indexe.htm](http://www.greeninggovernment.gc.ca/indexe.htm)**

## Modern Comptrollership

Modern comptrollership is a federal management reform which focuses on the sound management of resources and effective decision making. It helps federal departments and agencies focus on what matters to Canadians and responds to their concerns about the value they obtain for their tax dollars.

The Agency embarked on this government-wide initiative in the autumn of 2001. Since then, the Agency has initiated and participated in various projects that advance its modern management agenda.

The Project Management Office was created in January 2002 to support and guide the Agency in implementing, managing and promoting the activities related to the modern comptrollership initiative, as outlined in the *Results for Canadians* report. Its main mission is to ensure that modern management practices support the mission and mandate of the Agency and the attainment of its strategic outcomes.

**For more on *Results for Canadians*, visit:**

**[http://www.tbs-sct.gc.ca/res\\_can/rc\\_e.html](http://www.tbs-sct.gc.ca/res_can/rc_e.html)**

In the spring of 2002, the Agency participated in a self-assessment of its current management practices to identify areas for management improvements. The results of the Capacity Assessment will be incorporated into an Action Plan describing what the Agency intends to do in order to further its management practices. Both the Capacity Assessment and the Action Plan will be available on the Agency's Web site in the autumn of 2002.

**For more on the state of modern comptrollership across government, visit:**  
**<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/0207ce.html>**

The Canadian Environmental Assessment Agency is partnering with other small organizations on different modern comptrollership projects — to identify best practices and initiatives that are adapted to the reality of the small agency community and that enhance their capacity to deliver better services and better results to Canadians.

The Agency is committed to providing Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development. The modern comptrollership initiative is a way to ensure that the Agency remains true to its mission and continues to provide Canadians with high-quality services and results as described in this report.

**For more on modern comptrollership, visit:**  
**[http://www.tbs-sct.gc.ca/CMO\\_MFC/index\\_e.asp](http://www.tbs-sct.gc.ca/CMO_MFC/index_e.asp)**

## Government On-Line Initiative

The Government of Canada has stated its intention to help to make Canada one of the most connected countries in the world. During 2001-2002, the Agency evaluated its requirements with the assistance of consultants regarding the development of a strategic plan to support its Government On-Line (GOL) obligations. This work will continue during 2002-2003 and address the following:

- assessing overall opportunities for improved citizen and client program delivery;
- determining the possible contributions of GOL to improving the quality of environmental assessment and/or supporting more informed decision making in support of sustainable development; and
- identifying and developing a proposed corporate strategy, approach and work plan to support the Agency's Tier II GOL obligations and to consider the Tier III GOL obligations for 2004.





## ANNEX 2

### FINANCIAL PERFORMANCE

#### Financial Performance Overview

Overall, the Agency spent \$12,564,807 during 2001-2002, ending the year with an unexpended balance of 10.8% of its total authorities (including \$900,000 allocated for participant funding which was not required this fiscal year). Direct operating expenditures and salaries for major areas of activity include:

	(thousands of dollars)
• Regional offices — provision of information, advice, coordination and liaison support for the full range of Agency operations;	1,930
• Support for the parliamentary review of the <i>Canadian Environmental Assessment Act</i> ;	1,322
• Tools to advance the implementation of the <i>Canadian Environmental Assessment Act</i> and improve the process, including operational policy statements, class screening models, delivery of client training and education materials, Quality Assurance Program and alternative dispute resolution strategy;	989
• Policy initiatives including federal-provincial harmonization, strategic environmental assessment, regulatory initiatives and policy research;	790
• Support for incorporation of Aboriginal interests and involvement in environmental assessment through development of provisions in land claims and self-government agreements, in addition to fulfilling obligations under the <i>James Bay and Northern Quebec Agreement</i> ;	529
• Costs associated with review panels and related initiatives including Georgia Strait Crossing, Highwood Storage and Diversion Plan, Red Hill Creek Expressway and northern pipeline developments;	485
• Research and Development Program;	393
• Management of human resource-related activities to develop capacity in people and become a learning organization; and	311
• Support for other departments in the conduct of comprehensive studies and development of recommendations.	109

Although the Agency received authority to recover costs from project proponents for conducting review panels in August 1998, this authority has not yet been used because no eligible review panels have been established. The Agency generated revenues of \$197,610 from the sale of training services and publications.

## Financial Summary Tables

This section provides financial performance information using a variety of formats. Summary financial data presented in Tables 5 to 10 are displayed using separate column and row headings. For clarity, these headings are defined below.

<b>Planned Spending</b>	Planned spending at the beginning of fiscal year 2001-2002
<b>Total Authorities</b>	Includes planned spending plus adjustments to reflect changes in priorities and unforeseen events (Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities or adjustments)
<b>Actual</b>	What was actually spent or collected for fiscal year 2001-2002
<b>Respendable Revenues</b>	Revenues that can be used by the Agency to offset program expenditures; for example, cost recovery for review panels or sale of publications and training services
<b>Non-Respendable Revenues</b>	Revenues collected on behalf of the government which cannot be used by the Agency to offset program expenditures



**Table 5: Financial Requirements by Authority**

		<b>2001-2002</b>		
<i>(thousands of dollars)</i>		<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Vote</b>				
	<b>Canadian Environmental Assessment Agency</b>			
15	Program Expenditures	10,363.0	12,684.7	<b>11,317.8</b>
(S)	Contribution to Employee Benefit Plans	1,197.0	1,247.0	<b>1,247.0</b>
	<b>Total Agency</b>	<b>11,560.0</b>	<b>13,931.7</b>	<b>12,564.8</b>

Note: Actual expenditures were approximately \$1,004,800 greater than planned spending due the increased cost of supporting an extended Parliamentary Review of Bill C-19, as well as the impact of collective bargaining agreements which affect salary costs.

**Table 6: Comparison of Total Planned Spending to Actual Spending**

<i>(thousands of dollars)</i>	<b>2001-2002</b>		<b>Actual</b>
	<b>Planned Spending</b>	<b>Total Authorities</b>	
Full-Time Equivalents (FTEs)	95	100	<b>100</b>
Operating	15,061.0	17,433.2	<b>12,762.4</b>
Total Gross Expenditures	15,061.0	17,433.2	<b>12,762.4</b>
Less: Respendable Revenues	(3,501.0)	(3,501.0)	<b>(197.6)</b>
Total Net Expenditures	11,560.0	13,392.2	<b>12,564.8</b>
Other Revenues and Expenditures			
Non-Respendable Revenues	—	—	<b>(0.4)</b>
Cost of Services Provided by Other Departments	1,569.0	1,585.6	<b>1,585.6</b>
<b>Net Cost of the Program</b>	<b>13,129.0</b>	<b>14,977.8</b>	<b>14,150.0</b>

Note: Due to rounding, figures may not add up to the totals shown.

**Table 7: Historical Comparison of Total Planned Spending to Actual Spending**

<i>(thousands of dollars)</i>	<b>Actual 1999-2000</b>	<b>Actual 2000-2001</b>	<b>2001-2002</b>		<b>Actual</b>
			<b>Planned Spending</b>	<b>Total Authorities</b>	
<b>Canadian Environmental Assessment Agency</b>	<b>11,415.6</b>	<b>11,387.4</b>	<b>11,560.0</b>	<b>13,392.2</b>	<b>12,564.8</b>

**Table 8: Revenues****Respendable Revenues**

<i>(thousands of dollars)</i>	<b>Actual 1999-2000</b>	<b>Actual 2000-2001</b>	<b>2001-2002</b>		<b>Actual</b>
			<b>Planned Spending</b>	<b>Total Authorities</b>	
Canadian Environmental Assessment Agency	344.0	209.8	3,501.0	3,501.0	197.6
<b>Total Respendable Revenues</b>	<b>344.0</b>	<b>209.8</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>197.6</b>

**Non-Respendable Revenues**

Canadian Environmental Assessment Agency	14.9	0.2	—	—	0.4
<b>Total Non-Respendable Revenues</b>	<b>14.9</b>	<b>0.2</b>	<b>—</b>	<b>—</b>	<b>0.4</b>

<b>Total Revenues</b>	<b>358.9</b>	<b>210.0</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>198.0</b>
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Note: In August 1998, the Agency received authority to recover the costs of new review panels from project proponents. Authorities are based on historical average annual panel costs. During 2001-2002, no new eligible review panels were established, resulting in a variance of approximately \$3.3 million between total authorities and actual revenues collected. Actual 2001-2002 respendable revenues consisted mainly of proceeds from sale of publications and training products.

**Table 9: Statutory Payments**

<i>(thousands of dollars)</i>	<b>Actual 1999-2000</b>	<b>Actual 2000-2001</b>	<b>2001-2002</b>		<b>Actual</b>
			<b>Planned Spending</b>	<b>Total Authorities</b>	
Canadian Environmental Assessment Agency	995.0	1,146.0	1,197.0	1,247.0	1,247.0
<b>Total Statutory Payments</b>	<b>995.0</b>	<b>1,146.0</b>	<b>1,197.0</b>	<b>1,247.0</b>	<b>1,247.0</b>

Note: The only statutory payment applicable to the Agency is for employee benefit plans.

**Table 10: Transfer Payments**

(thousands of dollars)	Actual 1999-2000	Actual 2000-2001	2001-2002		Actual
			Planned Spending	Total Authorities	
<b>Contributions</b>					
Contribution to the Province of Quebec – James Bay and Northern Quebec Agreement	101.0	104.0	95.0	173.5	<b>173.5</b>
Contributions to support the research, development and promotion of environmental assessment	305.8	324.2	300.0	332.0	<b>332.0</b>
Contributions to assist public participation in review panels	48.1	42.8	1,000.0	889.5	<b>23.4</b>
<b>Total Contributions</b>	<b>454.9</b>	<b>471.0</b>	<b>1,395.0</b>	<b>1,395.0</b>	<b>528.9</b>
<b>Total Transfer Payments</b>	<b>454.9</b>	<b>471.0</b>	<b>1,395.0</b>	<b>1,395.0</b>	<b>528.9</b>

Note: Due to rounding, figures may not add to totals shown. Contributions to support research and development during 2001-2002 included projects aimed at improving the practice of environmental assessments. The level of demand to fund public participation in review panels depends on the number of review panels and the status of their assessment. For 2001-2002, only the GSX Canada Pipeline Project required funding assistance.

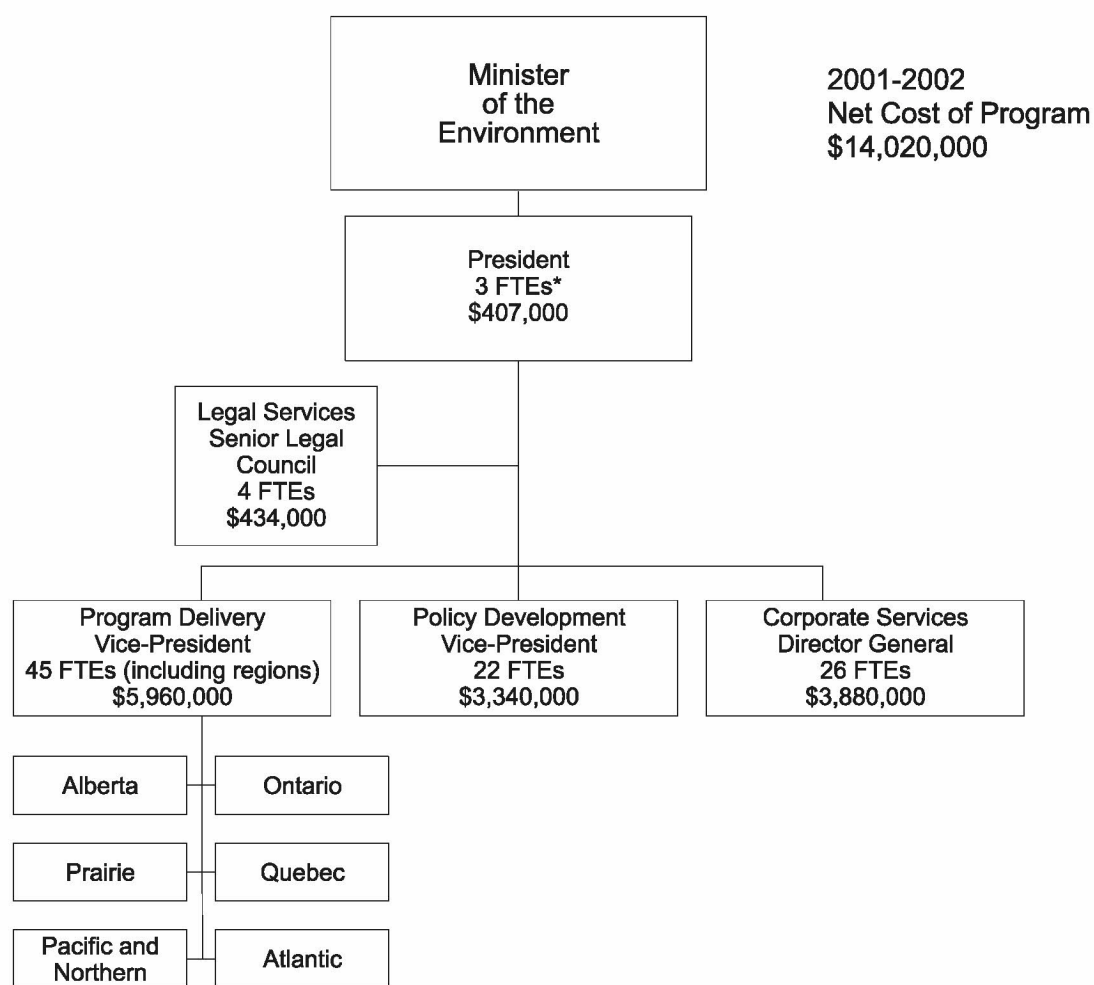
## ANNEX 3

### OTHER INFORMATION

#### Agency Organization

The Agency fulfils its mandate through one program and one business line — environmental assessment. The reporting structure to the Minister of the Environment is shown in the figure below.

**Figure 1: Accountability**



\* Full-time equivalent (FTE) is a measure of human resource usage based on average levels of employment.

## Major Federal Statutes and Agreements Administered

The *Canadian Environmental Assessment Act* is solely administered by the Agency. The Minister has responsibility to Parliament for the following associated regulations:

**Table 11: Major Federal Statutes and Agreements Administered**

<i>Law List Regulations</i>	SOR/94-636 (October 7, 1994)
<i>Comprehensive Study List Regulations</i>	SOR/94-638 (October 7, 1994)
<i>Inclusion List Regulations</i>	SOR/94-637 (October 7, 1994)
<i>Exclusion List Regulations</i>	SOR/94-639 (October 7, 1994)
<i>Federal Authorities Regulations</i>	SOR/96-280 (May 28, 1996)
<i>Projects Outside Canada Environmental Assessment Regulations</i>	SOR/96-491 (November 7, 1996)
<i>Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i>	SOR/97-181 (April 8, 1997)
<i>Environmental Assessment Review Panel Service Charges Order</i>	SOR/98-443 (August 26, 1998)
<i>Canada Port Authority Environmental Assessment Regulations</i>	SOR/99-318 (July 28, 1999)

In an effort to improve the coordination and cooperation of environmental assessment processes, the Agency has also signed bilateral agreements with four provincial governments: British Columbia, Alberta, Saskatchewan and Manitoba. The Agency will be working in 2002-2003 to conclude similar agreements with Ontario, New Brunswick, and Newfoundland and Labrador.



## Regulatory Initiatives

The following table outlines the Agency's significant regulatory initiatives during 2001-2002.

**Table 12: Legislative and Regulatory Initiatives**

Legislative or Regulatory Initiative	Objective(s)	Performance Measurement Criteria	2001-2002 Accomplishments
<b>Private Operations Occurring on Federal Lands Regulations</b>	To establish a federal environmental assessment process under the <i>Canadian Environmental Assessment Act</i> that comprehensively captures all relevant activities on federally leased lands, including the activities of airport authorities and similar entities operating on federally leased lands.	Successful completion of studies as a basis for the development of airport environmental assessment regulations.  Development of comprehensive federal environmental assessment regulations that capture all appropriate projects carried out or authorized by airport authorities, and/or similar entities operating on federally leased lands.	Consultations with airport authorities on the development of terms of reference for a study of airport authority environmental assessment policies, practices and proceedings.
<b>Oil and gas exploratory project authorizations</b>	To amend regulations to ensure that relevant project authorizations of the Canada-Newfoundland Offshore Petroleum Board (CNOPB) and the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) trigger application of the <i>Canadian Environmental Assessment Act</i> .  To establish a consistent federal environmental assessment regime for oil and gas activities in all Canadian offshore frontier areas.	Successful studies and consultations on proposed amendments to the regulations relating to relevant CNOPB and CNSOPB project authorizations.  Approved amendments to the regulations relating to relevant CNOPB and CNSOPB project authorizations.	Completed stakeholder consultations that preceded the development of amendments to the regulations.



Table 12 (cont'd)

Legislative or Regulatory Initiative	Objective(s)	Performance Measurement Criteria	2001-2002 Accomplishments
<b>Amendments to the <i>Exclusion List Regulations</i></b>	To focus the application of the <i>Canadian Environmental Assessment Act</i> on projects that have real potential to cause significant adverse environmental effects.	Reductions in the overall number of environmental assessments conducted by federal responsible authorities, particularly at the screening level.	Following input from departments and agencies and a series of interdepartmental discussions, a first draft list was presented to departments in January 2002 and to the Regulatory Advisory Committee in March 2002.
	More efficient and effective use of environmental assessment resources.	Publication of an amended version of the <i>Exclusion List Regulations</i> in 2003.	
		Fewer routine assessments. Higher quality assessments reported by responsible authorities.	Work on this initiative is ongoing in 2002-2003. Results will be reported in the next Departmental Performance Report.

## Statistical Summary of Environmental Assessments

In accordance with subsection 71(2) of the Act, a statistical summary of all environmental assessments is provided. In total, 6,779 environmental assessments were initiated in 2002-2002, compared to 6,147 in 2000-2001.

**Table 13: Statistical Summary of Environmental Assessments 2001-2002**

Department/Agency	Screenings			Comprehensive Studies	Review Panels
	Total	Completed	Outstanding		
Agriculture and Agri-Food Canada	141	134	7	0	0
Atlantic Canada Opportunities Agency	283	283	0	0	0
Canada-Nova Scotia Offshore Petroleum Board	0	0	0	1	0
Canadian Food Inspection Agency	5	5	0	0	0
Canadian International Development Agency	385	384	1	0	0
Canadian Nuclear Safety Commission	7	0	7	0	0
Canadian Transportation Agency	7	7	0	0	0
Canada Customs and Revenue Agency	1	0	1	0	0
Canada Economic Development	304	250	54	0	0
Canadian Heritage	2	2	0	0	0
Correctional Service of Canada	17	17	0	0	0
Foreign Affairs and International Trade	25	25	0	0	0
Environment Canada	585	504	81	0	0
Fisheries and Oceans Canada	1,349	1,243	106	7	0
Health Canada	3	1	2	0	0
Human Resources Development Canada	117	116	1	0	0
Indian and Northern Affairs Canada	653	517	136	0	0
Indian Oil and Gas Canada	255	250	5	0	0
Industry Canada	331	331	0	0	0
Millennium Bureau of Canada	13	13	0	0	0
National Defence	163	74	89	0	0
National Energy Board	61	41	20	1	1
National Research Council of Canada	6	6	0	0	0
Natural Resources Canada	27	15	12	0	0
Natural Sciences and Engineering Research Council of Canada	6	6	0	0	0
Parks Canada Agency	1,266	1,128	138	0	0
Public Works and Government Services Canada	80	63	17	1	0
Royal Canadian Mounted Police	32	23	9	0	0
Transport Canada	120	100	20	0	0
Western Economic Diversification Canada	524	305	219	0	0
<b>Sub-total</b>	<b>6,768</b>	<b>5,843</b>	<b>925</b>	<b>10</b>	<b>1</b>
<b>Total Initiated in 2001-2002</b>					<b>6,779</b>

## Awards Received by Agency Staff

### Public Service of Canada Award of Excellence for 2002

The Agency established the Five Year Review Team in 1998 to assist the Minister of the Environment in carrying out a statutory review of the *Canadian Environmental Assessment Act*, five years after its coming into force in 1995. A steering committee of senior Agency officials was also set up to oversee the work of the team.

The team took a lead role in drafting the Minister's report to Parliament and the proposed amendments to the Act, based on consensus recommendations arising from the review. The team worked with the Agency's senior officials to obtain Cabinet approval of the proposed changes, as well as the financial package to implement them.

The exceptional teamwork and collaboration of the Five Year Review Team ensured the successful completion of a far-reaching review under tight deadlines. This effort won the team members the Public Service of Canada Award of Excellence for 2002. The review team continues to coordinate preparations for the coming into force of the proposed changes.



*Courtesy of Photo Communication Inc.*

#### FIVE YEAR REVIEW TEAM

Top row, left to right: The Honourable Lucienne Robillard, Sid Gershberg, Heather Humphries, Bruce Boles, James Mack, Alissa Malkin, Tina Guthrie, Suzanne Latour, Ray Lamoureux, David Barnes, Bob Connelly.

Bottom row, left to right: Jim Clarke, Ghislaine Kerry, Christine Gaudreau, Keith MacLeod, Marie-Claude Goulet, Gordon Harris, Natalie Langlois.

## **For Further Information**

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### **Canadian Environmental Assessment Agency's Web Site**

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

### **Treasury Board Secretariat's Web Site**

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)





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## Canadian Environmental Assessment Agency Performance Report For the period ending March 31, 2003

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### SECTION I: Minister's Message and Executive Summary

#### Minister's Message

I am pleased to present the Canadian Environmental Assessment Agency's *Performance Report*. The Agency, which provides leadership and serves as a centre of expertise, is responsible for the overall administration of the federal environmental assessment process. This report outlines the key results achieved by the Agency during the 2002-2003 fiscal year.

Protecting our environment, while building a strong economy, is a challenge that Canadians face every day. Environmental assessment responds to this challenge by providing decision makers with a comprehensive and systematic analysis of the environmental effects of proposed projects. Identifying these effects allows project developers to plan and modify their approach in order to eliminate or reduce negative impacts on our shared environment.

The 2002-2003 fiscal year was an extraordinary one for the Agency. In addition to administering the federal environmental assessment process, the Agency supported the Minister of the Environment and the legislative process for Bill C-9, An Act to amend the *Canadian Environmental Assessment Act*, as it made its way through Parliament and to royal assent in June 2003. To help implement the renewed Act, the Agency developed new Web-based guidance and operational policies, and is conducting an extensive communications and training program for stakeholders and interested Canadians.

The renewed Act will promote more meaningful public participation in the environmental assessment process. To this end, the Agency completed much of the development work for the new Canadian Environmental Assessment Registry, which will make it easier for Canadians to obtain the essential, timely information that they need to participate in the process.

As the Agency begins a new phase in its mandate under a renewed *Canadian Environmental Assessment Act*, the coming months promise to be equally busy and exciting.

**David Anderson, P.C., M.P.**  
*Minister of the Environment*

#### Executive Summary

The Canadian Environmental Assessment Agency (the Agency) administers the *Canadian Environmental Assessment Act* (the Act), federal legislation designed to encourage the use of environmental assessment nationally as a planning tool to ensure that economic development occurs in a manner that maintains a healthy environment. The Agency employs approximately 120 employees and manages an annual budget of approximately \$13 million.

During the 2002-2003 fiscal year, the Agency supported the Minister of the Environment and members of Parliament in their consideration of Bill C-9 and in planning for the implementation of the renewed Act. The Agency also updated and modernized its guidance material, and developed an Internet site for the Canadian Environmental Assessment Registry, both important elements to successfully implement the renewed Act.

The preparatory work on the Canadian Environmental Assessment Registry Internet site included training of individuals from across the country who will be involved in providing the required information. The Internet site will provide the public with timely information about environmental assessments.

The Agency undertook planning activities related to the Quality Assurance Program that

will be established under the renewed Act. It has also developed concepts for a central electronic repository for information gathered during follow-up programs.

The Agency continued to provide guidance, training, advice and administrative support services to federal decision makers and stakeholders across Canada. The Agency delivered 130 training sessions to nearly 3000 participants across Canada. Of these participants, more than 89% stated that they would recommend the Agency's courses to others. These are positive indications that participants are satisfied with the training that the Agency provides and that such courses respond to client needs.

In 2002-2003, the Agency's federal clients conducted approximately 6000 screening assessments. The Agency provided assistance and advice on many of the major projects.

The Agency also played a role in over 20 comprehensive studies undertaken by responsible authorities. Of these, six were completed during the reporting period.

## **SECTION II: Strategic Context**

### **Who We Are**

The Canadian Environmental Assessment Agency provides leadership and serves as a centre of expertise in its role as the administrator of the federal environmental assessment process. The Agency has one program objective, which serves as its mission:

#### **The Agency's Mission:**

*To provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.*

Headed by the President, who reports directly to the Minister of the Environment,<sup>1</sup> the Agency is mandated by the following instruments:

- the *Canadian Environmental Assessment Act* and its accompanying regulations;
- the Canada-Wide Accord on Environmental Harmonization and bilateral agreements with provincial governments that set out mutually agreed upon arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, the most notable being the United Nations *Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).

In addition, the Agency assists the Minister of the Environment in implementing *The 1999 Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* by providing guidance to federal authorities on environmental assessment considerations and requirements in respect of proposed policies, plans and programs.

**For more information on the Agency, visit**

<http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/>

<sup>1</sup> The reporting structure to the Minister of the Environment can be found in Figure 1, Annex 3.

### **Partners in Environmental Assessment**

Federal environmental assessment is based on the principle of self-directed assessment. This means that the federal department or agency responsible for regulating, funding or supporting the relevant project or activity must ensure that an environmental assessment is conducted. The Agency provides these departments and agencies (known as responsible authorities) with training, advice, guidance and support in fulfilling their environmental assessment responsibilities under the Act.

The Agency has more involvement in projects which have a greater potential to cause significant environmental effects. It manages the public comment period and supports independent review panels. It also provides advice and support to decision makers.

#### ***Involvement of multiple jurisdictions in environmental assessment***

Depending on the specific project, representatives of federal, provincial, territorial and municipal governments, as well as Aboriginal groups may be involved in an environmental assessment. The Agency works cooperatively with all of these parties to promote consistent approaches and an effective and efficient environmental assessment process that meets the requirements of all jurisdictions.

### ***Non-governmental organizations, businesses, citizens and industry groups***

Environmental non-governmental organizations, citizen groups and representatives from industry are important consultative partners during the development of policies, programs and regulations aimed at improving the environmental assessment process. In 2002-2003, the Agency chaired the committees listed in Table 1; their aims are to share information and strengthen the environmental assessment process.

**Table 1: Building Strong Partnerships**

<b>Committee</b>	<b>Membership</b>	<b>Purpose</b>
Regulatory Advisory Committee (RAC)	<ul style="list-style-type: none"> <li>■ federal and provincial government representatives</li> <li>■ Aboriginal, industry and environmental non-governmental organization members</li> </ul>	<ul style="list-style-type: none"> <li>■ consult on federal environmental assessment regulatory and policy matters</li> </ul>
Senior Management Committee on Environmental Assessment (SMCEA)	<ul style="list-style-type: none"> <li>■ senior federal government managers representing various departments and agencies</li> </ul>	<ul style="list-style-type: none"> <li>■ share information on current and upcoming environmental assessment issues pertinent to the federal government</li> </ul>
Federal-Provincial Environmental Assessment Administrators Group (The Agency does not Chair but provides secretariat support)	<ul style="list-style-type: none"> <li>■ senior federal and provincial environmental assessment representative</li> </ul>	<ul style="list-style-type: none"> <li>■ discuss environmental assessment issues of cross-jurisdictional interest</li> </ul>
Regional Environmental Assessment Committees (REAC)	<ul style="list-style-type: none"> <li>■ regional environmental assessment representatives from various federal and provincial government departments</li> </ul>	<ul style="list-style-type: none"> <li>■ share information and discuss coordinated approaches to environmental assessment among jurisdictions within a geographic region</li> </ul>

### **Planning Context - Factors Influencing and Driving Performance**

Projects subject to environmental assessment often give rise to a range of important issues associated with socio-economic development, environmental protection, Aboriginal interests and federal-provincial relations. Environmental assessment must continually adapt to emerging trends and new challenges.

#### **Government of Canada Commitments**

The Government of Canada is committed to the **Kyoto Protocol** and to reaching its greenhouse gas emissions target of 6% below 1990 levels in the period between 2008-2012. Environmental assessment will be an important tool for quantifying the effects that new and planned projects have on greenhouse gas emissions.

As the federal government is placing increased importance on **managing for results and modern comptrollership**, the Agency must continually improve and demonstrate the contribution that environmental assessment makes to government priorities and the lives of Canadians.

Canada is committed to creating opportunities through **innovation**. Science has a key role in advancing this agenda. The Agency must therefore continue to take steps to enhance scientific research in the field of environmental assessment.

**Shared Environmental Management Responsibility:** Under the Canadian Constitution, responsibility for environmental management is shared among the federal and provincial governments. Although this arrangement can potentially result in duplication of effort and inconsistent application of environmental assessment approaches, there is a desire by both levels of government to achieve consistent, harmonized and efficient processes. The Agency promotes federal-provincial cooperation on environmental assessment through the negotiation of bilateral agreements with provincial governments and the ongoing efforts of its staff in the



regional offices.

**Competitiveness:** In a global economy, public policies must be scrutinized for their impacts on competitiveness. Globalization draws attention to the potential for Canada's environmental assessment laws and regulations to adversely affect the private sector, particularly when compared to those of our trading competitors. Although several studies have concluded that the cost of environmental assessment in Canada is typically a very small percentage of the total cost of a project, it is important that our environmental assessment processes be effective, efficient and predictable.

**Aboriginal Peoples:** Aboriginal peoples have strong interests in environmental assessment issues. These interests include:

- participating in environmental assessments where Aboriginal peoples/groups may be negatively affected by development;
- considering traditional knowledge in the conduct of environmental assessments;
- developing the capacity to participate in and conduct environmental assessments on their lands; and
- ensuring minimal disruption of traditional lifestyles and the natural environment.

The Agency has begun developmental work to establish the Aboriginal Advisory Committee to provide Aboriginal perspectives on the federal environmental assessment process.

**Litigation:** The courts are influential in shaping many areas of Canadian public policy. Environmental assessment has been affected by recent court decisions bringing clarification and direction needed to increase the certainty and predictability of the environmental assessment process.

**Dispute Resolution:** Dispute resolution is an effective means to improve the environmental assessment process. It can serve to enhance the quality of federal decisions and may reduce delays. The Agency recognizes the benefits of using an informal dispute resolution approach in the environmental assessment process where appropriate. The anticipated changes resulting from the review of the Act will provide a clearer mandate and role for the Agency with regard to the use of dispute resolution.

### **SECTION III: Bill C-9 An Act to amend the Canadian Environmental Assessment Act**

#### **Bill C-9**

The *Canadian Environmental Assessment Act* requires that a comprehensive review of the legislation be undertaken five years after its coming into force. In response to this requirement, a review of the Act was launched in December 1999 by the Minister of the Environment. In March 2001, the Minister tabled his report to Parliament and introduced a bill to amend the Act. This bill is known as Bill C-9, An Act to amend the *Canadian Environmental Assessment Act*.

During the 2002-2003 fiscal year, the Agency supported the Minister of the Environment and members of Parliament in their consideration of Bill C-9. The Agency also provided support to the House of Commons Standing Committee on Environment and Sustainable Development in its clause-by-clause review of Bill C-9. The Committee made 76 amendments to the Bill and the majority of these changes were passed by Parliament.

Direct expenditures on this initiative, including salaries, were approximately \$1.1 million in 2002-2003. However, as in past years, all sections of the Agency, including the regional offices, contributed to this initiative through additional indirect expenditures.

Note: Bill C-9 received royal assent on June 11, 2003, and is expected to come into force in the autumn of 2003.

**For additional information on Bill C-9, visit**

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0007/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0007/index_e.htm)

### **SECTION IV: Agency Performance**

#### **Strategic Outcomes**

This Departmental Performance Report is organized by Strategic Outcomes - the long-term, enduring benefits to Canadians derived from the Agency's mission. The planning framework presented in this report is consistent with that presented in the 2002-2003 Report on Plans and Priorities.

Under each Strategic Outcome, there are supporting Intermediate Outcomes, which

also serve as many of the Agency's Sustainable Development Strategy objectives.

**Table 2: Summary of the Agency's Strategic Outcomes**

<b>Strategic Outcomes</b>	<b>Intermediate Outcomes - Sustainable Development Strategy Objectives</b>
<b>1. Effective and efficient environmental assessment</b>	1.1 Be recognized as a credible advocate of high-quality environmental assessment  1.2 Advance the science and practice of environmental assessment  1.3 Learn from experience and share results
<b>2. Coordinated and harmonized environmental assessments</b>	2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners 2.2 Strengthen relationships with partners and stakeholders
<b>3. Consistent and predictable application of environmental considerations in federal decision making</b>	3.1 Improve the Agency's capacity to monitor, assess and foster compliance 3.2 Address gaps in the application of the <i>Canadian Environmental Assessment Act</i>

## **Strategic Outcome 1: Effective and Efficient Environmental Assessment**

*The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation and support the principles of sustainable development.*

### **Context**

The Agency plays an important role in providing advice, guidance, training and recommendations to federal departments and agencies. This helps to ensure that environmental assessment decisions: comply with the Act; reflect effective and efficient environmental assessment practices; consider public values; and support the principles of sustainable development. The Agency also plays a greater role in the assessment of projects with the potential to cause significant environmental effects by managing elements of the assessment process, providing opportunities for public participation, as well as providing advice and support to decision makers.

Effective and efficient environmental assessment involves many things. It involves incorporating environmental factors early in a project's planning stage so that adverse environmental effects and related financial costs are reduced or avoided. Environmental assessment must be broad enough to consider all potential environmental effects arising from a project, provide opportunities in the process for Canadians to express their views and be involved in decisions that affect them.

### **Strategy**

The Agency has a responsibility to ensure that its actions contribute to these results. To achieve this Strategic Outcome, the Agency focused on the following Intermediate Outcomes:

1.1 Be recognized as a credible advocate of high-quality environmental assessment

1.2 Advance the science and practice of environmental assessment

1.3 Learn from experience and share results

### **Intermediate Outcome**

#### **1.1 Be recognized as a credible advocate of high-quality environmental assessment**

Advocacy is central to the Agency's leadership role in the federal environmental assessment process. For the Agency to be an effective advocate of high-quality environmental assessment, Canadians need to have confidence in a system that is relevant to their needs and is based on sound practices.

Through its interpretive guides and training courses, the Agency informs federal departments, agencies and other organizations as to how they can enhance their environmental assessment practices. The Agency's six regional offices play a key role in the dissemination of this information, providing ongoing liaison with federal, provincial

and territorial governments.

The Agency advocates high-quality environmental assessment in a variety of ways. The Agency provides:

- secretariat support and advice to review panels;
- advice to responsible authorities, proponents and other participants during comprehensive studies, as well as to the Minister of the Environment in determining the next steps of the comprehensive study process; and
- advice to responsible authorities, proponents and other participants during the screening process and the development of model class screening reports, as well as advice to the President of the Agency in declaring model class screening reports.

The Agency's ability to promote effective and efficient environmental assessment requires that it maintain a high level of internal expertise and that it be recognized as a provider of quality advice. The Agency has undertaken several activities to strengthen its role and has achieved the following results.

## 2002-2003 Results

### Managed environmental assessment review panels

#### ENVIRONMENTAL ASSESSMENT REVIEW PANELS

Review panels are the most visible and public form of environmental assessment. Extensive public participation is a distinguishing feature of review panels. The public is afforded an opportunity to participate in a thorough study of the environmental effects of a project. Review panels encourage an open and frank exchange of views. They inform and involve large numbers of concerned groups and individuals in the environmental assessment process.

Review panels are independent from government, with members appointed by the Minister of the Environment. Upon completion of its assessment, a review panel reports to the Minister of the Environment and to the responsible authority. The review panel's recommendations are advisory, and the government responds to the review panel's report.

The panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public hearings. Public participation in review panels is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

The Agency's primary roles in a review panel are to: manage the review process and provide technical and administrative support to the panel; administer the Participant Funding Program; and design and implement a public information program.

**Table 3: Summary of Review Panel Activity**

<b><i>Joint review panel of the GSX Pipeline project</i></b>
The joint review panel continued its review during 2002-2003. Conducted jointly with the National Energy Board, the panel considered written and oral submissions between April 2002 and January 2003 to finalize the issues for consideration during the review process. Public hearings were held on Vancouver Island for nineteen days in February and March 2003. The joint review panel has prepared a report outlining its recommendations.
<b><i>Joint review panel of the Highwood Storage and Diversion Plan</i></b>
The joint review panel continued its review during 2002-2003. Conducted jointly with the Alberta Natural Resources Conservation Board (NRCB), the panel extended the deadline for the Public Advisory Committee to develop the Highwood Basin Watershed Management Plan (HMP) until the autumn of 2003.
The joint review panel is expected to hold a public meeting in the autumn of 2003 to hear updates on the process of the Management Plan. At that time, it is also anticipated that the Government of Alberta will file an official application for the Highwood Storage and Diversion with the Alberta Natural Resources Conservation Board that will initiate the official panel review process.
<b><i>Joint review panel of the Eastmain-1-A and Rupert Diversion project in Québec</i></b>
An agreement was signed by the governments of Canada and Québec and the Cree Regional Authority in April 2003 to coordinate the two environmental assessment processes applicable to the proposed project. Draft directives for the preparation of an environmental impact statement were being finalized at the end of the reporting period.

For additional information on review panels, visit

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0001/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0001/index_e.htm)

## Provided advice and support for the Minister's determinations on comprehensive studies

### COMPREHENSIVE STUDIES

Certain projects, by their very nature, may have the potential to cause significant adverse environmental effects or generate public concern. These types of projects have been identified and listed in the Comprehensive Study List Regulations.

Prior to making any decision on a project, the responsible authority submits the comprehensive study report to the Agency for review. The Agency ensures that the report has been prepared in compliance with the Act, and then makes the report available for public review and comment. Following the public comment period, the Minister of the Environment determines the next step in the environmental assessment process, based on the comprehensive study report and the public comments received by the Agency.

The Agency's role in the comprehensive study process is to: provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment, in support of the Minister's determination of the potential significance of adverse environmental effects.

**Table 4: Comprehensive Studies Completed During 2002-2003**

Comprehensive Study	Project Proponent	Responsible Authorities	Project Description
Deep Panuke Offshore Gas Development Project	PanCanadian Petroleum Ltd.	National Energy Board (lead)  Canada Nova-Scotia Offshore Petroleum Board	PanCanadian Petroleum Ltd. submitted a proposal to develop and transport natural gas located offshore on the Scotian Shelf, approximately 175 kilometres southeast of Goldboro, to the existing Maritimes & Northeast pipeline. The gas field has recoverable reserves approaching one trillion cubic feet of natural gas.
International Power Line Project	New Brunswick Power Corporation	National Energy Board (lead)  Fisheries and Oceans Canada	NB Power Corp. submitted a proposal to construct and operate a 345 kilovolt international power line. In Canada, the 90 km line will run from Point Lepreau to the Maine-New Brunswick border, west of St. Stephen.
Grizzly Extension Pipeline	Westcoast Energy Inc.	National Energy Board (lead)  Fisheries and Oceans Canada	Westcoast Energy Inc. submitted a proposal to construct and operate a 114.8 km natural gas pipeline to connect additional Grizzly Valley gas reserves in the Ojay-Weejay area of British Columbia and the Narraway area of Alberta.
Partial Diversion of the Manouane River	Hydro-Québec	Fisheries and Oceans Canada	Hydro-Québec submitted a proposal to partially divert the Manouane River into the Pipmuacan Reservoir. This project is located in the North Shore region of Quebec, north of Tadoussac.
Partial Diversion of Portneuf River	Hydro-Québec	Fisheries and Oceans Canada	Hydro-Québec submitted a proposal to partially divert the Portneuf River to the Pipmuacan Reservoir. This project is located in the North Shore region of Quebec.
Partial Diversion of	Hydro-Québec	Fisheries and	Hydro-Québec submitted a

the Sault aux Cochons River	Oceans Canada	proposal to partially divert the Sault aux Cochons River to the Pimpuacan Reservoir. This project is located in the North Shore region of Quebec.
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For additional information on comprehensive studies, visit

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0003/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0003/index_e.htm)

## Developed draft ministerial guidelines on public consultation in screenings

### Ministerial Guidelines on Public Participation in Screenings

*There has been some confusion regarding the interpretation of the provisions of the Canada Environmental Assessment Act (1995) that pertain to public participation in screenings. Some responsible authorities have interpreted those provisions to mean that the sole potential occasion for public participation in a screening occurs when the responsible authority decides to give the public an opportunity to comment on the completed screening report.*

*To address this rather limited interpretation of how and when public participation may occur, Bill C-9 makes it clear that a responsible authority may, in addition to providing the public with the opportunity to comment on a screening report, provide any other opportunity for public participation that it deems appropriate. Bill C-9 also requires responsible authorities, when they determine that public participation in the screening is appropriate under the circumstances, to post on the Registry Internet site the proposed scope of the project, the factors to be taken into consideration in the screening and the scope of those factors.*

*Bill C-9 also makes it clear that public participation in screenings can be quite broad; it requires a responsible authority to provide more detailed information to the public should it decide that public participation is warranted. Consequently, responsible authorities need clear guidelines to assist them in exercising their discretion in determining whether they should invite public participation in a screening. The Minister committed to providing such guidelines in his March 2001 report to Parliament, entitled Strengthening Environmental Assessment for Canadians.*

*The Agency has worked with a subcommittee of the Minister's multi-stakeholder Regulatory Advisory Committee to develop draft Ministerial Guidelines. The draft is expected to be released for comment in the autumn of 2003.*

### Pursued dispute resolution opportunities

- For the last several years, the Agency has been exploring how it can better promote Alternative Dispute Resolution in an environmental assessment context. During the reporting period, the Facilitation and Dispute Resolution Manager provided facilitation services both in the context of projects and as a facilitator for meetings and workshops. In 2002-2003, the Facilitation and Dispute Resolution Manager was consulted in ten different cases to provide facilitation services or guidance as to appropriate modes for dispute resolution.
- In 2002-2003, the Agency offered a course on interest-based negotiation in environmental assessments to build facilitation and dispute resolution capacity among environmental assessment practitioners. The course, first developed in 2001-2002 for internal training, was offered on eight occasions in 2002-2003 to external clients across the country. Course participants included representatives of federal, provincial and territorial governments as well as students, consultants and representatives from Crown corporations. Satisfaction with the training was very high, with close to 100% of course participants stating that they would recommend the course to others. The success of the interest-based negotiations course has led to more sessions being planned for the 2003-2004 fiscal year.

### Intermediate Outcome

#### 1.2 Advance the science and practice of environmental assessment

The Agency's capacity to provide leadership is based in part on its ability to advance and promote leading-edge science and practices in environmental assessment. It is therefore essential for the Agency to engage other resources within and outside government if it is to influence the development of innovative approaches and further the practice of environmental assessment.

The Agency's priorities in this role are to: assist in the advancement of environmental

assessment; support innovative research into the practice of environmental assessment; monitor environmental assessment trends and advances; and be an effective knowledge-sharing link between the federal government and other stakeholders.

In its role as an advocate for sound environmental management, the Agency works to develop environmental assessment tools and ensure access for partners.

## **2002-2003 Results**

### **Developed a working prototype of the Environmental Assessment Registry Internet Site**

#### **Developing the Registry Internet Site**

*Bill C-9 commits the Agency to developing an environmental assessment registry Internet site where specified key information about assessments conducted under the Act must be posted in a timely manner.*

*Development of the Environmental Assessment Registry Internet Site is a significant information technology project that must be operational by the time Bill C-9 comes into force, most likely in late 2003. The Registry will be a significant advancement in the practice of environmental assessment.*

- Work on the project to develop the Registry Internet site progressed well in 2002-2003, particularly on those aspects related to screenings, which comprise some 99% of all federal assessments.
- The Agency has conducted several product testing and familiarization sessions with federal practitioners across Canada. It has continually sought feedback on potential refinements to the Registry Internet site prior to it being operationalized.

### **Supported the development of model class screening reports**

#### **CLASS SCREENING**

The environmental assessment of certain routine projects may be streamlined through the use of a model class screening report. A model class screening report presents the accumulated knowledge of the environmental effects of a given type or class of project and identifies the known measures to reduce or eliminate the likely adverse knowledge to future projects of the same type or class.

During 2002-2003, the Agency declared, in accordance with section 19 of the *Canadian Environmental Assessment Act*, the following model class screening reports to be class screening reports:

- Prairie Grain Road Projects in Manitoba, Saskatchewan and Alberta, Prairie Farm Rehabilitation Administration (December 2002); and
- Operation and Maintenance of Electrical Transmission Facilities in Banff National Park, Parks Canada (March 2003).

The Agency also continued to work on more than fifteen model class screening reports, including:

- Embedded Culverts on Forestry Roads in British Columbia, (Fisheries and Oceans Canada);
- Trail-Based Activities in Banff, Jasper, Yoho, Kluane, Kootenay and Waterton Lakes National Parks (Parks Canada); and
- Construction, Operation and Decommissioning of Hydrometric Stations in Ontario (Environment Canada).

The Agency expects that the above model class screening reports, and others being developed, will be submitted to the Agency for declaration during 2003-2004.

- In anticipation of the changes to the class screening provisions contained in Bill C-9, the Agency initiated the development of procedural and guidance materials, as well as training and awareness sessions to be scheduled following proclamation of the renewed Act.

**For additional information on class screenings, visit**

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0004/0001/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0004/0001/index_e.htm)

### **Provided opportunities for Canadians to participate in**



## **the environmental assessment process**

- In March 2003, the Agency announced that the federal government would provide up to \$200,000 in participant funding for the Eastmain-1-A and Rupert Diversion Project Review Panel. Following a review of the applications, 11 recipients, representing a range of Aboriginal, municipal, professional, and environmental organizations, were awarded funding to enable their participation in the assessment being conducted by the review panel.
- Since the *Canadian Environmental Assessment Act* came into force in 1995, the Agency has provided more than \$1,000,000 in participant funding to approximately 85 recipients regarding 10 projects.
- In October 2002, the Agency published a feature article in *EnviroZine*, an on-line newsmagazine with a monthly readership of more than 65,000 people. The article focused on promoting benefits of environmental assessment, partnerships with industry and ways the public can get involved.

**For additional information on the Participant Funding Program and eligibility criteria, visit**

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0001/0002/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0009/0001/0002/index_e.htm)

## **Worked to establish the Aboriginal Advisory Committee to the Agency to provide Aboriginal perspectives on the federal environmental assessment process**

- A draft terms of reference was developed for the Aboriginal Advisory Committee. The Committee will provide an Aboriginal perspective on environmental assessment issues, Aboriginal Traditional Knowledge and Aboriginal consultations. One of the first issues that the Committee will explore is how to incorporate Aboriginal traditional knowledge into the environmental assessment process. An initial meeting of the Committee was planned for 2002, but was delayed due to the timing of Bill C-9. Preliminary discussions with national Aboriginal associations are planned for the autumn of 2003.

## **Built partnerships through the Agency's Research and Development Program by providing leadership and financial support toward research and development**

### **RESEARCH AND DEVELOPMENT IN ENVIRONMENTAL ASSESSMENT**

The Agency's Research and Development Program helps the federal government to meet future challenges and improve the practice of environmental assessment in a manner that is relevant and encourages innovation and excellence. Under the Research and Development Program, the Agency supports work that addresses one of the following priority areas in environmental assessment:

- determining the significance of environmental effects;
- follow-up;
- human impact assessment;
- regional environmental effects framework; and
- integrating climate change into environmental assessment.

Once complete, research reports are posted on the Agency's Web site. Seminar series are also held to share the information gained through this work.

- The Agency has continued to build partnerships through the Research and Development Program. Eight new research projects were funded during the 2002-2003 period, for a total of 27 research projects funded since the Program's inception in 2000. The Agency has continued to encourage innovation in the practice of environmental assessment through the release of its annual call for proposals in January 2003.

**For additional information on the Research and Development Program, or to view the completed research reports, visit**

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0010/0001/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0010/0001/index_e.htm)

## **Developed amendments to the *Exclusion List Regulations*, in partnership with other government departments and partners**

### **Amending the Exclusion List Regulations**



*In his March 2001 report to Parliament entitled Strengthening Environmental Assessments for Canadians, the Minister committed to consulting with federal authorities and Canada Port Authorities to identify project types with inconsequential effects that should be listed in the Exclusion List Regulations. This would enable federal resources to be more effectively concentrated on those environmental assessments that truly make a difference.*

- After extensive consultations with departments during the 2001-2002 fiscal year, a special subcommittee of the Regulatory Advisory Committee (RAC) was formed, and it reported on its work during the RAC meeting of November 2002. Their efforts resulted in identifying several projects that warranted being placed on the Exclusion List; however, the potential reduction in the number of screenings of projects with no significant adverse environmental effects fell short of what was thought to be achievable. An independent study was commissioned to re-examine the criteria that had been applied and to determine whether other projects with no significant adverse environmental effects could be identified, with a view to reporting any findings to the RAC during its scheduled meeting in May 2003.

## **Intermediate Outcome**

### **1.3 Learn from experience and share results**

There are many benefits to using past experience gained from conducting environmental assessments. Evaluating past assessments greatly assists the Agency and other stakeholders in determining policy directions and improving guidance. Reporting on the effectiveness of environmental assessment also helps to strengthen public confidence and encourage valuable public participation.

Among its partners and clients, the Agency promotes continuous learning and the development of new environmental assessment practices. It also works to encourage results sharing among environmental assessment practitioners to promote sound practices and the integration of environmental factors into the decision-making process.

## **2002-2003 Results**

### **Led government-wide efforts to promote compliance with the Act through long-term coordinated approaches to training and guidance**

- During the 2002-2003 fiscal year, the Agency began developing new training and guidance materials in anticipation of proclamation of Bill C-9, An Act to amend the *Canadian Environmental Assessment Act*. Work was undertaken on the Agency's course, *An Introduction to the Act (CEAA 101)*, to integrate elements of the renewed Act.
- The Agency updated its Training and Guidance Strategy by reviewing current priorities and identifying emerging ones. A fundamental consideration in the strategy is the development of partnerships with other levels of government, industry, academia and others who share an interest in promoting environmental assessment effectiveness and efficiency.
- In 2002-2003, the Regional Liaison and Guidance Group held 45 formal training sessions, 12 workshops and 73 learning events for almost 3000 participants representing federal departments, Aboriginal groups, industry, non-governmental organizations and academia. The overall client satisfaction averaged 4.21 out of 5 (1 being poor, 5 being excellent). These results suggest that the Agency is responding well to the needs of its clients and partners.

### **Provided leadership on strategic environmental assessment**

## **STRATEGIC ENVIRONMENTAL ASSESSMENT**

Strategic environmental assessment is the systematic and comprehensive process of evaluating the environmental effects of a policy, plan or program and its alternatives.

According to the federal government's 1999 Cabinet Directive, an assessment of a policy, plan or program proposal must be conducted when two conditions are met:

- the proposal is submitted to an individual minister or Cabinet for approval; and
- the implementation of the proposal may result in important environmental effects, either positive or negative.

Departments and agencies are also encouraged, when circumstances warrant, to conduct strategic environmental assessments for other policy, plan and program proposals, particularly when strong public concern is apparent.

**For additional information on Strategic Environmental Assessment visit**

[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0011/0002/dir\\_e.htm#Guidelines](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/0011/0002/dir_e.htm#Guidelines)

- The Agency produced two new products to support the practice of strategic environmental assessments: a series of frequently asked questions and a series of case studies. Both are now available on Publiservice, the Government of Canada's intranet site. Details of the materials have been circulated to policy assistant deputy ministers across government.

***Developed, in cooperation with the provinces and federal stakeholders, guidance on the incorporation of climate change considerations into environmental assessments***

- The Agency has conducted extensive consultations on a draft document, including presentations to our Regulatory Advisory Committee, and distribution to environmental assessment jurisdictions for comments and stakeholder review.

***Worked toward the development of guidelines for the use of Aboriginal traditional knowledge in environmental assessments***

- The Aboriginal Advisory Committee is expected to provide advice to the Agency and responsible authorities on how to best incorporate Aboriginal traditional knowledge into the environmental assessment process. The Agency completed preliminary work on a draft Aboriginal traditional knowledge discussion paper, and list of principles that will be provided to the Aboriginal Advisory Committee as a starting point for discussions. The Agency has also participated in setting up an interdepartmental working group and a federal workshop on Aboriginal traditional knowledge.

**Logic Model - Strategic Outcome 1**

**Strategic Outcome:**

**Effective and Efficient Environmental Assessment**

The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation, and support principles of sustainable development.

Expenditures \$4,132,242  
FTEs 31.3

**Key Partners:**

- Other federal government departments, provincial, territorial, and local governments
- Regulatory Advisory Committee
- Non-governmental agencies
- Aboriginal groups
- Private industry
- Interest groups
- Canadians

**Key Targets and Overall Results:**

**The Agency is acknowledged as a centre of environmental assessment expertise across Canada**

- The Agency's Facilitation and Dispute Resolution Manager was consulted in ten different cases to provide facilitation services or guidance as to appropriate modes for dispute resolution
- We developed a new Web-based registry for assessments under the Act, which will give partners greater access to environmental assessment information.
- We funded 8 new projects under our Research and Development Program to improve science knowledge and the practice of environmental assessment.

**Environmental factors are better integrated into planning and decision-making processes**

- We led government wide efforts to augment long-term coordinated approaches to training and guidance in environmental assessment.

**Program, resources and results linkages:**

<b>Spending by Intermediate outcomes:</b>	
<b>The Agency is recognized as a credible advocate of high-quality environmental assessments</b>	Expenditures \$1,855,318 FTEs 14.6
<b>Advanced science and practice of environmental assessment</b>	Expenditures \$1,726,090 FTEs 11.3
<b>Learn from experience and share results</b>	Expenditures \$550,834 FTEs 5.4
<b>Management Practices:</b>	
<ul style="list-style-type: none"> <li>■ As part of our Modern Comptrollership initiative we improved the use of performance information by linking resources to strategic outcomes in the Agency business planning exercise. This has resulted in improved reporting in this departmental performance report.</li> <li>■ The Agency began planning for the anticipated staffing resulting from Bill C-9 coming into force.</li> <li>■ We awarded a contract for the development of a Government On-Line strategic plan. We are looking to improve our electronic service delivery and to leverage IM/IT infrastructure investments across the full range of programs and services.</li> </ul>	

## Strategic Outcome 2: Coordinated and Harmonized Environmental Assessments

*The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and harmonized with other jurisdictions.*

### Context

All federal, provincial, and territorial jurisdictions in Canada administer some form of environmental assessment regime. The application of these regimes to a single project requires cooperation to: avoid duplication; increase certainty; and reduce costs and potential delays.

The Agency promotes consistent approaches to environmental assessments across Canada and with its international partners. The Agency works with provincial partners to develop cooperative approaches wherever possible. It also fosters ongoing relations with Aboriginal communities. The emerging environmental assessment processes under self-government and land claims agreements play an increasing role in the evolution of sustainable development practices in Canada.

### Strategy

The Agency works cooperatively with partners to establish common goals and advance environmental assessment practices and procedures. To achieve this Strategic Outcome, the Agency has focused on the following Intermediate Outcomes:

2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners

2.2 Strengthen relationships with partners and stakeholders

### Intermediate Outcome

#### 2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners

Effective application of environmental assessment processes requires the input and cooperation of various stakeholders. By fostering interjurisdictional networks and partnerships, the Agency plays a role in improving environmental assessment processes at all levels of responsibility.

Clear and coordinated environmental assessment processes across jurisdictions maximize predictability; increase efficiency; minimize conflicts; and contribute to a better overall assessment regime. The Agency has undertaken several activities toward this end and has achieved the following results.

### 2002-2003 Results

## **Developed draft amendments to the federal coordination regulations**

### **Amending the Federal Coordination Regulations**

*Bill C-9 contains amendments to the Act which create the role of federal coordinator for all screenings and comprehensive studies. The role of the federal coordinator is to facilitate close cooperation among federal departments and agencies, and between the federal government and other jurisdictions.*

*It will be necessary to amend the existing Federal Coordination Regulations to make them consistent with the recently passed changes to the Act. The amended regulations will come into force when Bill C-9 is proclaimed.*

- The Agency created an internal working group to address the changes that would be required in the Federal Coordination Regulations to reflect the changes to the Act proposed in Bill C-9. Draft revisions of the Federal Coordination Regulations were completed.

### **Improved the cooperation and coordination of environmental assessment processes**

- In cooperation with other federal departments, the Agency participated in efforts led by Environment Canada and the Department of Foreign Affairs and International Trade, toward Canada's ratification of the Madrid Protocol on Environmental Protection under the Antarctic Treaty.
- The Agency continued to actively pursue the development of approaches to ensure effective, efficient and predictable environmental assessment processes for potential natural gas pipeline route options in Canada's North. The Agency was a party to the June 2002 *Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*. This plan describes multi-jurisdictional review processes that emphasize coordination and minimization of duplication while respecting requirements. During the autumn of 2002, two agreements that give effect to environmental assessment aspects of the Cooperation Plan were released. These documents provide clarity and certainty of process for potential proponents and the public.

### **Provided support to federal negotiators in addressing environmental management issues in Aboriginal land claims and self-government agreements**

- The Agency participated in numerous caucus meetings, and the review of memoranda to Cabinet on self-government and land claim agreements.
- Agreements-in-principle were concluded with four First Nations: Lheidli T'enneh; Snuneymuxw; Sliammon; and Maa-nulth-ath. The Government of Canada has received authority to sign and commence final agreement negotiations on all four. A fifth agreement-in-principle, with the Tsawwassen First Nation, is anticipated soon. The Agency has represented federal environmental assessment interests at all discussions in British Columbia where environmental assessment is being negotiated, including the four First Nations that have concluded an agreement-in-principle.

### **Negotiated, implemented and administered agreements on environmental assessment**

- Work to develop bilateral agreements on environmental assessment cooperation has significantly advanced with the governments of Ontario and Newfoundland and Labrador. Draft agreements have been finalized with an expectation to hold public consultations on the agreements.
- The Agency successfully negotiated and signed the *Interim Extension of the Canada-British Columbia Agreement for Environmental Assessment Cooperation*, and initiated negotiations on a new long-term agreement for environmental assessment cooperation between the Government of Canada and British Columbia.
- A draft bilateral agreement with the Government of Yukon was developed, and work was begun on public consultations aspects.
- The Agency worked with Indian and Northern Affairs Canada to ensure that the new *Yukon Environmental and Socio-Economic Assessment Act* (passed by Parliament in spring 2003) provides for an effective assessment process that allows for the application of the Act while meeting the requirements established in the *Yukon Umbrella Final Agreement*.
- Government-to-government contacts are continuing to explore potential solutions concerning the scope of application of the trilateral agreement on transboundary environmental assessment involving Canada, the United States and Mexico.

### **Provided the Canadian position(s) at working group meetings on the implementation and enhancement of the Espoo Convention**

*The Espoo Convention seeks to: minimize significant adverse transboundary environmental impacts of certain projects that are likely to cause adverse transboundary impacts; ensure that an environmental assessment is undertaken for those projects; provide to the government and public of an affected country an opportunity to participate in the environmental assessment; and ensure that the results of the environmental assessment are taken into account in the final decision about the project.*

- The Agency took part in a meeting of the working group on Environmental Impact Assessment (EIA) under the Espoo Convention. The Agency provided Canadian views on possible amendments to the Convention and made presentations on Canada's approach to implement the *Cabinet Directive on Strategic Environmental Assessment*.

### **Development of an administrative arrangement between Canada and France to facilitate the implementation of treaty obligations under the Espoo Convention**

- The development of an administrative agreement to facilitate the implementation of treaty obligations under the Espoo Convention with respect to offshore development on the East Coast has been delayed while Canada and France develop an oil and gas resource sharing agreement.

### **Provided administrative and management support to the federal administrator of the James Bay and Northern Quebec Agreement**

#### **THE JAMES BAY AND NORTHERN QUEBEC AGREEMENT**

The *James Bay and Northern Quebec Agreement* (JBNQA) is the first comprehensive land claim treaty between Canada and Aboriginal people. Signed in 1975, the Agreement includes self-governance components and lays the foundations for a new relationship between the Cree, the Inuit and the Government of Canada. The President of the Agency has been designated by order-in-council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the JBNQA.

- In 2002-2003, two marine infrastructure projects in northern Quebec were reviewed by the Federal Review Panel North (FRP-N) as well as under the Act. An approach has been implemented in which the FRP-N Executive Secretary (an Agency employee) acts as the federal environmental assessment coordinator, resulting in the development of joint guidelines and environmental assessment reports which meet the requirements of both the Act and the environmental and social impact assessment requirements of the JBNQA.

### **Intermediate Outcome**

#### **2.2 Strengthen relationships with partners and stakeholders**

Building and maintaining strong working relationships with partners and stakeholders are at the core of the Agency's success. One effective way that the Agency continues to promote these relationships is through its regional offices. Being closer to their clients and partners, regional officials help to maintain strong networks, and promote cooperation and coordination among federal departments and other environmental assessment partners across Canada. The Agency also relies on an extensive array of networks to establish common goals on which to base partnerships, advance environmental assessment, and continually enhance opportunities for public participation in the process.

#### **2002-2003 Results**

#### **Enhanced the role of regional offices as key centres of guidance and assistance to partners in the federal environmental assessment process**

- The regional offices coordinated and participated in workshops on a range of topics including transboundary impacts, monitoring and follow-up and public participation in environmental assessments, reaching more than 500 environmental assessment professionals from all sectors. Along with pre-project coordination with responsible authorities, regional officials provided advice and input regarding hundreds of screening assessments and assisted headquarters

in approximately 38 projects that had the potential to be assessed as comprehensive studies.

### Strengthened relationships with partners through interdepartmental and multi-stakeholder committees

- The Agency consulted the Senior Management Committee on Environmental Assessment (SMCEA) concerning the draft *Canada-Newfoundland and Labrador Agreement on Environmental Assessment Cooperation* and on the proposed *Interim Extension of the Canada-British Columbia Agreement for Environmental Assessment Cooperation*.
- Consulted with provincial environmental assessment administrators in the development of a transboundary environmental impact assessment agreement between Canada, Mexico and the United States.
- The Agency worked with the Government of Yukon in the development of its *Environmental Assessment Act*. A draft bilateral agreement for future joint assessments has been prepared and work begun in preparation for public consultations.
- In the development of a guidance document on the incorporation of climate change considerations in environmental assessment, the Agency worked in collaboration with federal, provincial and territorial partners, National Air Issues Coordinating Committee - Climate Change (NAICC-CC) and the SMCEA.
- In the development of regulations and policies for the environmental assessment of offshore hydrocarbon projects, the Agency has made presentations to the SMCEA and the multi-stakeholder Regulatory Advisory Committee, and facilitated the establishment and efforts of the RAC offshore oil and gas subcommittee (chaired by the Agency).

### Continued to participate in, and we provided funding to, the British Columbia First Nations Environmental Assessment Technical Working Group (FNEATWG)

- The Agency provided funding to the British Columbia First Nations Environmental Assessment Technical Working Group for the development of a First Nation's environmental assessment tool kit. In addition, the Agency participated in three meetings of the FNEATWG.

### Worked with First Nations to develop band council regulations for environmental assessment on reserve lands

#### Band Council Environmental Assessment Regulations

*Bill C-9 provides the opportunity for developing comprehensive band council environmental assessment regulations which can be applied wherever a band council exercises a power or performs a duty related to a proposed project. The Act previously provided for a much narrower range of authority in environmental assessments.*

*As well, Bill C-9 closes a 'legislative gap' in the Act regarding environmental assessments of federally funded projects on reserve lands which had been previously covered by a memorandum of understanding between departments.*

- The Agency worked with the Mi'kmaq of Nova Scotia, the Assembly of First Nations and Indian and Northern Affairs Canada to develop a basis for Mi'kmaq band council regulations under the renewed Act.
- The Agency, as part of a Mi'kmaq working group on environmental assessment, funded extensive meetings and a report which answered key questions necessary for moving ahead on developing Mi'kmaq reserve land environmental assessment regulations.
- The Agency and Indian and Northern Affairs Canada are co-funding a pilot project operated by the Confederacy of Mainland Mi'kmaq and the Union of Nova Scotia Indians whereby band councils will be able to tabulate and analyze their environmental assessment administrative data for a period of one year. This data will provide for an analysis of costs, areas of coverage gaps, as well as related federal departmental activity. It will also provide a basis for drafting a federal environmental assessment regulation for the involved communities.

### Logic Model - Strategic Outcome 2

#### Strategic Outcome:

#### Coordinated and Harmonized Environmental Assessments

The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and harmonized with other

jurisdictions.	
Expenditures \$2,633,620 FTEs 22.3	
<b>Key Partners:</b>	
<ul style="list-style-type: none"> <li>■ Federal, provincial, territorial and local governments</li> <li>■ National and regional Aboriginal organizations</li> <li>■ Non-governmental agencies</li> <li>■ Governments of the United States, Mexico and France</li> <li>■ Interest groups</li> <li>■ Canadians</li> </ul>	
<b>Key Targets and Overall Results:</b>	
<p><b>Clarified and improved environmental assessment processes with other jurisdictions and federal partners</b></p> <ul style="list-style-type: none"> <li>■ Provided support to federal negotiators in concluding agreements-in-principle with four First Nations</li> <li>■ Cooperated with other federal departments toward ratification of the Madrid Protocol on Environmental Protection under the Antarctic Treaty</li> </ul> <p><b>Strengthened relationships with partners and stakeholders</b></p> <ul style="list-style-type: none"> <li>■ Provided funding for the development of a First Nation's environmental assessment tool kit</li> <li>■ Coordinated and participated in environmental assessment workshops that reached more than 500 environmental assessment practitioners</li> </ul>	
<b>Program, resources and results linkages:</b>	
<b>Spending by Intermediate outcomes:</b>	
<b>Clarified and improved environmental assessment processes</b>	Expenditures \$1,855,318 FTEs 14.6
<b>Strengthened relationships with partners and stakeholders</b>	Expenditures \$1,726,090 FTEs 11.3
<b>Management Practices:</b>	
<ul style="list-style-type: none"> <li>■ Developed an extranet to further involve our stakeholders by providing a channel to share information and improve coordination with our partners</li> </ul>	

### Strategic Outcome 3: Consistent and Predictable Application of Environmental Considerations in Federal Decision Making

*The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.*

#### Context

The Agency takes a leadership role in assisting federal departments and agencies to comply with the Act. Although the Act does not contain enforcement provisions, a priority of the Agency is to work with other government departments to promote its consistent and predictable application. The Agency does so by working on expanding the coverage of the Act so that more activities with potential environmental effects involving the federal government are assessed. It also encourages compliance by ensuring that those responsible for applying the Act have the appropriate training and tools at their disposal to adequately fulfil their responsibilities. An additional priority is addressing areas where discrepancies within the federal environmental assessment process may exist. The Agency also reviews Cabinet submissions for compliance with the 1999 Directive and to provide advice and guidance to departments.

#### Strategy

To achieve this Strategic Outcome, the Agency has focused on the following Intermediate Outcomes:



3.1 Improve the Agency's capacity to monitor, assess and foster compliance

3.2 Address gaps in the application of the *Canadian Environmental Assessment Act*

### **Intermediate Outcome**

#### **3.1 Improve the Agency's capacity to monitor, assess and foster compliance**

The Agency plays a leadership role in encouraging efforts of federal departments and agencies to monitor their compliance with the Act and the quality and consistency of their environmental assessments. An important initiative in this regard was the voluntary Compliance Monitoring Program that the Agency initiated and led during the 1998-2000 period. The quality assurance role of the Agency will be formally established in law through provisions in Bill C-9.

### **2002-2003 Results**

#### **Worked on developing the Quality Assurance Program proposed in Bill C-9**

##### **Quality Assurance Program**

*Bill C-9 sets out a legislative duty for the Agency "to establish and lead a quality assurance program for assessments conducted under the Act." This duty is accompanied by powers to request information on environmental assessments conducted by federal authorities and by other entities (e.g., Ports and airport authorities, Crown corporations, band councils) regulated under the Act, now or in the future. Those federal authorities and regulated entities are, in turn, required by the renewed Act to provide any such requested information.*

- The Agency held a two-day internal workshop to define the principles, objectives and initial priorities of the Quality Assurance Program. Consultations with participants and external stakeholders will be held in late summer 2003 and implementation of the Quality Assurance Program is planned for the 2004-2005 fiscal year.

#### **Reviewed new government initiatives for environmental assessment and strategic environmental assessment implications, and provided advice to the Minister of the Environment and other government departments as required**

- The Agency reviewed more than 400 Cabinet submissions for compliance with the Strategic Environmental Assessment Cabinet Directive and for other environmental assessment implications.
- In relation to the strategic environmental assessments of international trade initiatives undertaken by the Department of Foreign Affairs and International Trade, the Agency provided advice and expertise on the initial environmental assessments for the World Trade Organization.

### **Intermediate Outcome**

#### **3.2 Address gaps in the application of the *Canadian Environmental Assessment Act***

The Agency continues to increase the consistency and predictability of the federal environmental assessment process through improvements to the regulatory framework. This process involves extensive, nation wide public consultations and input from various partners, helping to ensure that regulatory reform and enhancement improve the scope and range of activities which are subject to assessment and address discrepancies.

Bill C-9 provides for the closing of existing gaps in the coverage of the *Canadian Environmental Assessment Act*. The most notable legislative proposals relate to Crown corporations, which would become subject to the Act three years from the date Bill C-9 received royal assent.

Bill C-9 has necessitated efforts to update the existing *Canada Port Authorities Environmental Assessment Regulations*.

### **2002-2003 Results**

#### **Sought approval of an environmental assessment regulatory framework for airport authorities under the**

## **Act**

- The Agency commissioned a consultant study of the current environmental assessment practices of airport authorities. The consultant's report was in the process of being finalized at the end of the reporting period.

## **Initiated the planning process for bringing 41 parent Crown corporations under the Act**

### **Crown Corporations and Environmental Assessment**

*The current Act includes a provision to develop regulations for projects undertaken by Crown corporations. Efforts to develop these regulations in 1996-1997 were not successful. Projects by Crown corporations may be subject to the Act where a federal department or agency has a decision to make about a specific project involving the Crown corporation.*

*Provisions in Bill C-9 would ensure that 41 parent Crown corporations would come directly under the Act or under regulations tailored to the circumstances of individual Crown corporations or logical groupings of Crown corporations.*

*Bringing the Crown corporations under the Act, while allowing for their varying circumstances, would result in greater equity and ensure that projects undertaken or approved by Crown corporations would receive environmental scrutiny.*

- The Agency drew up terms of reference for a consultant study to formulate a plan for developing all necessary regulations for Crown corporations within the specified three-year period.

## **Developed draft amendments to the *Canada Port Authority Environmental Assessment Regulations***

### **Canada Port Authority Environmental Assessment Regulations**

*The Canada Port Authority Environmental Assessment Regulations define an environmental assessment regime that mirrors, in most respects, the process described in the Canadian Environmental Assessment Act. Bill C-9 creates several changes to the Act which will, in turn need to be reflected in the regulations. Amended regulations will need to be put in force at the time of proclamation of Bill C-9*

- The Agency hosted a workshop with representatives of Canada Port Authorities to scope out the nature of required changes to the regulations and prepared draft regulatory amendments to be reviewed by that same group in April 2003.

## **Developed amendments to regulations under the Act to ensure that relevant offshore oil and gas activities authorized by the Canada-Nova Scotia Offshore Petroleum Board or the Canada-Newfoundland Offshore Petroleum Board are assessed under the Act**

- Proposed amendments to key regulations under the Act were submitted to the Special Committee of Cabinet for pre-publication approval for the *Canada Gazette*, Part I. These amendments would eliminate ambiguities and inconsistencies. They would also ensure that relevant exploration and development authorizations issued by the Canada-Nova Scotia Offshore Petroleum Board and the Canada-Newfoundland Offshore Petroleum Board are assessed under the Act.
- In a related initiative, an offshore hydrocarbon subcommittee of the Minister of the Environment's Regulatory Advisory Committee began to examine the regulations under the *Canadian Environmental Assessment Act* that refer to offshore oil and gas activities. Particular attention is being given to existing requirements for comprehensive study assessments to improve the effectiveness of environmental assessments of projects.

## **Developed amendments to the *Canadian Environmental Assessment Act* to maintain consistency with the *Nuclear Safety and Control Act* (replacing the former *Atomic Energy and Control Act*)**

- The Agency undertook efforts to replicate the former links between the *Atomic Energy Control Act* and the *Canadian Environmental Assessment Act* by making changes to four regulations under the *Canadian Environmental Assessment Act*. The Agency presented the set of regulatory amendments to the Regulatory Advisory Committee in March. After indicating to the Canadian Nuclear

Association and the Canadian Environmental Network that certain minor revisions would be made in response to their concerns, the Agency has proceeded to legal drafting.

### Logic Model - Strategic Outcome 3

<b>Strategic Outcome:</b>	
<p><b>Consistent and predictable application of environmental considerations in federal decision making</b></p> <p>The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.</p> <p>Expenditures \$426,297 FTE 4.3</p>	
<b>Key Partners:</b>	
<ul style="list-style-type: none"> <li>■ Federal, provincial, territorial and local governments</li> <li>■ National and regional Aboriginal organizations</li> <li>■ Non-governmental agencies</li> <li>■ Regulatory Advisory Committee</li> <li>■ Federal airport authorities</li> <li>■ Canada port authorities</li> <li>■ Crown corporations and other federal entities</li> <li>■ Interest groups</li> <li>■ Canadians</li> </ul>	
<b>Key Targets and Overall Results:</b>	
<p><b>Improved monitoring and compliance</b></p> <ul style="list-style-type: none"> <li>■ Extensive work undertaken in development of the Quality Assurance Program <a href="http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.acee-ceaa.gc.ca/0007/0003/quality_e.htm">http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.acee-ceaa.gc.ca/0007/0003/quality_e.htm</a></li> </ul> <p><b>Gaps in the Application of the Act are addressed</b></p> <ul style="list-style-type: none"> <li>■ Began development work on new regulations for Crown corporations</li> <li>■ Prepared draft amended regulations for the Canada Port Authority Environmental Assessment Regulations</li> </ul>	
<b>Program, resources and results linkages:</b>	
<b>Spending by Intermediate outcomes:</b>	
Gaps in the Application of the Act are addressed.	Expenditures \$209,947 FTEs 2.4
Strengthened relationships with partners and stakeholders	Expenditures \$216,350 FTEs 1.9
<b>Management Practices:</b>	
<ul style="list-style-type: none"> <li>■ The Agency pays close attention to and reviews hundreds of Cabinet submissions annually to ensure that environmental assessment implications are considered in federal decision making.</li> </ul>	

## ANNEX 1: Consolidated Reporting

### A1.1 Human Resources Management

In line with government-wide commitments, the Agency's human resources management practices and efforts during the reporting period focused on the follow-up to the 2002 Public Service-wide Employee Survey, human resources management modernization and fostering a learning organization.

#### 2002 Public Service-wide Survey and Human Resources Management Modernization

The Agency achieved an 86 percent participation rate in its 2002 Public Service-wide Employee Survey results. This was the second highest participation rate of all government departments and agencies. The survey results indicate that the Agency has improved in several areas since the 1999 survey.

The Agency's internal Human Resources Management Modernization Committee examined the results of the 2002 Public Service-wide Employee Survey. The Committee will complete and implement an action plan to address areas that require improvement in the 2003-2004 fiscal year.

The Agency also developed its own guidelines to support the *Treasury Board Policy on the Prevention and Resolution of Harassment in the Workplace*, intended to foster respectful practices through the prevention and prompt resolution of conflict. Awareness sessions on conflict resolution and harassment prevention were provided to all staff.

## Learning

Learning is an important Agency priority, and is reflected as a key commitment in every manager's performance management agreement.

The Agency developed its own Learning Policy and Framework which was launched during the 2003 National Public Service Week. Through its implementation, the Agency will continue to build a learning culture and stimulate, guide and promote continuous learning. The Agency has also partnered with Health Canada to make use of its Learning and Career Centre services, including access to a wide range of learning resources to help employees develop and implement a personal learning plan.

In-house language training was offered to help employees maintain and improve their language proficiency, in an effort to maintain and enhance quality service delivery in both official languages.

## Results and Accountability

Steps have been taken to improve the Agency's collective management toward its strategic objectives by establishing mechanisms to allow managers, in cooperation with staff, to set more clearly defined individual objectives as part of the employee appraisal process. These objectives have helped each employee to work more effectively toward clearly understood and easily measurable collective results. As an added benefit to the more detailed objective setting exercise, managers can more easily recognize employee excellence. Employees know where the organization is heading over the next few years and understand its purpose (how their work fits in, as well as what is expected of them). In addition, every performance appraisal is examined by the Performance Appraisal Review Committee which facilitates the Agency's planning of its human resources.

### A1.2 Sustainable Development Strategy

The Agency's 2001-2003 Sustainable Development Strategy, entitled *Environmental Assessment: A Critical Tool for Sustainable Development*, has focused on:

- expanding the knowledge and understanding of environmental assessment
- building effective partnerships with its federal partners and other stakeholders; and
- strengthening its internal capacity to deliver its products and services.

In this strategy, 70 commitments and 27 targets were made which involved promoting environmental assessment as a tool for achieving sustainable development. A communications strategy was also developed to build greater awareness of the Agency's sustainable development goals. To view the Agency's challenges and successes in meeting these commitments, please see the Evaluation of the *Canadian Environmental Assessment Agency's 2001-2003 Sustainable Development Strategy* at: [http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.acee-ceaa.gc.ca/0012/0004/2003sds\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.acee-ceaa.gc.ca/0012/0004/2003sds_e.htm)

For additional information on the Agency's Sustainable Development Strategy, visit [http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.acee-ceaa.gc.ca/0012/0004/development2001\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.acee-ceaa.gc.ca/0012/0004/development2001_e.htm)

### A1.3 Modern Comptrollership

Modern comptrollership is a federal management reform that focuses on the sound management of resources and effective decision making. It helps federal departments and agencies to focus on what matters to Canadians and responds to their concerns about the value that they obtain for their tax dollars.

During the reporting period, the Agency successfully met the following milestones. The Agency:

- partnered with other small agencies on modern comptrollership projects to identify best practices and initiatives that are adapted to the reality of small agencies. This included a project aimed at improving external reporting processes so that such processes are more efficient for small agencies;

- completed a capacity assessment and developed an action plan for implementing modern comptrollership at the Agency;
- provided modern comptrollership training sessions for senior management, which were attended by all Agency executives;
- held an all-day staff session to discuss values and ethics and identify which values employees felt best reflected those of the Agency; and
- began work on performance measurement at the Agency with the Regional Liaison and Guidance group. This included an all-day training session for regional employees on performance measurement and how it can be applied at the Agency. Draft performance measures and indicators were developed, and will be integrated into the Agency's broader performance measurement initiative now under way.

The Agency is committed to providing Canadians with high quality environmental assessments that contribute to informed decision making in support of sustainable development. The modern comptrollership initiative is a means to ensure that the Agency continues to provide Canadians with high-quality services and results as described in this report.

**For additional information on modern comptrollership, visit the Treasury Board Secretariat's Web site at**  
[http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.tbs-sct.gc.ca/CMO\\_MFC/index\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.tbs-sct.gc.ca/CMO_MFC/index_e.asp)

## **A1.4 Government On-Line Initiative**

The Government of Canada has stated its intention to help to make Canada one of the most connected countries in the world. The Agency is committed to contributing to the goal, and has successfully been moving forward with Government On-Line (GOL) initiatives.

During 2002-2003, the Agency undertook a close review of the Agency's Web site to ensure compliance with the Treasury Board's Common Look and Feel Directive. Changes in many areas of the site to achieve compliance were completed on December 31, 2002.

The Agency also issued a request for proposal for the development of a Government On-Line Tier II Strategic Plan. A bidder was selected who will complete the work in 2003-2004.

Our Government On-Line strategic plan will identify means to improve our electronic service delivery and leverage Information Management/Information Technology infrastructure investments across the full range of programs and services. During the preparation of this report, the first two phases of our strategic plan were completed and the final plan is expected in October 2003.

## **A1.5 Adopting and Applying the New Communications Policy**

In keeping with the Government of Canada's new Communications Policy, the Agency undertook several initiatives to meet the policy's objective of ensuring that communications are "well co-ordinated, effectively managed and responsive to the diverse information needs of the public."

The Agency provided training opportunities, and developed procedures and internal policies to ensure that communications meet Government of Canada standards. Training focused on two areas, strategic communications and media relations, while the new procedures included internet and electronic communication, internal communications and media tools. These procedures clarify roles and responsibilities, encourage compliance with the new Communications Policy and improve and standardize the Agency's overall approach to its communications activities.

A corporate communications plan was developed and implemented to integrate communications into the Agency's annual planning processes. Communications plans and strategies were also developed for a wide range of initiatives, most notably in support of the royal assent and proclamation of Bill C-9, An Act to amend the *Canadian Environmental Assessment Act*.

## **ANNEX 2: Financial Performance**

### **A2.1 Financial Performance Overview**

Overall, the Agency spent \$13,368,318 during 2002-2003, ending the year with an unexpended balance of 8.3% of its total authorities (including \$883,300 allocated for participant funding which was not required in the 2002-2003 fiscal year). Direct operating expenditures and salaries for major areas of activity include:

	(\$000s)
■ Regional offices - provision of information, advice, coordination, and liaison support for the full range of Agency operations;	2,693
■ Support for the parliamentary review of the <i>Canadian Environmental Assessment Act</i> ;	1,064
■ Tools to advance the implementation of the renewed <i>Canadian Environmental Assessment Act</i> and improve the process, including operational policy statements, class screening models, delivery of client training and education materials, the Quality Assurance Program and an alternative dispute resolution strategy;	515
■ Policy initiatives including federal-provincial harmonization, strategic environmental assessment, regulatory initiatives and policy research;	1,411
■ Support for incorporation of Aboriginal interests and involvement in environmental assessment through development of provisions in land claims and self-government agreements, in addition to fulfilling obligations under the <i>James Bay and Northern Quebec Agreement</i> ;	752
■ Costs associated with review panels, including the GSX Canada Pipeline project, the Highwood Storage and Diversion Plan, and the Eastmain-1-A and Rupert Diversion project as well as northern pipeline developments;	495
■ Research and Development Program; and	380
■ Management of human resources activities to develop competencies in people and become a learning organization.	586

Although the Agency received authority to recover costs from project proponents for conducting review panels in August 1998, this authority has not yet been used because no eligible review panels have been established. The Agency generated revenues of \$197,610 from the sale of training services and publications.

## A2.2 Financial Summary Tables

This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table 5, are displayed using separate column and row headings. For clarity, these headings are defined below.

<b>Planned Spending/ Revenues</b>	Planned spending at the beginning of fiscal year 2002-2003
<b>Total Authorities</b>	Includes planned spending plus adjustments to reflect changes in priorities and unforeseen events (Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities or adjustments)
<b>Actual</b>	What was actually spent or collected for fiscal year 2002-2003
<b>Respendable Revenues</b>	Revenues that can be used by the Agency to offset program expenditures; for example, cost recovery for review panels or sale of publications and training services
<b>Non-Respendable Revenues</b>	Revenues collected on behalf of the government which cannot be used by the Agency to offset program expenditures

**Table 5: Financial Requirements by Authority**

(thousands of dollars)		2002-2003		
Vote		Planned Spending	Total Authorities	Actual
	<b>Canadian Environmental Assessment Agency</b>			
15	Program Expenditures	10,452.0	13,153.7	<b>11,940.3</b>
	Contribution to	1,224.0	1,428.0	<b>1,428.0</b>

(S)	Employee Benefit Plans			
	<b>Total Agency</b>	<b>11,676.0</b>	<b>14,581.7</b>	<b>13,368.3</b>

**Note:** Actual expenditures were approximately \$1,692,300 more than planned spending due to the increased cost of supporting an extended parliamentary review of the *Canadian Environmental Assessment Act*, as well as the impact of collective bargaining agreements which affect salary costs.

**Table 6: Comparison of Total Planned Spending to Actual Spending**

(thousands of dollars)	2002-2003		
	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
Full-Time Equivalents (FTEs)	100	106	106
Operating	15,177.0	18,082.7	<b>13,720.5</b>
Total Gross Expenditures	15,177.0	18,082.7	<b>13,720.5</b>
Less: Respendable Revenues	(3,501.0)	(3,501.0)	<b>(352.2)</b>
Total Net Expenditures	11,676.0	14,581.7	<b>13,368.3</b>
<b>Other Revenues and Expenditures</b>			
Non-Respendable Revenues	-	(21.7)	<b>(21.7)</b>
Cost of Services Provided by	1,450.0	2,074.6	<b>2,074.6</b>
<b>Other Departments</b>			
<b>Net Cost of the Program</b>	<b>13,126.0</b>	<b>16,634.6</b>	<b>15,421.2</b>

**Note:** Due to rounding, figures may not add to totals shown. The cost of services provided by other departments is approximately \$624,600 more than planned. The difference is due primarily to higher than expected cost of legal services provided by the Department of Justice and increased employee insurance premiums paid by the Treasury Board Secretariat.

**Table 7: Historical Comparison of Total Planned Spending to Actual Spending**

(thousands of dollars)	2002-2003				
	<b>Actual 2000-2001</b>	<b>Actual 2001-2002</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
Canadian Environmental Assessment Agency	11,387.4	12,564.8	11,676.0	14,581.7	<b>13,368.3</b>

**Table 8: Revenues**

<b>Respendable Revenues (thousands of dollars)</b>					
	2002-2003				
	<b>Actual 2000-2001</b>	<b>Actual 2001-2002</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
Canadian Environmental Assessment Agency	209.8	197.6	3,501.0	3,501.0	352.2
<b>Total Respendable Revenues</b>	<b>209.8</b>	<b>197.6</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>352.2</b>



<b>Non-Respendable Revenues</b>					
Canadian Environmental Assessment Agency	0.2	0.4	-	21.7	21.7
<b>Total Non-Respendable Revenues</b>	<b>0.2</b>	<b>0.4</b>	<b>-</b>	<b>21.7</b>	<b>21.7</b>
<b>Total Revenues</b>	<b>210.0</b>	<b>198.0</b>	<b>3,501.0</b>	<b>3,522.7</b>	<b>373.9</b>

**Note:** In August 1998, the Agency received authority to recover the costs of new review panels from project proponents. Authorities are based on historical average annual panel costs. During 2002-2003, no new eligible review panels were established resulting in a variance of approximately \$3.1 million between total authorities and actual revenues collected. Actual 2002-2003 respendable revenues consisted mainly of proceeds from sale of publications and training products.

**Table 9: Statutory Payments**

(thousands of dollars)			<b>2002-2003</b>		
	<b>Actual 2000- 2001</b>	<b>Actual 2001- 2002</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
Canadian Environmental Assessment Agency	1,146.0	1,247.0	1,224.0	1,428.0	1,428.0
<b>Total Statutory Payments</b>	<b>1,146.0</b>	<b>1,247.0</b>	<b>1,224.0</b>	<b>1,428.0</b>	<b>1,428.0</b>

**Note:** The only statutory payment applicable to the Agency is for employee benefit plans.

**Table 10: Transfer Payments**

(thousands of dollars)			<b>2002-2003</b>		
	<b>Actual 2000- 2001</b>	<b>Actual 2001- 2002</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>CONTRIBUTIONS</b>	104.0	173.5	95.0	173.5	173.5
Contribution to the Province of Quebec - <i>James Bay and Northern Quebec Agreement</i>					
<i>Contributions to support the research, development and promotion of environmental assessment</i>	324.2	332.2	300.0	338.2	338.2
<i>Contributions to assist public participation in environmental assessment reviews</i>	42.8	23.4	1,000.0	883.3	76.3
<b>Total Contributions</b>	<b>471.0</b>	<b>529.1</b>	<b>1,395.0</b>	<b>1,395.0</b>	<b>588.0</b>
<b>Total Transfer Payments</b>	<b>471.0</b>	<b>529.1</b>	<b>1,395.0</b>	<b>1,395.0</b>	<b>588.0</b>

**Note:** Due to rounding, figures may not add to totals shown. Contributions to support research and development during 2002-2003 included projects aimed at improving the practice of environmental assessments. The level of demand to fund public participation in review panels depends on the number review panels and the status of their assessment. For 2002-2003, only the GSX project required funding assistance.

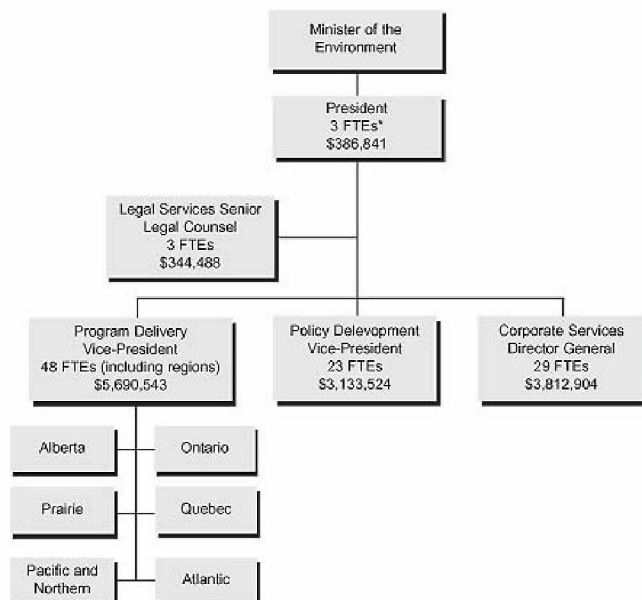
## ANNEX 3: Other Information

### A3.1 Agency Organization

The Agency fulfils its mandate through one program and one business line - environmental assessment. The reporting structure to the Minister of the Environment is shown in the figure below.

**Figure 1: Accountability**

2002-2003  
Total Net Expenditures  
\$13,368,300



During 2002-2003, the costs of services provided without charge were approximately \$2.1 million. These costs are not reflected in net total expenditures of \$13.4 million.

*Note: Full-time equivalent (FTE) is a measure of human resource usage based on average levels of employment.*

### A3.2 Major Federal Statutes and Agreements Administered

The *Canadian Environmental Assessment Act* is solely administered by the Agency. The Minister has responsibility to Parliament for the following associated regulations:

**Table 11: Major Federal Statutes and Agreements Administered**

<i>Law List Regulations</i>	SOR/94-636 (October 7, 1994)
<i>Comprehensive Study List Regulations</i>	SOR/94-638 (October 7, 1994)
<i>Inclusion List Regulations</i>	SOR/94-637 (October 7, 1994)
<i>Exclusion List Regulations</i>	SOR/94-639 (October 7, 1994)
<i>Federal Authorities Regulations</i>	SOR/96-280 (May 28, 1996)
<i>Projects Outside Canada Environmental Assessment Regulations</i>	SOR/96-491

	(November 7, 1996)
<i>Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i>	SOR/97-181 (April 8, 1997)
<i>Environmental Assessment Review Panel Service Charges Order</i>	SOR/98-443 (August 26, 1998)
<i>Canada Port Authority Environmental Assessment Regulations</i>	SOR/99-318 (July 28, 1999)

### A3.3 Regulatory Initiatives

The following table outlines the Agency's significant regulatory initiatives during 2002-2003.

**Table 12: Legislative and Regulatory Initiative**

<b>Legislative or Regulatory Initiative</b>	<b>Key Actions</b>	<b>Expected Results</b>	<b>2002-03 Accomplishments</b>
<b>Amendments to Exclusion List Regulations</b>	Identify new entries to add to these to prescribe new classes of projects to be excluded from environmental assessment, and to modify thresholds of certain existing entries.	Reduction in the number of environmental assessments of projects having insignificant effects conducted by responsible federal authorities, particularly for screening assessments.  More efficient and effective use of environmental assessment resources.	Development of criteria for exclusion, and preparation of a draft list of proposed amendments to the regulation.  Solicitation of comments and additional recommendations for amendments from the Minister's Regulatory Advisory Committee.  Solicitation of comments and additional recommendations for amendments from an independent expert.
<b>Amendments to Federal Coordination Regulations</b>	Amend <i>Federal Coordination Regulations</i> to make them consistent with Bill C-9.	Better coordination among federal authorities, as well as between federal authorities and other jurisdictions.  A more timely, predictable and certain environmental assessment process.	An internal working group of the Agency created a draft regulation for review by the Minister's Regulatory Advisory Committee.
<b>Amendments to Canada Ports Authority Environmental Assessment Regulations</b>	Amend <i>Canada Port Authority Environmental Assessment Regulations</i> to make them consistent with Bill C-9.	A comprehensive environmental assessment process that addresses all appropriate Canadian port authority activities.	Meetings held with representatives of Canada Ports Authorities to establish the nature and scope of required changes to the regulations.  Draft regulations developed.
<b>Airport Authority Regulations</b>	Create by regulation an assessment process for airport authorities, which do not currently come under the Act. This regime	A comprehensive environmental assessment process that captures all appropriate airport authority activities for assessment.	Initiated development of regulations for airport authorities.  Undertook a consultant study to capture the current state airport authorities current environmental assessment practices. Draft forthcoming.

	would extend to projects located on the federal land over which airport authorities have administration, management or other specified rights or interests.	Increased transparency and greater opportunities for public involvement in the assessment process.	Planning has begun for a workshop to further develop appropriate regulations.
<b>Amendments to Inclusion List Regulations, Law List Regulations and Comprehensive Study List Regulations relating to offshore oil and gas</b>	<p>Amend the key regulations under the Act to eliminate ambiguities and inconsistencies and ensure that exploration and development projects authorized by the Canada-Nova Scotia Offshore Petroleum Board and the Canada-Newfoundland Offshore Petroleum Board are assessed under the Act.</p> <p>Undertake a comprehensive review of all regulations to ensure the appropriateness of their treatment of various types of offshore oil and gas projects.</p>	A consistent and appropriate federal environmental assessment regime for offshore oil and gas projects in all of Canada's offshore areas.	<p>As a result of amendments to the first two regulations, the full range of exploration and production projects proposed for areas under the control of the Canada-Nova Scotia Offshore Petroleum Board and the Canada-Newfoundland Offshore Petroleum Board were brought under the Act. Amendments to the third regulations provide increased clarity and certainty in the application of the offshore oil and gas environmental assessment process.</p> <p>All three amendments were presented to the Regulatory Advisory Committee (RAC), the RAC subcommittee on federal offshore oil and gas environmental assessment issues and SMCEA during the formulation process.</p>
<b>Amendments to Inclusion List Regulations, Exclusion List Regulations, Law List Regulations and Comprehensive Study List Regulations related to nuclear safety and control</b>	Propose amendments to <i>Inclusion List Regulations</i> , <i>Exclusion List Regulations</i> , <i>Law List Regulations</i> and <i>Comprehensive Study List Regulations</i> under the Act to reflect the repeal of the <i>Atomic Energy Control Act</i> and its replacement by the <i>Nuclear Safety and Control Act</i> .	Consistency in maintaining the types of links that previously existed between the <i>Atomic Energy and Control Act</i> , the Canadian Environmental Assessment Agency and the <i>Canadian Environmental Assessment Act</i> .	Changes were made to four regulations under the Canadian Environmental Assessment Agency. To the extent possible, the former links between the Atomic Energy Control Act and the Canadian Environmental Assessment Agency have been maintained. Consultations with RAC led to minor regulatory revisions, as suggested by the Canadian Environmental Network and Canadian Nuclear Association.
<b>Comprehensive Band Council Environmental Assessment Regulations</b>	<p>Consultations with Nova Scotia Mi'kmaq communities on the adoption of a 59 (I) band council regulation.</p> <p>Develop and establish a Mi'kmaq band council regulation under section 59 (I) of the renewed Act.</p>	<p>Some of the Mi'kmaq communities adopt a 59 (I) regulation.</p> <p>A consistent band council environmental assessment regime on Mi'kmaq Indian reserves in Nova Scotia.</p>	<p>Agency staff have worked with the Mi'kmaq of Nova Scotia, the Assembly of First Nations and Indian and Northern Affairs Canada (INAC) to develop a basis for Mi'kmaq Band Council regulations under a renewed Act.</p> <p>The Agency funded extensive meetings and a report to help the development of Mi'kmaq reserve land environmental assessment regulations.</p> <p>The Agency and INAC are co-</p>

			funding a pilot project operated by the Confederacy of Mainland Mi'kmaq and the Union of Nova Scotia Indians whereby band councils will be able to tabulate and analyze their environmental assessment administrative data for a period of one year.
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### A3.4 Statistical Summary of Environmental Assessments

In accordance with subsection 71(2) of the Act, this table provides a statistical summary of all environmental assessments initiated during 2002-2003 under the Act. In total, 5988 environmental assessments were initiated, as reported by lead department or agency. This compares with 6779 environmental assessments that were initiated in 2001-2002.

**Table 13: Statistical Summary of Environmental Assessments initiated in 2002-2003**

Department/Agency	Screenings			Comprehensive Studies	Review Panels
	Outstanding	Approved	Not Approved		
Agriculture and Agri-Food Canada	14	202	0	0	0
Atlantic Canada Opportunities Agency	0	162	0	0	0
Canadian Food Inspection Agency	0	20	0	0	0
Canadian International Development Agency	0	408	0	0	0
Canadian Nuclear Safety Commission	19	5	0	0	0
Canadian Transportation Agency	10	6	0	0	0
Canada Customs and Revenue Agency	1	5	0	0	0
Canada Economic Development	43	69	0	0	0
Canadian Heritage	1	4	0	0	0
Correctional Service of Canada	0	15	0	0	0
Foreign Affairs and International Trade	0	19	0	0	0
Environment Canada	66	329	1	0	0
Fisheries and Oceans Canada	31	1,215	0	3	1
Health Canada	8	5	0	0	0
Human Resources Development Canada	0	131	0	0	0
Indian and Northern Affairs Canada	176	897	0	0	0
Industry Canada	18	188	0	0	0
Infrastructure Canada	0	66	0	0	0
National Defence	31	94	0	0	0
National Energy Board	15	41	0	1	0
National Research Council of Canada	0	4	0	0	0
Natural Resources Canada	14	16	0	0	0
Natural Sciences and Engineering Research Council of Canada	0	5	0	0	0
Parks Canada Agency	301	713	3	0	0
Public Works and Government Services Canada	15	64	0	0	0

Royal Canadian Mounted Police	0	10	0	0	0
Transport Canada	14	149	0	0	0
Veterans Affairs Canada	0	2	0	0	0
Western Economic Diversification Canada	162	190	0	6	0
<b>sub-total</b>	<b>939</b>	<b>5,034</b>	<b>4</b>	<b>10</b>	<b>1</b>
<b>Total Initiated in 2002-2003 = 5,988</b>					

## For Further Information

### Director of Communications

Canadian Environmental Assessment Agency  
200 Sacré-Coeur Boulevard  
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Telephone: (819) 997-2727

Fax: (819) 953-2891

E-mail: [info@ceaa-acee.gc.ca](mailto:info@ceaa-acee.gc.ca)

### The Canadian Environmental Assessment Agency's Web site

<http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.ceaa-acee.gc.ca/>

### The Treasury Board Secretariat's Web site

<http://www.collectionscanada.gc.ca/webarchives/20060120095818/http://www.tbs-sct.gc.ca/>

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## Section I

### Minister's Message and Executive Summary

#### Minister's Message

I am pleased to present the performance report of the Canadian Environmental Assessment Agency for the period ending March 31, 2004. This report outlines the Agency's key accomplishments for the 2003-2004 fiscal year.

The Agency, as the administrator of the federal environmental assessment process, plays a vital role in integrating Canada's environmental goals with its economic interests and social and cultural values. Together with its partners, including federal departments and agencies, provinces and territories, as well as Aboriginal groups and the public, the Agency works to ensure that all proposals involving the federal government receive a careful review of their environmental effects. The information provided by environmental assessment assures decision makers that the projects they approve are compatible with a healthy, sustainable environment for both present and future generations. Environmental assessments promote informed decision making by providing information on environmental effects and the means to mitigate them.

The Agency experienced a banner year in 2003-2004. Improvements to the *Canadian Environmental Assessment Act*, which became law in October 2003, will allow the Government of Canada to provide high-quality environmental assessments, a certain, predictable and timely process and meaningful public participation. Similarly, the Agency continued to lead on the implementation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, which was recently amended to improve transparency and accountability. During the reporting period, the Agency renewed bilateral agreements with several interested provinces and territories and also assumed its new legislated role as Federal Environmental Assessment Coordinator, a role designed to facilitate communication and cooperation when two or more parties are involved in the same environmental assessment.

The Agency is a small but dynamic organization with a workforce of 140 and an annual budget of approximately \$19 million. Since its creation ten years ago, the Agency and its partners have been at the forefront of making environmental assessment an integral part of public policy and decision making at all levels of government. The Agency will continue to draw on its accumulated and growing experience to promote a healthy environment in a strong economy.

Stéphane Dion  
Minister of the Environment

#### Management Representation Statement

I submit, for tabling in Parliament, the 2003-2004 departmental performance report (DPR) for the Canadian Environmental Assessment Agency.

This report has been prepared based on the reporting principles and other requirements in the *2003-2004 Departmental Performance Reports Preparation Guide* and represents, to the best of my knowledge, a comprehensive, balanced and transparent picture of the organization's performance for fiscal year 2003-2004.

Robert G. Connelly



## Executive Summary

The Canadian Environmental Assessment Agency (the Agency) administers the *Canadian Environmental Assessment Act* (the Act), federal legislation designed to encourage the use of environmental assessment nationally as a planning tool to ensure that economic development occurs in a manner that maintains a healthy environment. The Agency employs 140 people at headquarters in Ottawa and in six regional offices across Canada and manages an annual budget of approximately \$19 million.

In October 2003, the renewed *Canadian Environmental Assessment Act* was proclaimed into law. Much work has since been undertaken to advance three key initiatives resulting from the renewed Act, namely the Federal Environmental Assessment Coordinator role, the Canadian Environmental Assessment Registry and the Quality Assurance Program. The Registry was successfully launched, and efforts were focused on developing the management frameworks and identifying priorities for the Quality Assurance Program and the Federal Environmental Assessment Coordinator role.

In 2003-2004, the Agency's federal clients conducted approximately 5,700 screening assessments. The Agency played an important role in relation to major projects which were assessed under comprehensive study and review panel provisions of the Act. With respect to more than 20 comprehensive studies under review by responsible authorities, the Agency exercised one or more of the following responsibilities: advice to responsible authorities, proponents and the public; management of public consultation; and advice and support to the Minister of the Environment with respect to assessing the need for further environmental assessment. In addition, the Agency negotiated and/or implemented agreements with other jurisdictions in relation to major projects in British Columbia, Alberta, Quebec and Nova Scotia which were referred to a review panel and supported the associated review panel activities.

The Agency reviewed Cabinet submissions for environmental assessment and strategic environmental assessment implications and continued to provide guidance, training, advice and administrative support services to federal decision makers and stakeholders across Canada. The Agency delivered approximately 300 training sessions to more than 6,000 participants across Canada. Ninety-five percent of participants who completed evaluations would recommend the Agency's training to others. These are encouraging numbers and suggest that the Agency is meeting the training needs of its clients.

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## Section II

### Strategic Context

#### Who We Are

The Canadian Environmental Assessment Agency provides leadership and serves as a centre of expertise in its role as the administrator of the federal environmental assessment process. The Agency has one program objective, which serves as its mission:

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***To provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.***

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Headed by the President, who reports directly to the Minister of the Environment,<sup>1</sup> the Agency is mandated by the following instruments:

- the *Canadian Environmental Assessment Act* and its accompanying regulations;
- the *Canada-Wide Accord on Environmental Harmonization* and bilateral agreements with provincial governments that establish arrangements for cooperative environmental assessments; and

- international agreements containing environmental assessment provisions to which Canada is a party, principally the United Nations *Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).

The Agency also assists the Minister of the Environment in implementing the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* by providing guidance to federal authorities on environmental assessment considerations and requirements in respect of proposed policies, plans and programs.

The President of the Agency has been designated by Order in Council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*.

For more information on the Agency, visit:

<http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/>.

<sup>1</sup> The reporting structure to the Minister of the Environment can be found in Figure 1, Annex 3.

## Partners in Environmental Assessment

Federal environmental assessment is based on the principle of self assessment. This means that the federal department or agency responsible for regulating, funding or supporting the relevant project or activity must ensure that an environmental assessment is conducted. The Agency provides these departments and agencies (known as responsible authorities) with training, advice, guidance and support in fulfilling their environmental assessment responsibilities under the Act.

The Agency has more involvement in projects that have the potential to cause significant environmental effects. It manages the public comment period and advises the Minister of the Environment in relation to the comprehensive study review process. It supports the establishment and conduct of independent review panels. It also provides advice and support to decision makers and manages a financial assistance program to encourage public participation in comprehensive studies and review panels.

### *Involvement of multiple jurisdictions in environmental assessment*

Depending on the project, representatives of federal, provincial, territorial and municipal governments, as well as Aboriginal groups, may have legislative environmental assessment requirements. The Agency works cooperatively with other parties to promote consistent approaches and an effective and efficient environmental assessment process that addresses the requirements of each jurisdiction.

### *Non-governmental organizations, businesses, citizen and industry groups*

Environmental non-governmental organizations, citizen groups and representatives from industry are important consultative partners during the development of policies, programs and regulations aimed at improving the environmental assessment process.

The Agency maintains channels for stakeholder communication through its support of several consultative committees. In 2003-2004, the Agency chaired the committees listed in Table 1.

**Table 1: Building Strong Partnerships**

Committee	Membership	Purpose
Regulatory Advisory Committee (RAC)	<ul style="list-style-type: none"> <li>■ federal and provincial government representatives</li> <li>■ Aboriginal, industry and environmental non-governmental organization members</li> </ul>	<ul style="list-style-type: none"> <li>■ advises the Minister on federal environmental assessment regulatory and policy matters</li> </ul>
Senior Management	<ul style="list-style-type: none"> <li>■ senior federal</li> </ul>	<ul style="list-style-type: none"> <li>■ share information on</li> </ul>

Committee on Environmental Assessment (SMCEA)	government managers representing various departments and agencies	current and upcoming environmental assessment issues pertinent to the federal government
Federal-Provincial-Territorial Environmental Assessment Administrators Group (Rotational chair among jurisdictions and the Agency)	■ senior federal-provincial-territorial environmental assessment representatives	■ discuss environmental assessment issues of cross-jurisdictional interest
Regional Environmental Assessment Committees (REAC)	■ regional environmental assessment representatives from various federal and provincial government departments	■ share information and discuss coordinated approaches to environmental assessment among jurisdictions within a geographic region

## Planning Context - Factors Influencing and Driving Performance

Projects subject to environmental assessment often raise important issues associated with socio-economic development, environmental protection, Aboriginal interests and federal-provincial relations. Environmental assessment must continually adapt to emerging trends and new challenges.

### ***Shared Environmental Management Responsibility***

Under the Constitution of Canada, responsibility for environmental management is an area of shared jurisdiction between various levels of government. To minimize duplication and delays, the Agency works with its provincial and territorial counterparts to bring about greater cooperation in environmental assessment, and promote the consistent and predictable application of environmental assessment processes across Canada.

### ***Addressing Competing Interests***

Large-scale projects subject to environmental assessment frequently involve sensitive issues related to development, environmental protection, Aboriginal interests and federal-provincial relations. Projects being assessed can often be complex, with competing stakeholder interests. Addressing these interests while maintaining productive relationships and delivering high-quality assessments which meet the expectations of Canadians is an ongoing challenge.

### ***Aboriginal Peoples***

Aboriginal peoples have strong interests in environmental assessment issues and they have indicated to the Agency that these interests include:

- participating in environmental assessments where Aboriginal peoples/groups may be affected by development;
- ensuring that their traditional knowledge is considered in the conduct of environmental assessments;
- developing the capacity of Aboriginal peoples to participate in and conduct environmental assessments on their lands;
- ensuring minimal disruption of traditional lifestyles and the natural environment; and
- developing environmental assessment processes for projects on Aboriginal lands in the context of band council governance, self-government and comprehensive claim negotiations.

### ***Improved Federal Policy Development***

The Agency is a strong advocate for the application of strategic environmental assessment as a tool to support improved decision making. Since the implementation of

the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, federal departments have increasingly recognized the role of this valuable tool in helping to promote sustainable development. The Agency will continue to develop its advocacy and advisory role, track national and international development in the field, and provide leadership in this rapidly evolving field of policy research.

### **Canadian Competitiveness**

In a global economy, countries must compete for foreign investment. Environmental sustainability is emerging as a basis for competitiveness and consumers, producers and investors are responding to this change. The efficiency and effectiveness of an environmental assessment process can contribute to a positive view of the country. A more certain, timely and predictable environmental assessment process will also support Canada's competitiveness on the world stage.

### **Environmental Assessment and Climate Change**

The Government of Canada is committed to the Kyoto Protocol and to reaching its greenhouse gas emissions target of six percent below 1990 levels by 2012. At the same time, increased demand for energy is likely to result in more energy-related development projects. Environmental assessment is a useful tool for ensuring that government's climate change policies are considered in project development, and that projects take into consideration the potential effects of changes in the climate.

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## **Section III**

### **Agency Performance**

#### **Strategic Outcomes**

This Departmental Performance Report is organized by strategic outcomes - the long-term, enduring benefits to Canadians derived from the Agency's mission. The planning framework presented in this report is consistent with that presented in the *2003-2004 Report on Plans and Priorities*.

#### **Agency's Strategic Outcomes**

- Effective and efficient environmental assessment;
- Coordinated and harmonized environmental assessments; and
- Consistent and predictable application of environmental considerations in federal decision making.

#### **Strategic Outcome 1: Effective and Efficient Environmental Assessment**

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*The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation and support the principles of sustainable development.*

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#### **Context**

The Agency plays an important role in providing advice, guidance, training and recommendations to federal departments and agencies. This helps to ensure that environmental assessment decisions: comply with the Act; reflect effective and efficient environmental assessment practices; consider public values; and support the principles of sustainable development. The Agency plays a greater role in the assessment of projects with the potential to cause significant environmental effects by managing elements of the assessment process, providing opportunities for public participation, as well as providing advice and support to decision makers.

Effective and efficient environmental assessment involves incorporating environmental factors early in a project's planning stage so that adverse environmental effects and financial costs are reduced or avoided. Environmental assessment must be broad enough to consider all potential environmental effects arising from a project, provide appropriate opportunities during the process for Canadians to express their views and be involved in decisions that affect them.

## Strategy

The Agency has a responsibility to ensure that its actions contribute to these results. To achieve this strategic outcome, the Agency has focused on the following intermediate outcomes:

- 1.1 Be recognized as a credible advocate of high-quality environmental assessment
- 1.2 Advance the science and practice of environmental assessment
- 1.3 Learn from experience and share results

**Table 2: Logic Model - Strategic Outcome 1**

Strategic Outcome:	
<b>Effective and Efficient Environmental Assessment</b>	
<p>The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation, and support the principles of sustainable development.</p> <p>Expenditures: \$6,163,286 FTEs: 39.15</p>	
Key Partners:	
<ul style="list-style-type: none"> <li>■ Other federal government departments and agencies, provincial, territorial, and local governments</li> <li>■ Regulatory Advisory Committee</li> <li>■ Non-governmental agencies</li> <li>■ Aboriginal groups</li> <li>■ Private industry</li> <li>■ Interest groups</li> <li>■ Canadians</li> </ul>	
Key Results:	
<ul style="list-style-type: none"> <li>■ The Agency ensured the establishment and/or managed eight panel review processes with a view to ensuring high-quality environmental assessment.</li> <li>■ The Agency assisted stakeholders with respect to the application of the comprehensive study process to two dozen projects, including four where the Minister reached a decision after public consultation by the Agency.</li> <li>■ The Agency delivered approximately 300 training sessions to more than 6,000 participants in a wide range of groups and organizations across Canada and developed seven new guidance documents to assist in the application of the Act.</li> <li>■ The Agency funded six new projects under its Research and Development Program to improve scientific knowledge and the practice of environmental assessment.</li> <li>■ The Agency coordinated the federal government support and participation in the annual International Association for Impact Assessment conference held in Vancouver, April 24 to 30, 2004 and hosted 29 delegates to the Intergovernmental Policy Forum of high-level national and international governmental officials on April 25, 2004.</li> </ul>	
Program, Resources and Results Linkages:	
Spending by Intermediate Outcomes:	
The Agency is recognized as a credible advocate of high-quality environmental assessments	Expenditures: \$3,089,329 FTEs: 20.5
Advance the science and practice of environmental assessment	Expenditures: \$2,277,956 FTEs: 12.09

Learn from experience and share results	Expenditures: \$796,001 FTEs: 6.56
<b>Management Practices:</b>	
The Agency expanded the application of its Public Participation Funding Program. This program provides greater opportunities for Canadians to get involved and make meaningful contributions to the environmental assessment process applicable to comprehensive studies and review panels. For more information on this program, visit: <a href="http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/011/index_e.htm">http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/011/index_e.htm</a> .	

## Intermediate Outcome

### ***1.1 Be recognized as a credible advocate of high-quality environmental assessment***

Advocacy is central to the Agency's leadership role in the federal environmental assessment process. For the Agency to be an effective advocate of high-quality environmental assessment, Canadians need to have confidence in a system that is relevant to their needs and is based on sound practices.

Through its interpretive guides and training courses, the Agency informs federal departments, agencies and other organizations on how they can enhance their environmental assessment practices. The Agency's six regional offices play a key role in the dissemination of this information, providing ongoing liaison with federal, provincial and territorial governments.

The Agency advocates high-quality environmental assessment in a variety of ways, including:

- secretariat support and advice to federal and joint review panels;
- advice to responsible authorities, proponents and other participants during review panels and comprehensive studies, as well as to the Minister of the Environment in determining the next steps of the comprehensive study process;
- advice to responsible authorities, proponents and other participants in screening assessments and the development of model class screening reports, as well as advice to the President of the Agency in declaring model class screening reports; and
- advice to departments and agencies on Strategic Environmental Assessment.

The Agency's ability to promote effective and efficient environmental assessment requires that it maintain a high level of internal expertise and that it be recognized as a provider of quality advice. The Agency has undertaken several activities to strengthen its role and has achieved the following results:

## 2003-2004 Results

### ***Pursued Activities that Raise the Profile of the Organization and Enhance its Recognition for Providing Quality Advice***

- The Agency continued to effectively manage panel reviews, including joint reviews with other jurisdictions, such as the quasi-judicial joint review process with Alberta where it provided direct support by coordinating federal submissions and intervention during the review of two oil sands projects.

## Environmental Assessment Review Panels

Distinguished by extensive public participation, review panels are the most visible and public type of environmental assessment. They are independent from government, with members appointed by the Minister of the Environment.

The panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public comment periods and public

hearings. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

At the completion of the review process, the panel's report, including conclusions and recommendations, is submitted to the Minister. The recommendations are advisory, and the federal Cabinet considers all recommendations.

The Agency's primary roles in a panel review process are to: provide advice and co-ordination to federal expert authorities and responsible authorities; maintain the public registry; manage the review process and provide technical and administrative support to the panel; administer the Participant Funding Program; and design and implement a public information program with the panel.

**Table 3: Summary of Review Panel Activity**

<b><i>GSX Canada Pipeline Joint Review Panel, British Columbia</i></b>
This joint review process with the National Energy Board examined a proposed international natural gas pipeline from Washington State to Vancouver Island. The panel released its report in July 2003 and concluded that the Canadian portion of the Georgia Strait Crossing (GSX) Pipeline project is not likely to result in significant adverse environmental effects, provided its recommendations are implemented. The Government of Canada, in its response of November 21, 2003, accepted the panel's conclusion that the pipeline is unlikely to cause significant environmental effects, provided that specific actions are taken to protect areas that could be affected.
<b><i>Eastmain-1-A and Rupert Diversion Project Review Panel, Quebec</i></b>
Hydro-Québec and its subsidiary, the Société d'énergie de la Baie-James (SEBJ), propose to build the \$2 billion Eastmain-1-A generating station (770 MW) and to divert the Rupert River in the James Bay territory. The proposal requires the application of the Act and the provincial environmental assessment (EA) process of chapter 22 of the James Bay and Northern Quebec Agreement (JBNQA). In April 2003, the Agency, the Ministère de l'Environnement of Quebec and the Cree Regional Authority signed an agreement for the coordination of the environmental assessment processes applicable to the project.
On August 14, 2003, the federal Minister of the Environment and the Provincial Administrator for the <i>James Bay and Northern Quebec Agreement</i> (the "JBNQA") forwarded to the project proponents the directives for the preparation of the environmental impact statement. Beforehand, the Agency and the Evaluating Committee established pursuant to the JBNQA, held a thirty-day public consultation on the draft directives.
<b><i>Joint Review Panel - for the Kénogami, Quebec Watershed Flood Control Project</i></b>
Proposed by the Government of Quebec, this project involves constructing a reservoir on the Pikauba River, raising, consolidating and modernizing the existing structures around Lake Kénogami, constructing a riffle upstream from Rivière-aux-Sables and putting in place an improved peak flow regulation system. The project affects the Saguenay - Lac-Saint-Jean region.
The Joint Review Panel, appointed following the signature of a cooperative agreement between the Agency and the Government of Quebec in the summer of 2003, submitted its report to the Environment Ministers of Canada and Quebec late in October 2003. Neither government has indicated a commitment to authorize the project.
<b><i>Highwood Storage and Diversion Plan Joint Review Panel, Alberta</i></b>
The joint panel established in 2000 with Alberta Natural Resources Conservation Board was on hold while awaiting information from the proponent, Alberta Transportation.
<b><i>Whites Point Quarry Joint Review Panel, Nova Scotia</i></b>
The Whites Point Quarry and Marine Terminal project is a proposal to construct and operate a basalt quarry with a marine terminal located on Digby Neck in Digby County, Nova Scotia. Aggregate would be shipped by sea to U.S. markets, primarily for use in asphalt concrete.
In June 2003, the Minister of Fisheries and Oceans referred the Whites Point Quarry project to a review panel and on August 11, 2003, the Minister of the Environment and the Nova Scotia Minister of the Environment and Labour released for public comment



a draft agreement for the joint review of the project. At the request of the proponent, the finalization of the agreement was halted in February 2004, as a result of discussions regarding ownership of the project.

#### ***Mackenzie Gas Project Joint Review Panel***

The environmental assessment processes for the proposed Mackenzie Gas Project were initiated in 2003, as described in the *June 2002 Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories*.

In June 2003, the proponents filed their Preliminary Information Package, initiating the environmental assessment process. The Minister of the Environment then referred the project to a review panel under the *Canadian Environmental Assessment Act* and the Environmental Impact Screening Committee for the Inuvialuit Settlement Region, pursuant to the Inuvialuit Final Agreement, referred the project to the review panel process. Initial steps under the *Mackenzie Valley Resource Management Act* were also completed.

A *Plan for Public Involvement* was released and the Northern Gas Project Secretariat, a single window for the public to obtain information about the review processes, was established.

#### ***Horizon Oil Sands Joint Review Panel, Alberta***

Canadian Natural Resources Limited (CNRL) proposed to construct and operate an oil sands mining, extraction and upgrading facility in the Fort McMurray area. The proposed Horizon Mine is located approximately 70 km north of Fort McMurray.

In June 2003, the Minister of Fisheries and Oceans referred the Horizon Oil Sands project to a review panel. A joint review panel was established with the Alberta Energies and Utilities Board (AEUB) and hearings were held in September 2003. The panel issued its report on January 27, 2004, which contained nine recommendations to the federal government. On March 26, 2004, the federal government announced that it accepted the recommendations of the joint review panel.

#### ***Jackpine Oil Sands Joint Review Panel, Alberta***

Shell Canada Limited proposed to construct and operate the Jackpine oil sands mining and extraction facility approximately 70 km north of Fort McMurray. In August 2003, the Agency and the AEUB announced the establishment of a joint review panel for the proposed project.

The panel issued its report on February 5, 2004. The panel concluded that the project is unlikely to result in significant adverse environmental effects, provided that the mitigation measures proposed by Shell Canada Limited and the recommendations of the Panel are implemented. On April 22, 2004, the federal government announced that it accepted the recommendations of the joint review panel.

For additional information on review panels, visit

[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0009/0001/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0009/0001/index_e.htm).

## **Provided advice and support for the Minister's determinations on comprehensive studies**

### **Comprehensive Studies**

Certain projects, by their very nature, may have the potential to cause significant adverse environmental effects. These types of projects have been identified and listed in the *Comprehensive Study List Regulations*.

As a result of revisions to the *Canadian Environmental Assessment Act* (the Act) proclaimed through Bill C-9 on October 30, 2003, the responsible authority (RA) must consult the public on its proposed approach and recommend to the Minister whether the environmental assessment (EA) be continued by means of a comprehensive study, or the project be referred to a mediator or a review panel. At the end of the comprehensive study process, the Minister is required to issue a decision statement as to whether the project is likely to cause significant adverse environmental effects.

During the past year, all the comprehensive studies that were completed were done so under the provisions of the Act prior to the revisions. For these projects, if the Minister concludes that the project is likely to cause significant adverse environmental effects

that may be justified, the Minister refers the project either to a mediator or a review panel. If the Minister concludes that the project is not likely to cause significant adverse environmental effects, or is likely to cause significant adverse environmental effects that are not justified, the Minister refers the project to the RA for appropriate action.

The Agency's role in the comprehensive study process is to provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment, in support of the Minister's determination of the environmental assessment track early in the process and the determination of the potential significance of adverse environmental effects at the end of the process.

For the comprehensive studies described in Table 4, the Minister concluded that none were likely to cause significant adverse environmental effects and referred them back to the responsible authority.

**Table 4: Comprehensive Studies Completed During 2003-2004**

Comprehensive Study	Project Proponent	Responsible Authorities	Project Description
Hydro-electric power project on the Péribonka River	Hydro-Québec	Fisheries and Oceans Canada and Transport Canada	Proposed hydroelectric development project on the Péribonka River with an installed capacity of 395 MW, and located in the Lac Saint-Jean region. The project would flood a 31.6 km <sup>2</sup> area
Bruce Heavy Water Plant Decommissioning	Ontario Power Generation Inc.	Canadian Nuclear Safety Commission	Proposed decommissioning of the Bruce Heavy Water Plant located at the Bruce Nuclear Power Development site, on the east shore of Lake Huron, in Ontario
Cluff Lake Uranium Mine and Mill Decommissioning	COGEMA Resources Inc.	Canadian Nuclear Safety Commission	Proposed decommissioning of the Cluff Lake Uranium Mining and Milling Facilities, located in Saskatchewan approximately 75 km south of Lake Athabasca and 15 km east of the Alberta border
Prince George Groundwater Project	City of Prince George	Infrastructure Canada and Western Economic Diversification Canada	Proposed upgrade of the City of Prince George's domestic water supply and distribution system

For additional information on comprehensive studies, visit [http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acce.gc.ca/0009/0003/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acce.gc.ca/0009/0003/index_e.htm).

### ***Established, Maintained, and Improved Processes that Support Environmental Assessment***

- Developed draft ministerial guidelines on public participation in screenings and sought public input on the content of the guidelines. Comments were received from three individuals or public groups, and five federal departments, for a total of eight submissions.
- Hosted a workshop on strategic environmental assessment that was attended by 131 federal government employees. At that time several best practices and follow-up work were identified.
- The Agency coordinated the federal contribution to the 2004 International Association for Impact Assessment Conference in Vancouver on behalf of 17 federal departments and agencies and conducted a training course on interest-based negotiations in environmental assessment.
- Led the development of a draft joint review panel agreement and draft terms of

reference for the Environmental Impact Statement for the Mackenzie Valley Gas Project.

- Contributed to the establishment of the Northern Gas Project Secretariat and worked to involve communities in the Inuvialuit Settlement Region.
- To increase public participation in the environmental process, the Agency now provides funding for public participation in comprehensive studies. The Agency developed a Results-based Management Accountability and Audit Framework to plan, measure, evaluate and report on results throughout the lifecycle of the program.

### ***Maintained a High Level of Internal Expertise***

- The Agency began work to develop an Environmental Assessment Practitioners' Recruitment and Training Program; however, there was insufficient interest from departments and agencies who were to be the primary users and supporters of the program. Should there be a demand for such a program in the future, the Agency will be prepared to take the lead.
- The Agency developed and implemented a recruitment strategy to respond to the commitments under its renewed legislation. Many of the new positions staffed were in regional offices to facilitate the implementation of the new Federal Environmental Assessment Coordinator responsibilities.
- The Agency implemented its continuous learning policy and has begun to gather information to measure the extent to which it is meeting its policy objectives.

## **Intermediate Outcome**

### ***1.2 Advance the science and practice of environmental assessment***

The Agency's capacity to provide leadership is based in part on its ability to advance and promote leading edge science and practices in environmental assessment. It is therefore essential for the Agency to engage other resources within and outside government if it is to influence the development of innovative approaches and further the practice of environmental assessment.

The Agency's role is to assist in the advancement of environmental assessment; support innovative research into the practice of environmental assessment; develop environmental assessment tools; monitor environmental assessment trends and advances; and share knowledge.

The Agency has achieved the following results:

### **2003-2004 Results**

#### ***Developed Tools and Mechanisms that Support the Process of Environmental Assessment***

- In an effort to better focus resources on projects that warrant an assessment, the Agency developed amendments to the *Exclusion List Regulations*, in concert with other government departments and environmental partners. These amendments will allow for many more types of projects that have only insignificant environmental effects to be excluded from the environmental assessment process.
- The Agency funded six new research initiatives. In addition, the Research and Development Program underwent an external evaluation. The results of the evaluation are being considered to improve the structure and delivery of the Program.
- The Agency delivered seven sessions of its Interest-based Negotiations in Environmental Assessments course to 64 participants across Canada. Course participants included representatives of federal, provincial and territorial governments, as well as consultants. Satisfaction with the training was very high, with 94% of course participants stating that they would recommend the course to others. In addition, staff provided informal and formal facilitation services, both in the context of projects and as a facilitator for meetings and workshops.
- In accordance with section 19 of the *Act*, the Agency declared two model class screenings. The Agency also worked on four replacement class screening reports and 11 model class screening reports.

## **Amending the *Exclusion List Regulations***

*In his March 2001 report to Parliament entitled, Strengthening Environmental Assessments for Canadians, the Minister committed to consulting with federal authorities and Canada Port Authorities to identify project types with inconsequential effects that should be listed in the Exclusion List Regulations. This would enable federal resources to be more effectively concentrated on those environmental assessments that truly make a difference.*

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## **Class Screening**

The Act provides for the environmental assessment of certain routine projects through the use of a class screening process. Class screenings are a generic assessment of all projects in a category, and are applicable to projects that share similar or common characteristics, have predictable environmental effects, are not likely to cause significant adverse environmental effects, and have effects that can be readily addressed through standard mitigation measures. The Act provides for two types of class screenings: model class screenings, which require further review of individual projects; and replacement class screenings, which require no further review. The Agency has the authority to declare model and replacement class screening reports.

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For additional information on class screenings, visit  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0009/0004/0001/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0009/0004/0001/index_e.htm).

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## **Research and Development in Environmental Assessment**

The Agency's Research and Development Program helps the federal government to identify emerging environmental assessment issues and improve the practice of environmental assessment in a manner that is relevant and encourages innovation and excellence. Under the Program, the Agency supports work that addresses one of the following priority areas in environmental assessment:

- determining the significance of environmental effects;
- follow-up;
- human impact assessment;
- regional environmental effects framework; and
- integrating climate change into environmental assessment.

Once complete, research reports are published on the Agency's Web site.

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For additional information on the Research and Development Program, or to view the completed research reports, visit:  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0010/0001/index\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0010/0001/index_e.htm).

## ***Provided a Mechanism for Stakeholders to Participate in the Environmental Assessment Process***

- The Agency investigated seven transboundary petitions for proposed projects across Canada. Agency staff conducted investigations in cooperation with other departments and provided advice to the Minister of the Environment on the potential transboundary environmental effects of these projects.

## **Intermediate Outcome**

### **1.3 Learn from experience and share results**

There are many benefits to evaluating past environmental assessments. This experience assists the Agency and other stakeholders in determining policy directions and improving guidance. Reporting on the effectiveness of environmental assessment also helps to strengthen public confidence in the process and encourage valuable public participation.

Among its partners and clients, the Agency promotes continuous learning and the development of new environmental assessment practices. It also works to encourage results sharing among environmental assessment practitioners to promote sound practices and the integration of environmental factors into the decision-making process.

### **2003-2004 Results**

#### ***Promoted Continuous Learning, the Development of New Environmental Assessment Practices and the Integration of Environmental Factors in Decision Making***

- During the fiscal year, approximately 300 training sessions were delivered to more than 6,000 external clients across Canada. Forty-four formal training sessions, 14 workshops, and 245 awareness sessions and presentations were offered. Participants represented federal, provincial, territorial and municipal governments, Aboriginal groups, industry, non-governmental organizations, consultants, students and the public. Satisfaction with the training was very high, with an average of 93% of course participants stating that they would recommend the formal training course to others. In addition, seven new guidance documents were developed to assist clients in the interpretation and implementation of the renewed *Canadian Environmental Assessment Act*. For a listing of guidance documents visit:  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa.gc.ca/012/newguidance\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa.gc.ca/012/newguidance_e.htm).
- Agency officials worked with Environment Canada, Parks Canada and Fisheries and Oceans Canada to draft guidance on addressing wildlife at risk considerations and *Species at Risk Act* considerations when conducting environmental assessments.
- In cooperation with the provinces, territories and other federal stakeholders, the Agency published a guidance document on the incorporation of climate change considerations in environmental assessments.
- The Agency completed an evaluation of its 2000-2003 Sustainable Development Strategy and prepared a new strategy for 2003-2006, which was tabled in Parliament in February 2004.
- Published interim principles for Considering *Aboriginal Traditional Knowledge in Environmental Assessments Conducted Under CEAA*. For more information, visit:  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa.gc.ca/012/atk\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa.gc.ca/012/atk_e.htm).
- The Agency held monthly learning sessions where representatives from other departments were invited to discuss their environmental initiatives.

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### **Strategic Environmental Assessment**

Strategic environmental assessment is the systematic and comprehensive process of evaluating the environmental effects of a policy, plan or program and its alternatives.

According to the federal government's Cabinet Directive, an assessment of a policy, plan or program proposal must be conducted when two conditions are met:

- the proposal is submitted to an individual minister or Cabinet for approval; and
- the implementation of the proposal may result in important environmental effects, either positive or negative.

Departments and agencies are also encouraged, when circumstances warrant, to conduct strategic environmental assessments for other policy, plan and program proposals, particularly when strong public concern is apparent. In January 2004, the Directive was updated to address two issues. The amendments provide clearer guidance on the assessment of both positive and negative environmental impacts, and



require federal departments and agencies to prepare public statements of environmental effects when detailed assessments have been conducted. These changes support more effective and transparent analysis.

For additional information on Strategic Environmental Assessment visit:  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0011/0002/dir\\_e.htm#Guidelines](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/0011/0002/dir_e.htm#Guidelines).

## Strategic Outcome 2: Coordinated and Harmonized Environmental Assessments

*The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and delivered cooperatively with other jurisdictions.*

### Context

All federal, provincial, and territorial jurisdictions in Canada administer some form of environmental assessment regime. The application of multiple regimes to a single project requires cooperation to avoid duplication, increase certainty and reduce costs and potential delays.

The Agency promotes consistent approaches to environmental assessments across Canada and with its international partners. The Agency works with provincial, territorial and local partners to develop cooperative approaches wherever possible. It also fosters ongoing relations with Aboriginal communities. The emerging environmental assessment processes under self-government and land claims agreements play an increasing role in the evolution of sustainable development practices in Canada.

### Strategy

The Agency works cooperatively with partners to establish common goals and advance environmental assessment practices and procedures. To achieve this strategic outcome, the Agency has focused on the following intermediate outcomes:

- 2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners
- 2.2 Strengthen relationships with partners and stakeholders

**Table 5: Logic Model - Strategic Outcome 2**

Strategic Outcome:
<b>Coordinated and Harmonized Environmental Assessments</b>
The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and undertaken cooperatively with other jurisdictions.
Expenditures: \$2,573,731 FTEs: 21.51
Key Partners:
<ul style="list-style-type: none"><li>■ other government departments, and provincial, territorial and local governments</li><li>■ national and regional Aboriginal organizations</li><li>■ non-governmental agencies</li><li>■ governments of the United States, Mexico and France</li><li>■ interest groups</li><li>■ Canadians</li></ul>
Key Results:

- The Agency finalized cooperative agreements on environmental assessments with British Columbia, Yukon and Quebec and worked towards finalizing agreements with Ontario, Newfoundland & Labrador and Nova Scotia.
- The Agency consulted with its key partners, such as the Regulatory Advisory Committee, for input on some of its key initiatives.

**Program, Resources and Results Linkages:**

**Spending by Intermediate Outcomes:**

<b>Clarified and improved environmental assessment processes</b>	Expenditures: \$1,571,689 FTEs: 12.85
<b>Strengthened relationships with partners and stakeholders</b>	Expenditures: \$1,002,042 FTEs: 8.66

**Management Practices:**

During the reporting period, the Agency renewed bilateral agreements with interested provinces and territories. Bilateral agreements ensure coordinated cooperative environmental assessment processes by eliminating duplication, delays and costly processes. For more information on bilateral agreements and to view all environmental assessment agreements, visit:  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/013/agreements\\_e.htm#1](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/013/agreements_e.htm#1).

The Agency also played a key role in ensuring coordination and cooperative approaches of environmental assessments through its new legislated role as the Federal Environmental Assessment Coordinator (FEAC). As FEAC the Agency helps to manage the environmental assessment process by ensuring that appropriate parties are communicating and cooperating. It also ensures that the environmental assessment process is progressing in a timely manner and in accordance with the Act. For more information on FEAC, visit:  
[http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/012/newguidance\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/012/newguidance_e.htm).

## **Intermediate Outcome**

### ***2.1 Clarify and improve environmental assessment processes with other jurisdictions and other federal partners***

Effective application of environmental assessment processes requires the input and cooperation of various stakeholders. By fostering interjurisdictional networks and partnerships, the Agency plays a role in improving environmental assessment processes at all levels of responsibility.

Clear and coordinated environmental assessment processes across jurisdictions maximize predictability, increase efficiency, minimize conflicts and contribute to a better overall assessment regime. The Agency has undertaken several activities toward this end and has achieved the following results:

## **2003-2004 Results**

### ***Established Cooperative Environmental Assessment Processes Across Jurisdictions to Maximize Predictability, Increase Efficiency and Minimize Conflicts, while Strengthening Effectiveness and Accountability***

- Continued to provide support to federal negotiators in addressing environmental management issues in Aboriginal land claims and self-government agreements. These negotiations, which are under way across Canada, are at all phases of development ranging from initial framework agreements, agreements-in-principle and final agreements to implementation. The Agency has prepared a series of guidelines for negotiators that were circulated on June 23, 2003 to ensure consistency in negotiations. Negotiations were most active in British Columbia where the Agency is involved in 12 tables actively negotiating either a final agreement or an agreement-in-principle under the tripartite land claims negotiation process. Five tables recently initialed and/or signed agreements-in-principle and are now beginning final agreement negotiations (Snuneymuxw,



Lheidli Tenneh, Sliammon, Tsawwassen, Maa-nulth-ath).

- Negotiated and implemented agreements on environmental assessment, including bilateral agreements with interested provinces and territories:
  - Ontario - development of draft agreement and ministerial approval to hold public consultations on draft agreement
  - Quebec - conducted public consultations on draft agreement and finalized draft agreement
  - British Columbia - ministerial ratification of agreement and implementation
  - Yukon - ministerial ratification of agreement and implementation
  - Newfoundland and Labrador - progress delayed to take into account new elements of the *Canadian Environmental Assessment Act*
  - Nova Scotia - work to develop a draft bilateral agreement is ongoing
- Developed positions and environmental assessment approaches for Canada's ratification of the Madrid Protocol and adoption of required federal legislation *An Act Respecting the Protection of the Antarctic Environment* (October 2003). In addition, The Agency developed and coordinated the Government of Canada's positions on the environmental assessment guidance for Canada's participation at the Seventh Conference of the Parties (COP 7) in Kuala Lumpur in February 2004.
- Developed a mix of formal agreements and informal project-specific arrangements that were used to enable harmonized multi-jurisdictional environmental assessments in areas of the country without bilateral agreements. These include project-specific agreements for the following projects: Mackenzie Gas in the Northwest Territories; the Eastmain-1-A and Rupert Diversion and Kenogami Flood Control in Quebec; and the Whites Point Quarry and Marine Terminal in Nova Scotia.

### ***Facilitated the Development of a Coordinated Environmental Assessment Regime***

- Continued to contribute, equally with Quebec, to coordinate and finance the consultative committee secretariats for chapters 22 and 23 of the *James Bay and Northern Quebec Agreement (JBNQA)*.
- The Federal Environmental and Social Impact Review Panel assessed two marine infrastructure construction projects in Nunavik. These assessments were conducted in accordance with an agreement, which the Agency was instrumental in developing, which provides for the coordination of assessments where the EA processes of both Chapter 23 of the JBNQA and the *Canadian Environmental Assessment Act* apply.
- Delivered five sessions of its *James Bay and Northern Quebec Agreement* training course to 121 participants in the Quebec Region.

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### ***The James Bay and Northern Quebec Agreement***

The *James Bay and Northern Quebec Agreement (JBNQA)* is the first comprehensive land claim treaty between Canada and Aboriginal people. Signed in 1975, the Agreement includes self-governance components and lays the foundations for a relationship between the Cree, the Inuit, and the Government of Canada. The President of the Agency has been designated by Order in Council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the JBNQA.

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## **Intermediate Outcome**

### ***2.2 Strengthen relationships with partners and stakeholders***

Building and maintaining strong working relationships with partners and stakeholders are at the core of the Agency's success. One effective way that the Agency continues to promote these relationships is through its regional offices. Being closer to their clients and partners, regional officials help to maintain strong networks, and promote

cooperation and coordination among federal departments and other environmental assessment partners across Canada. The Agency also relies on an extensive array of networks to establish common goals on which to base partnerships, advance environmental assessment and continually enhance opportunities for public participation in the process.

## 2003-2004 Results

### ***Strengthened Communications and Cooperation Among Partners and Stakeholders***

- Provided advice to Indian and Northern Affairs Canada on environmental assessment provisions in relation to a framework agreement for devolution in the Northwest Territories. The Agency will continue to offer advice in the subsequent development of an agreement-in-principle.
- Worked with the Government of Yukon in the development of its *Environmental Assessment Act*, which was passed in March 2003, and for the most part, mirrors the *Canadian Environmental Assessment Act*. The territorial *Environmental Assessment Act* will guide the assessment process until the full implementation of the Yukon *Environmental and Socio-Economic Assessment Act* in November 2004.
- Along with undertaking the role of Federal Environmental Assessment Coordinator (FEAC) with responsible authorities, the Agency's regional officials provided advice and input regarding hundreds of screening assessments and assisted in projects being assessed as comprehensive studies.

## **Strategic Outcome 3: Consistent and Predictable Application of Environmental Considerations In Federal Decision Making**

*The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.*

### **Context**

The Agency takes a leadership role in assisting federal departments and agencies to comply with the Act. Although the Act does not contain enforcement provisions, a priority of the Agency is to work with other government departments to promote its consistent and predictable application. The Agency does so by working on expanding the coverage of the Act so that more activities with potential significant environmental effects involving the federal government are assessed. It also encourages compliance by ensuring that those responsible for applying the Act have the appropriate training and tools at their disposal to adequately fulfil their responsibilities. An additional priority is addressing areas where discrepancies within the federal environmental assessment process may exist. The Agency also reviews Cabinet submissions for compliance with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* and provides advice and guidance to departments.

### **Strategy**

To achieve this strategic outcome, the Agency has focused on the following intermediate outcomes:

- 3.1 Improve the Agency's capacity to monitor, assess and foster compliance
- 3.2 Address gaps in the application of the *Canadian Environmental Assessment Act*

**Table 6: Logic Model - Strategic Outcome 3**

Strategic Outcome:
Consistent and Predictable Application of Environmental Considerations in Federal Decision Making
The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.

Expenditures: \$1,081,243 FTEs: 9.7	
<b>Key Partners:</b>	
<ul style="list-style-type: none"> <li>■ federal, provincial, territorial and local governments</li> <li>■ national and regional Aboriginal organizations</li> <li>■ non-governmental agencies</li> <li>■ Regulatory Advisory Committee</li> <li>■ federal airport authorities</li> <li>■ Canada port authorities</li> <li>■ Crown corporations and other federal entities</li> <li>■ interest groups</li> <li>■ Canadians</li> </ul>	
<b>Key Results:</b>	
<ul style="list-style-type: none"> <li>■ Laid the groundwork for the Quality Assurance Program through consultations with departments and the Minister's Regulatory Advisory Committee. For more information, visit: <a href="http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa.gc.ca/0007/0003/quality_e.htm">http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa.gc.ca/0007/0003/quality_e.htm</a></li> <li>■ Reviewed Cabinet submissions for environmental assessment and strategic environmental assessment implications</li> <li>■ Developed amendments to environmental assessment regulations</li> <li>■ Explored options for implementing environmental assessment requirements for Crown corporations</li> </ul>	
<b>Program, Resources and Results Linkages:</b>	
<b>Spending by Intermediate Outcomes:</b>	
Improved monitoring and compliance	Expenditures: \$591,498 FTEs: 5.73
Gaps in the Application of the Act are addressed	Expenditures: \$489,745 FTEs: 3.97
<b>Management Practices:</b>	
During the reporting period, the Agency continued its efforts to develop and implement the Quality Assurance Program. This program will be a tool for continuous improvement and high-quality environmental assessments in compliance with the Act. This program responds to Canadians' expectations for more consistent and predictable environmental assessments.	

## Intermediate Outcome

### ***3.1 Improve the Agency's capacity to monitor, assess and foster compliance***

The Agency plays a leadership role in encouraging federal departments and agencies to monitor their compliance with the Act as well as the quality and consistency of their environmental assessments. An important first step in this regard was the voluntary Compliance Monitoring Program that the Agency initiated and led during the 1998-2000 period. This was further developed with the quality assurance role of the Agency was formally established in law through provisions in the renewed Act.

The Agency monitors Cabinet submissions to ensure compliance with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* and provides assistance to federal departments in meeting the requests of the Directive.

## 2003-2004 Results

### ***Enhanced Monitoring and Assessing Capabilities of the Agency to Promote Compliance***

- Reviewed Cabinet submissions for environmental assessment and strategic environmental assessment implications and provided advice to the Minister when necessary.
- Began work to implement a government-wide quality assurance program for federal authorities and entities specifically regulated under the Act. Work was done on developing a framework for the program as well as identifying priorities.

## Quality Assurance Program

*The renewed Act sets out a legislative duty for the Agency "to establish and lead a quality assurance program for assessments conducted under the Act." This duty is accompanied by powers to request information on environmental assessments conducted by federal authorities and by other entities (e.g., Canada Ports Authorities) regulated under the Act, now or in the future. Those federal authorities and regulated entities are, in turn, required by the renewed Act to provide any such requested information.*

## Intermediate Outcome

### **3.2 Address gaps in the application of the Canadian Environmental Assessment Act**

The Agency continues to increase the consistency and predictability of the federal environmental assessment process through improvements to the regulatory framework. This process involves extensive, nationwide public consultations and input from various partners, helping to ensure that regulatory reform and enhancement improve the scope and range of activities which are subject to assessment and address discrepancies.

The renewed Act closes gaps in its application most notably for Crown corporations, which will become subject to the Act in June 2006, and for Airport authorities.

The renewed Act has necessitated efforts to update the existing *Canada Port Authorities Environmental Assessment Regulations*.

## 2003-2004 Results

### ***Identified and Addressed Areas where Discrepancies within the Federal Environmental Assessment Process Exist***

- Developed amendments to the *Canada Port Authority Environmental Assessment Regulations* to incorporate changes to the Act. The amended regulations will require port authorities to follow environmental assessment procedures that resemble more closely those followed by federal authorities under the *Canadian Environmental Assessment Act*.
- Developed amendments to environmental assessment regulations relating to the introduction of the *Nuclear Safety and Control Act*. The changes to the four regulations under the *Canadian Environmental Assessment Act* replicate, as much as possible, the former links between the *Atomic Energy Control Act* and the *Canadian Environmental Assessment Act*.
- Held consultations with airport authorities and other stakeholders on environmental assessment regulations for airport authorities.
- Initiated the development of options for implementing environmental assessment requirements that will apply to federal Crown corporations in June 2006.
- Amended regulations to ensure that offshore oil and gas exploration projects and decommissioning projects authorized by the Canada-Nova Scotia Offshore Petroleum Board and the Canada-Newfoundland Offshore Petroleum Board are assessed under the Act.

## Crown Corporations and Environmental Assessment

*The renewed Act will require 41 federal parent Crown corporations to conduct environmental assessments of projects either by direct compliance with the Act or via a modified environmental assessment process set in regulations. This provision will come into effect in June 2006.*

*Bringing the Crown corporations under the Act, while allowing for their varying circumstances, will result in greater equity and ensure that projects undertaken or approved by Crown corporations receive environmental scrutiny.*

## **Annex 1**

### **Consolidated Reporting**

#### **A 1.1 Human Resources Management**

Management of human resources based on strong public service values and continuous learning is key in ensuring that the Agency continues to provide Canadians with high-quality programs and policies that support environmental assessment. The Agency has been proactive in the implementation of government-wide initiatives related to human resources, integrating central agencies' recommendations into our day-to-day management. The most recent Public Service Survey indicated a high level of job satisfaction among Agency employees. The Agency has carefully reviewed the survey results and has taken action to improve its performance in areas where satisfaction levels were lower. The Agency also encourages individual and organizational learning through various means such as attendance at training sessions, its internal learning series and participation in training and developmental assignments.

#### **A 1.2 Management Accountability and Modern Comptrollership**

Public service modernization has been a priority of the federal government for several years. As part of this continuing effort, the Treasury Board Secretariat has provided the Management Accountability Framework for management improvement in the public service. The Framework was developed to provide deputy heads and all public service managers with a clear statement of expectations that reflects the different elements of current management responsibilities.

The Management Accountability Framework is a means to build upon and sustain the momentum achieved through modern comptrollership. The Agency continued to advance its modern comptrollership practices through its action plan. The Agency made progress on the development of its risk management and internal audit capacity, as well as the development of a performance measurement strategy for its programs.

The Agency will integrate its modern comptrollership action plan with the Management Accountability Framework to create one agenda for management improvements as it continues to incorporate modern management practices into its work.

For additional information on the Management Accountability Framework, visit the Treasury Board Secretariat's Web site at [http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.tbs-sct.gc.ca/maf-crq/index\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.tbs-sct.gc.ca/maf-crq/index_e.asp).

#### **A 1.3 Government On-Line**

The Agency developed a government on-line tier 2 strategy to guide its electronic service delivery. As part of the strategy development an analysis of our website visitor information was conducted. These data yielded information on traffic, use, document retrieval etc., and proved to be useful in the redesign of the Agency's site to make it more user-friendly.

The Agency's Government On-Line Strategic Plan will allow it to leverage its Information Management/Information Technology infrastructure investments across the full range of programs and services.

#### **A 1.4 Sustainable Development Strategy**

The Agency's 2004-2006 Sustainable Development Strategy focuses on three strategic objectives:

- ensuring a greater measure of certainty, predictability and timeliness in the federal environmental assessment process;
- enhancing the quality of environmental assessments; and
- seeking more meaningful public participation in the federal environmental assessment process.

For additional information on the Agency's Sustainable Development Strategy, visit

## A 1.5 Evaluations and Reviews in 2003-2004

### Business Process Review: Financial and Procurement Services

The review identified opportunities to improve service delivery, effectiveness and efficiency while ensuring the existence of appropriate financial and administrative controls.

### Evaluation of the Research and Development Program

A comprehensive evaluation of the Research and Development Program was conducted by an independent consulting firm. The evaluation resulted in several recommendations for improving the structure and delivery of the Program, which will be addressed in 2004-2005.

## Annex 2

### Financial Performance

#### A 2.1 Financial Performance Overview

Overall, the Agency spent \$16,731,588 during 2003-2004 ending the year with an unexpended balance of 8% of its total authorities. Direct operating expenditures and salaries for major areas of activity include:

	(\$000s)
■ Regional offices - provision of information, advice, coordination, and liaison support for the full range of Agency operations	3,989
■ Policy initiatives including federal-provincial harmonization, strategic environmental assessment, regulatory initiatives and policy research including Support and preparation for proclamation of the revised <i>Canadian Environmental Assessment Act</i>	2,828
■ Costs associated with review panels, including the GSX Canada Pipeline project, Kenogami Lake, Whites Point Quarry, the Eastmain-1-A and Rupert Diversion project, the Jackpine Mine and Horizon Oil Sands, as well as northern pipeline developments	2,326
■ Tools to advance the implementation of the renewed <i>Canadian Environmental Assessment Act</i> and improve the process, including operational policy statements, class screening models, delivery of client training and education materials, the Quality Assurance Program and an alternative dispute resolution strategy	1,018
■ Support for incorporation of Aboriginal interests and involvement in environmental assessment through development of provisions in land claims and self-government agreements, in addition to fulfilling obligations under the <i>James Bay and Northern Quebec Agreement</i>	618

The Agency received authority to recover costs from project proponents in August 1998. This authority was used for the first time in 2003-2004 although the associated revenues were not received until after the end of the fiscal year. The Agency generated revenues of \$267,000 from the sale of training services and publications.

#### A 2.2 Financial Summary Tables

This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table 5, are displayed using separate column and row headings. For clarity, these headings are defined below.

<b>Main Estimates</b>	Resource requirements and authorities provided in the 2003-2004 Main Estimates
<b>Planned Spending / Revenues</b>	Planned spending, revenues and other program costs at the beginning of fiscal year 2003-2004
<b>Total Authorities</b>	Includes planned spending plus adjustments to reflect changes in priorities and unforeseen events (Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities or adjustments)
<b>Actual</b>	What was actually spent or collected for fiscal year 2003-2004
<b>Responsible Revenues</b>	Revenues that can be used by the Agency to offset program expenditures; for example, cost recovery for review panels or sale of publications and training services
<b>Non-Responsible Revenues</b>	Revenues collected on behalf of the government which cannot be used by the Agency to offset program expenditures

**Table 1: Summary of Voted Appropriations**

Total appropriations of \$18,185,800 include \$12,741,000 in Main Estimates and \$5,077,401 in Supplementary Estimates adjustments and transfers for new program requirements associated with proclamation of the revised *Canadian Environmental Assessment Act*, as well as the impact of collective bargaining agreements which affect salary costs.

Vote	Canadian Environmental Assessment Agency	2003-2004 (thousands of dollars)			
		Main Estimates	Planned Spending	Total Authorities	Actual
15	Program Expenditures	11,408.0	11,408.0	16,676.9	15,222.6
(S)	Contribution to Employee Benefit Plans	1,333.0	1,333.0	1,509.0	1,509.0
	<b>Total Agency</b>	<b>12,741.0</b>	<b>12,741.0</b>	<b>18,185.9</b>	<b>16,731.6</b>

**Table 2: Comparison of Total Planned Spending to Actual Spending**

Due to rounding, figures may not add to totals shown. The cost of services provided by other departments is approximately \$382,800 more than planned. The difference is due primarily to higher than expected costs of legal services provided by the Department of Justice, as well as increased costs for accommodation provided by Public Works and Government Services Canada and employee insurance premiums paid by the Treasury Board Secretariat.

	2003-2004 (thousands of dollars)			
	Main Estimates	Planned Spending	Total Authorities	Actual
<b>Full-Time Equivalents (FTEs)</b>	-	110	128	128
<b>Operating</b>	16,242.0	16,242.0	21,686.9	16,998.1
<b>Total Gross Expenditures</b>	16,242.0	16,242.0	21,686.9	16,998.1
<b>Less: Responsible Revenues</b>	(3,501.0)	(3,501.0)	(3,501.0)	(266.5)
<b>Total Net Expenditures</b>	12,741.0	12,741.0	18,185.9	16,731.6
<b>Other Revenues and</b>	-	-	(.9)	(.9)



Expenditures				
■ Non-Respendable Revenues				
■ Cost of Services Provided by Other Departments	2,236.0	2,236.0	2,618.8	2,618.8
Net Cost of the Program	14,977.0	14,977.0	20,803.8	19,349.5

**Table 3: Historical Comparison of Total Planned Spending to Actual Spending**

	Actual 2001- 2002	Actual 2002- 2003	2003-2004 (thousands of dollars)			
			Main Estimates	Planned Spending	Total Authorities	Actual
Canadian Environmental Assessment Agency	12,564.8	13,368.3	12,741.0	12,741.0	18,185.9	16,731.6

**Table 5: Revenues: Respendable and Non-respendable**

The Agency received authority to recover costs from project proponents in August 1998. This authority was used for the first time in 2003-2004 although the associated revenues were not received until after the end of the fiscal year. Actual 2003-2004 respendable revenues consisted of proceeds from the sale of publications and training products.

	Actual 2001- 2002	Actual 2002- 2003	2003-2004 (thousands of dollars)			
			Main Estimates	Planned Spending	Total Authorities	Actual
Respendable Revenues						
Canadian Environmental Assessment Agency	197.6	352.2	3,501.0	3,501.0	3,501.0	266.5
Total Respendable Revenues	197.6	352.2	3,501.0	3,501.0	3,501.0	266.5
Non- Respendable Revenues						
Canadian Environmental Assessment Agency	0.4	21.7	-	-	.9	.9
Total Non- Respendable Revenues	0.4	21.7	-	-	.9	.9
Total Revenues	198.0	373.9	3,501.0	3,501.0	3,501.0	267.4

**Table 6: Statutory Payments**

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	Actual 2001- 2002	Actual 2002- 2003	2003-2004 (thousands of dollars)			
			Main Estimates	Planned Spending	Total Authorities	Actual
Canadian Environmental Assessment Agency	1,247.0	1,428.0	1,333.0	1,333.0	1,509.0	1,509.0
Total Statutory Payments	1,247.0	1,428.0	1,333.0	1,333.0	1,509.0	1,509.0

**Note:** The only statutory payment applicable to the Agency is for employee benefit plans.

### Table 7: Transfer Payments

Contributions to support research and development during 2003-2004 included \$252,590 in funding for projects aimed at improving the practice of environmental assessments. The level of demand to fund public participation in review panels depends on the number of review panels and the status of their assessment. For 2003-2004, there were four active panels for which public participation funding was provided: Eastmain, Kenogami Lake, Horizon Oil Sands and Jackpine Mine.

	Actual 2001- 2002	Actual 2002- 2003	2003-2004 (thousands of dollars)			
			Main Estimates	Planned Spending	Total Authorities	Actual
<b>CONTRIBUTIONS</b>						
Contribution to the <i>Province of Quebec James Bay and Northern Quebec Agreement</i>	173.5	173.5	173.5	173.5	173.5	173.5
Contributions to support the research, development and promotion of environmental assessment	332.2	338.2	300.5	300.5	399.5	399.5
Contributions to assist public participation in environmental assessment reviews	23.4	76.3	1,000.0	1,000.0	901.0	176.4
Total Contributions	529.1	588.0	1,474.0	1,474.0	1,474.0	749.4
Total Transfer Payments	529.1	588.0	1,474.0	1,474.0	1,474.0	749.4

## Annex 3

### Other Information

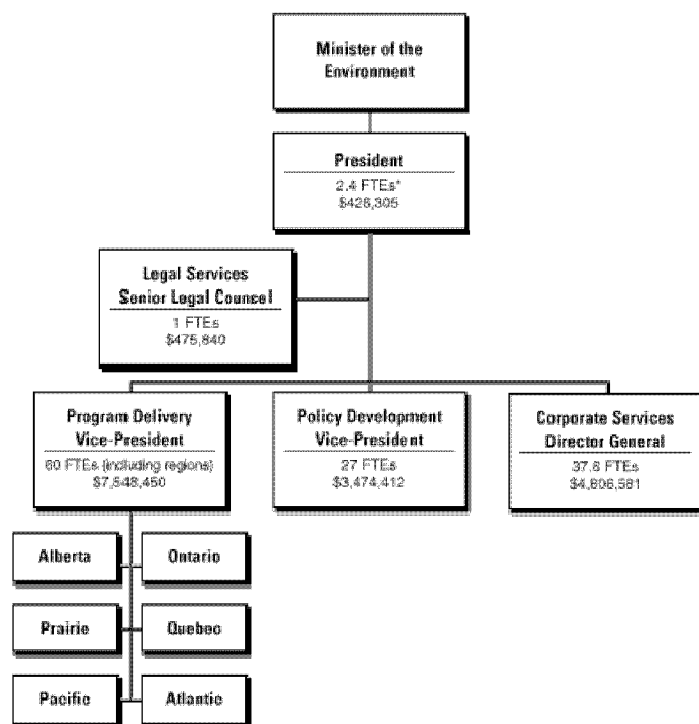
#### A 3.1 Agency Organization

The Agency fulfils its mandate through one program and one business line -

environmental assessment. The reporting structure to the Minister of the Environment is shown in the figure below.

**Figure 1: Accountability**

2003-2004  
Total Net Expenditures  
\$16,731,588



\* Full-time equivalent (FTE) is a measure of human resource usage based on average levels of employment.

### A 3.2 Major Federal Statutes And Agreements Administered

The *Canadian Environmental Assessment Act* is solely administered by the Agency. The Minister has responsibility to Parliament for the following associated regulations:

**Table 7: Major Federal Statutes and Agreements Administered**

<i>Law List Regulations</i>	SOR/94-636 (October 7, 1994)
<i>Comprehensive Study List Regulations</i>	SOR/94-638 (October 7, 1994)
<i>Inclusion List Regulations</i>	SOR/94-637 (October 7, 1994)
<i>Exclusion List Regulations</i>	SOR/94-639 (October 7, 1994)
<i>Federal Authorities Regulations</i>	SOR/96-280 (May 28, 1996)
<i>Projects Outside Canada Environmental Assessment Regulations</i>	SOR/96-491 (November 7, 1996)
<i>Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i>	SOR/97-181 (April 8, 1997)

<i>Environmental Assessment Review Panel Service Charges Order</i>	SOR/98-443 (August 26, 1998)
<i>Canada Port Authority Environmental Assessment Regulations</i>	SOR/99-318 (July 28, 1999)

### A 3.3 Regulatory Initiatives

The following table outlines the Agency's significant regulatory initiatives during 2003-2004.

**Table 8: Legislative and Regulatory Initiatives**

Legislative or Regulatory Initiative	Key Actions	Expected Results	2003-2004 Accomplishments
<b>Amendments to Exclusion List Regulations</b>	Amend regulations to prescribe new classes of projects to be excluded from environmental assessment, and to modify thresholds of certain existing entries	Reductions in the numbers of environmental assessments of projects having insignificant effects conducted by responsible federal authorities, particularly for screening assessments  More efficient and effective use of environmental assessment resources	Amendments developed and in legal drafting stage  Regulatory Advisory Committee (RAC)
<b>Amendments to Federal Coordination Regulations</b>	Amend <i>Federal Coordination Regulations</i> to make them consistent with the renewed Act	Better coordination among federal authorities as well as between federal authorities and other jurisdictions  A more timely, predictable and certain environmental assessment process	Amendments developed and in legal drafting stage
<b>Amendments to Canada Port Authority Environmental Assessment Regulations</b>	Amend <i>Canada Port Authority Environmental Assessment Regulations</i> to make them consistent with the renewed Act	A comprehensive environmental assessment process that addresses all appropriate Canadian port authority activities	Amendments developed and in legal drafting stage
<b>Development of Airport Authority Regulations</b>	Create by regulation an environmental assessment process for airport authorities, which do not currently come under the Act  This regime would extend to projects located on National Airports System (NAS) lands, which are owned by the federal government	A comprehensive environmental assessment process that captures all appropriate airport authority activities for assessment  Increased transparency and greater opportunities for public	Completed a consultant study to examine both the state of the airport authorities environmental assessment practices, as well as the administrative costs of proposed federal regulations

	<p>and managed by local operators</p> <p>The NAS comprises 26 airports identified as nationally significant; it includes those in the national, provincial and territorial capitals, as well as airports with annual traffic of 200,000 passengers or more</p>	<p>involvement in the assessment process</p>	
<b>Amendments to Inclusion List Regulations, Law List Regulations and Comprehensive Study List Regulations relating to offshore oil and gas</b>	<p>Amend the key regulations under the Act to eliminate ambiguities and inconsistencies, and ensure that exploration and development projects authorized by the Canada-Nova Scotia Offshore Petroleum Board and the Canada-Newfoundland Offshore Petroleum Board are assessed under the Act</p>	<p>A consistent and appropriate federal environmental assessment regime for offshore oil and gas projects in all of Canada's offshore areas</p>	<p>Final approval obtained for the amendments to the three regulations in July 2003</p>
<b>Amendments to Inclusion List Regulations, Exclusion List Regulations, Law List Regulations and Comprehensive Study List Regulations related to nuclear safety and control</b>	<p>Propose amendments to <i>Inclusion List Regulations</i>, <i>Exclusion List Regulations</i>, <i>Law List Regulations</i> and <i>Comprehensive Study List Regulations</i> under the Act to reflect the repeal of the <i>Atomic Energy Control Act</i> and its replacement by the <i>Nuclear Safety and Control Act</i></p>	<p>Consistency in maintaining the types of links that previously existed between the <i>Atomic Energy Control Act</i>, and the <i>Canadian Environmental Assessment Act</i></p>	<p>Final approval was obtained for amendments to the four regulations in October 2003</p>
<b>Comprehensive Band Council Environmental Assessment Regulations</b>	<p>Consultations with Nova Scotia Mi'kmaq communities on the adoption of a 59 (l) band council regulation</p> <p>Develop and establish a Mi'kmaq band council regulation under paragraph 59 (l) of the renewed Act which will also be useful to Band Councils in other regions considering 59 (l) regulations</p>	<p>Some of the Mi'kmaq communities adopt the federal environmental assessment principles and move toward a 59 (l) regulation</p> <p>A consistent band council environmental assessment regime on Mi'kmaq Indian reserves in Nova Scotia</p>	<p>Agency has worked with and funded the Mi'kmaq of Nova Scotia, and the Assembly of First Nations, in conjunction with Indian and Northern Affairs Canada (INAC), to develop a basis for Mi'kmaq band council regulations under the renewed Act [section 59 (l)]</p>
<b>Development of options for implementing Crown corporation obligations</b>	<p>Determine which Crown corporations are best served by direct compliance with the Act or via a modified environmental assessment process set in regulations</p>	<p>Will remove a legal gap and ensure that appropriate Crown corporation activities benefit from environmental</p>	<p>Based on detailed background studies, Agency staff recommended majority of Crown corporations comply directly with the Act</p>

		assessment	Continued to work with a small number of Crown corporations that may require a modified environmental assessment process
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### A 3.4 Statistical Summary of Environmental Assessments

In accordance with subsection 71(2) of the Act, this table provides a statistical summary of all environmental assessments initiated during 2003-2004 under the Act. In total, 5,657 environmental assessments were initiated, as reported by department, agency and non-federal authorities. This compares with 5,988 environmental assessments that were initiated in 2002-2003.

**Table 9: Statistical Summary of Environmental Assessments Initiated in 2003-2004**

Department/Agency	Screenings		Comprehensive Studies	Review Panels
	On-going	Completed		
Agriculture and Agri-Food Canada	45	112	1	0
Atlantic Canada Opportunities Agency	70	227	0	0
Canada Customs and Revenue Agency	1	5	0	0
Canada Economic Development for Quebec Region	20	142	0	0
Canada-Newfoundland Offshore Petroleum Board	6	2	0	0
Canada-Nova Scotia Offshore Petroleum Board	3	6	0	0
Canadian Food Inspection Agency	0	3	0	0
Canadian Heritage	6	2	0	0
Canadian International Development Agency	49	160	0	0
Canadian Nuclear Safety Commission	7	0	0	0
Correctional Service Canada	0	11	0	0
Environment Canada	85	220	0	0
Fisheries and Oceans Canada	478	788	3	5
Foreign Affairs and International Trade	4	8	0	0
Fraser River Port Authority	14	89	0	0
Hamilton Port Authority	0	3	0	0
Health Canada	21	23	0	0
Human Resources and Skills Development				

Canada	0	109	0	0
Indian and Northern Affairs Canada	566	169	1	0
Infrastructure Canada	8	2	0	0
Montreal Port Authority	10	11	0	0
National Defence	96	109	0	0
National Energy Board	6	32	0	0
National Research Council of Canada	0	1	0	0
Natural Resources Canada	40	46	2	1
Natural Sciences and Engineering Research Council of Canada	1	9	0	0
Parks Canada Agency	345	572	1	0
Prince Rupert Port Authority	0	3	0	0
Public Works and Government Services Canada	13	25	0	0
Quebec Port Authority	0	7	0	0
Royal Canadian Mounted Police	1	10	0	0
Saint John Port Authority	1	3	0	0
Saint John's Port Authority	0	4	0	0
Sept-îles Port Authority	1	0	0	0
Transport Canada	49	110	0	0
Vancouver Port Authority	0	12	0	0
Veterans Affairs Canada	0	0	0	0
Western Economic Diversification Canada	195	290	1	0
Windsor Port Authority	0	3	0	0
Total Initiated in 2003-2004	2,159	3,482	10	6

## For Further Information

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## The Canadian Environmental Assessment Agency's Web site

<http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.ceaa-acee.gc.ca/>

## The Treasury Board Secretariat's Web site

<http://www.collectionscanada.gc.ca/webarchives/20060120073551/http://www.tbs-sct.gc.ca/>



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# **Canadian Environmental Assessment Agency**

## **PERFORMANCE REPORT**

**For the period ending  
March 31, 2005**

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**The Honourable Stéphane Dion**  
**Minister of the Environment and Minister responsible for**  
**the Canadian Environmental Assessment Agency**

**025848**



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## SECTION I

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### Minister's Message and Executive Summary

#### Minister's Message

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I am pleased to present the Performance Report of the Canadian Environmental Assessment Agency for the period ending March 31, 2005. This report outlines the Agency's key accomplishments for the 2004-2005 fiscal year.

The Agency operates in an environment that is growing in complexity and importance. Last year, the External Advisory Committee on Smart Regulation provided expert advice on the best ways to improve the government's regulatory system to better meet Canada's needs in the 21<sup>st</sup> century. Environmental assessment figured prominently in the committee's recommendations.

Throughout the year, the Agency provided support and expertise to federal departments and agencies on a variety of comprehensive studies and review panels.

Environmental assessment must be rigorous and thorough, in addition to being timely, efficient and predictable. With this in mind over the coming year, the Agency will continue to work in Canada's interests through delivery of its core programs and services.

But we must always seek ways to bring about improvement. To that effect, in the October 2004 Speech from the Throne, the Government of Canada indicated that it would consolidate the federal environmental assessment process. This initiative has been a major focus for the Agency over the past few months and it will strengthen the accountability and integrity of federal environmental assessment.

This coming improvement of federal environmental assessment will also have positive effects on the cooperation between the provinces and the territories. A better coordination of the environmental assessment process and practices across Canada is the best way to guarantee timely and high quality assessments for Canadians.

The Honourable Stéphane Dion  
Minister of the Environment and  
Minister responsible for the Canadian Environmental Assessment Agency

## **Management Representation Statement**

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I submit, for tabling in Parliament, the 2004-2005 Departmental Performance Report for the Canadian Environmental Assessment Agency.

This report has been prepared based on the reporting principles and other requirements in the *Guide for the Preparation of the 2004-2005 Departmental Performance Reports* and represents, to the best of my knowledge, a comprehensive, balanced and transparent picture of the organization's performance for fiscal year 2004-2005.

Jean-Claude Bouchard  
President  
August 20, 2005



## Executive Summary

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The Canadian Environmental Assessment Agency (the Agency) administers the *Canadian Environmental Assessment Act* (the Act), federal legislation designed to encourage the use of environmental assessment nationally as a planning tool to ensure that economic development occurs in a manner that maintains a healthy environment. The Agency employs 145 people at headquarters in Ottawa and in six regional offices across Canada and manages an annual budget of approximately \$19 million.

In 2004-2005, the Agency's federal clients initiated approximately 6,300 screening assessments. The Agency played an important role in more than 25 comprehensive studies and in 11 review panels.

In the October 2004 Speech from the Throne, the government made a commitment to consolidate federal environmental assessment. The Agency developed a detailed proposal with a number of options on how consolidation could be achieved. The objective is to further refine and improve the environmental assessment process while building on the positive elements of the current federal system. This will be a significant focus of the Agency in the coming year.

The Agency provided support to federal negotiators at 71 tables where environmental assessment issues in Aboriginal land claims and self-government agreements were being addressed. The Agency also negotiated or continued implementation of bilateral environmental assessment agreements with provinces and territories, bringing the total number of agreements in place to seven. In addition, the Agency implemented its new role of Federal Environmental Assessment Coordinator in over 150 environmental assessments.

The Agency has taken an active role in reviewing Cabinet submissions for environmental assessment and strategic environmental assessment implications to ensure that the policies, plans, programs and/or projects in which the federal government participates do not have adverse environmental impacts. The Agency also coordinated the federal government response to the Commissioner of the Environment and Sustainable Development's audit of federal departments' implementation of the *Cabinet Directive on the Environmental Assessment of Policies, Plan and Program Proposals*. The Agency delivered approximately 110 training sessions to more than 3,000 participants across Canada. Ninety-five percent of participants who completed evaluations would recommend the Agency's training to others.



## SECTION II

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### Strategic Context

#### Who We Are

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The Agency provides leadership and serves as a centre of expertise in its role as the administrator of the federal environmental assessment process. The Agency has one program objective, which serves as its mission:

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***To provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.***

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Headed by the President, who reports directly to the Minister of the Environment<sup>1</sup>, the Agency is mandated by the following instruments:

- the *Canadian Environmental Assessment Act* and its accompanying regulations;
- the *Canada-Wide Accord on Environmental Harmonization* and bilateral agreements with provincial governments that establish arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, principally the United Nations *Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).

The Agency also assists the Minister of the Environment in implementing the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* by providing guidance to federal authorities on environmental assessment considerations and requirements in respect to proposed policies, plans and programs.

The President of the Agency has been designated by Order-in-Council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*.

For more information about the Agency, visit: [www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca).

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<sup>1</sup> The reporting structure to the Minister of the Environment can be found in Figure 1, Annex 3.

## **Partners in Environmental Assessment**

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Federal environmental assessment is based on the principle of self assessment. Under subsection 5(1) of the Act, a federal environmental assessment may be required when a federal authority: is the proponent of a project, provides financial assistance to the proponent, makes federal lands available for the project, and/or issues a permit, licence or any other form of approval pursuant to a statutory or regulatory provision referred to in the *Law List Regulations*. The Agency provides these departments and agencies (known as responsible authorities) with training, advice, guidance and support in fulfilling their environmental assessment responsibilities under the Act.

The Agency has a greater role in projects that have the potential to cause significant environmental effects. It manages the public comment period and advises the Minister of the Environment in relation to the comprehensive study review process. It supports the establishment and conduct of independent review panels. It also provides advice and support to decision makers and manages a financial assistance program to encourage public participation in comprehensive studies and review panels.

### ***Involvement of multiple jurisdictions in environmental assessment***

Depending on the project, representatives of federal, provincial, territorial and municipal governments, as well as Aboriginal groups, may have legislative environmental assessment requirements. The Agency works cooperatively with other parties to promote consistent approaches and an effective and efficient environmental assessment process that addresses the requirements of each jurisdiction.

### ***Non-governmental organizations, businesses, and citizen and industry groups***

Environmental non-governmental organizations, citizen groups and representatives from industry are important consultative partners during the development of policies, programs and regulations aimed at improving the environmental assessment process.

The Agency maintains channels for stakeholder communication through its support of several consultative committees. In 2004-2005, the Agency chaired the committees listed in Table 1.

**Table 1: Building Strong Partnerships**

Committee	Membership	Purpose
Regulatory Advisory Committee (RAC)	<ul style="list-style-type: none"> <li>• federal and provincial government representatives</li> <li>• Aboriginal, industry and environmental non-governmental organization members</li> </ul>	<ul style="list-style-type: none"> <li>• consult on federal environmental assessment regulatory and policy matters</li> </ul>
Senior Management Committee on Environmental Assessment (SMCEA)	<ul style="list-style-type: none"> <li>• senior federal government managers representing various departments and agencies</li> </ul>	<ul style="list-style-type: none"> <li>• share information on current and upcoming environmental assessment issues pertinent to the federal government</li> </ul>
Federal-Provincial-Territorial Environmental Assessment Administrators Group (Rotational chair among jurisdictions and the Agency)	<ul style="list-style-type: none"> <li>• senior federal-provincial-territorial environmental assessment representatives</li> </ul>	<ul style="list-style-type: none"> <li>• discuss environmental assessment issues of cross-jurisdictional interest</li> </ul>
Regional Environmental Assessment Committees (REAC)	<ul style="list-style-type: none"> <li>• regional environmental assessment representatives from various federal and provincial government departments</li> </ul>	<ul style="list-style-type: none"> <li>• share information and discuss coordinated approaches to environmental assessment among jurisdictions within a geographic region</li> </ul>

## Planning Context – Factors Influencing and Driving Performance

Projects subject to environmental assessment often raise important issues associated with socio-economic development, environmental protection, Aboriginal interests and federal-provincial-territorial relations. Environmental assessment must continually adapt to emerging trends and new challenges.

### ***Shared Environmental Management Responsibility***

Under the Constitution of Canada, responsibility for environmental management is an area of shared jurisdiction among various levels of government. To minimize duplication and delays, the Agency works with its provincial and territorial counterparts to bring about greater cooperation in environmental assessment and to promote the consistent and predictable application of environmental assessment processes across Canada.



***Addressing Competing Interests***

Large-scale projects subject to environmental assessment frequently involve sensitive issues related to development, environmental protection, Aboriginal interests and federal-provincial-territorial relations. Projects being assessed can often be complex, with competing stakeholder interests. The Agency endeavors to address these interests while maintaining productive relationships and delivering high-quality environmental assessments that meet the expectations of Canadians.

***Aboriginal Peoples***

Aboriginal peoples have strong interests in environmental assessment issues and they have indicated to the Agency that these interests include:

- participating in environmental assessments where Aboriginal peoples/groups may be affected by development;
- ensuring that their traditional knowledge is considered in the process of environmental assessments;
- developing the capacity of Aboriginal peoples to participate in and conduct environmental assessments on their lands;
- ensuring minimal disruption of traditional lifestyles and the natural environment; and
- developing environmental assessment processes for projects on Aboriginal lands in the context of band council governance, self-government and comprehensive claim negotiations.

***Improved Federal Policy Development***

The Agency is a strong advocate for the application of strategic environmental assessment as a tool to support improved decision making. Since the implementation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, federal departments have increasingly recognized the role of this valuable tool in helping to promote sustainable development. The Agency will continue to develop its advocacy and advisory role, track national and international development in the field, and provide leadership in this evolving field of policy research.

***Canadian Competitiveness***

In a global economy, countries must compete for foreign investment. Environmental sustainability is emerging as a basis for competitiveness and consumers, producers and investors are responding to this change. The efficiency and effectiveness of an environmental assessment process can contribute to a positive view of the country. A more certain, timely and predictable environmental assessment process will also support Canada's international competitiveness.

### ***Environmental Assessment and Climate Change***

The Government of Canada is committed to the Kyoto Protocol and to reaching its greenhouse gas emissions target of six percent below 1990 levels by 2012. At the same time, increased demand for energy is likely to result in more energy-related development projects. Environmental assessment is a useful tool for ensuring that the government's climate change policies are considered in project development and that projects take into consideration the potential effects of changes in the climate.

### ***Smart Regulation***

A knowledgeable society has to be smart about the regulations that guide activities and protect its quality of life.

The federal government is renewing its national regulatory system to enhance performance and spur innovation. Part of this renewal will include improvements to the federal environmental approval process to make it more transparent and effective. In the October 2004 Speech from the Throne, the government reinforced this initiative by committing to the consolidation of federal environmental assessment. This consolidation exercise will be the Agency's focus in the upcoming fiscal year.





## SECTION III

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### Agency Performance

#### Strategic Planning Framework

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This Departmental Performance Report presents the results of the Agency's commitments in its Report on Plans and Priorities of 2004-2005, which was prepared according to our Performance Reporting and Accountability Structure (PRAS). The PRAS has since been replaced with a Program Activity Architecture (PAA) that will now be the framework for Agency planning and reporting.

The new PAA identifies the Agency's strategic outcome as: "Environmental assessment is an integral part of program and policy decision making." The Agency will achieve this outcome through one program activity – effective and efficient environmental assessment – and three sub-activities: coordination and cooperation, guidance and operations, and continuous improvement.

Future plans will be developed based on the Agency's Program Activity Architecture.

#### Strategic Outcomes

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This Departmental Performance Report is organized by strategic outcomes – the long-term, enduring benefits to Canadians derived from the Agency's mission. The planning framework presented in this report is consistent with that presented in the *Report on Plans and Priorities 2004-2005*.

##### Agency's Strategic Outcomes

- Effective and efficient environmental assessment
- Coordinated and harmonized environmental assessments
- Consistent and predictable application of environmental assessment in federal decision making

## Strategic Outcome 1: Effective and Efficient Environmental Assessment

***The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation and support the principles of sustainable development.***

### Context

The Agency plays an important role in providing advice, guidance, training and recommendations to federal departments and agencies. This helps to ensure that environmental assessment decisions: comply with the Act, reflect effective and efficient environmental assessment practices, consider public values, and support the principles of sustainable development. The Agency plays a greater role in the assessment of projects with the potential to cause significant environmental effects by managing elements of the assessment process, providing opportunities for public participation, as well as providing advice and support to decision makers.

Effective and efficient environmental assessment involves incorporating environmental factors early in a project's planning stage so that adverse environmental effects and financial costs are reduced or avoided. Environmental assessment must be broad enough to consider all potential environmental effects arising from a project and must provide appropriate opportunities during the process for Canadians to express their views and be involved in decisions that affect them.

**Table 2: Logic Model – Strategic Outcome 1**

<b>Strategic Outcome:</b>
<b>Effective and Efficient Environmental Assessment</b> <p>The Agency is committed to providing Canadians with environmental assessments that are effective, efficient, involve public participation, and support the principles of sustainable development.</p> <p>Expenditures: \$11,122,329 FTEs: 82</p>
<b>Key Partners:</b>
<ul style="list-style-type: none"> <li>• Other federal government departments and agencies, and provincial, territorial and local governments</li> <li>• Regulatory Advisory Committee</li> <li>• Non-governmental agencies</li> <li>• Aboriginal groups</li> <li>• Private industry</li> <li>• Interest groups</li> <li>• Canadians</li> </ul>
<b>Key Results:</b>
<ul style="list-style-type: none"> <li>• The Agency ensured the establishment and/or managed 11 review panel processes with a view to ensuring high-quality environmental assessment.</li> <li>• The Agency provided \$457,000 to numerous participants in five major projects. The funds are used by parties to improve their participation in a project.</li> </ul>

## **Established, Maintained and Improved Processes and Developed Tools and Mechanisms that Support Environmental Assessment**

Process improvements will contribute to better environmental assessments and therefore address the needs of Canadians in a more effective and consistent manner. Better tools and mechanisms will increase the consistency and predictability of environmental assessments. This can also lead to the consistent application of mitigation measures to deal with potentially adverse environmental effects of projects.

Mechanisms that are well documented and easily accessed lead to a broader understanding of issues such as impacts of trade on the environment and involvement of Aboriginal peoples in the environmental assessment process. The Agency also uses research and development to improve the practice of environmental assessment.

### **2004-2005 Results**

- Managed 11 review panels and provided advice and guidance to responsible authorities, project proponents and the public in the comprehensive study process. During the planning period, 12 comprehensive studies were completed and 27 are at various stages of development. See Table 3 and Table 4 for summaries of major projects.
- Developed effective guidance materials in partnership with stakeholders in order to address clients' needs and improve knowledge and understanding of the application of the Act. For a listing of guidance documents, visit: [www.ceaa.gc.ca/012/newguidance\\_e.htm](http://www.ceaa.gc.ca/012/newguidance_e.htm).
- Provided support to over 20 researchers who have been conducting research in the area of environmental assessment. In addition, six new research reports were completed during the review period and posted on the Agency's Web site. For additional information about the Research and Development Program, or to view the completed research reports, visit: [www.ceaa.gc.ca/015/index\\_e.htm](http://www.ceaa.gc.ca/015/index_e.htm).
- Supported the development of class screenings by providing advice, technical assistance and funding to federal departments. The Agency also conducted a workshop with federal departments that had past experience with the class screening process, and federal departments that received funding through the Class Screening Funding Program 2004-2005. The Agency declared five model class screenings and two replacement class screenings and a further 20 reports are in various stages of development. Use of these model and replacement class screening reports will enable responsible authorities to use resources more efficiently while ensuring that environmental considerations are taken into account during project planning and implementation. The Agency has also renewed the Class Screening Funding Program for 2005-2006.
- Coordinated the federal government response to the Commissioner of the Environment and Sustainable Development's audit of federal implementation of the *Cabinet Directive on the Environmental Assessment of Policies, Plan and Program Proposals*. The Agency continues to work closely with the federal community through the strategic environmental assessment subcommittee of the Senior Management Committee on Environmental Assessment to ensure that the commitments made in the government response are met.



### **Consolidation of Environmental Assessment**

The federal government is considering options for improving the federal environmental assessment process. In the October 2004 Speech from the Throne, the government made a commitment to get the House in order by consolidating federal environmental assessments. The government's March 2005 *Smart Regulation: Report on Actions and Plans* also identified consolidation of environmental assessment as a priority.

The current federal environmental assessment system is based on the principle of self-assessment. Consequently, departments and agencies have their own discrete environmental assessment responsibilities to discharge, though often in relation to the same project. The resulting decentralized system has many advantages, but it also presents challenges. Since October, the Agency has been developing options for consolidating federal environmental assessment. From these options, a detailed proposal for consolidation will emerge that builds on the positive elements of the current federal system while introducing a more prominent role for the Agency for major projects. This approach would address many of the concerns identified by stakeholders.

### **Strategic Environmental Assessment**

Strategic environmental assessment is the systematic and comprehensive process of evaluating the environmental effects of a policy, plan or program and its alternatives.

According to the federal government's Cabinet Directive, an assessment of a policy, plan or program proposal must be conducted when two conditions are met:

- the proposal is submitted to an individual minister or Cabinet for approval; and
- the implementation of the proposal may result in important environmental effects, either positive or negative.

When circumstances warrant, departments and agencies are also encouraged to conduct strategic environmental assessments for other policy, plan and program proposals, particularly when strong public concern is apparent. In January 2004, the Directive was updated to address two issues. The amendments provide clearer guidance on the assessment of both positive and negative environmental impacts, and require federal departments and agencies to prepare public statements of environmental effects when detailed assessments have been conducted. These changes support more effective and transparent analysis.

For additional information about Strategic Environmental Assessment, visit:  
[www.ceaa.gc.ca/016/index\\_e.htm](http://www.ceaa.gc.ca/016/index_e.htm).

### Environmental Assessment Review Panels

Distinguished by extensive public participation, review panels, and joint review panels with other jurisdictions, are the most visible and public type of environmental assessment. They are independent from government, with members appointed by the Minister of the Environment.

The review panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public comment periods and public hearings. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

At the completion of the review process, the review panel's report, including conclusions and recommendations, is submitted to the Minister of the Environment. The recommendations are advisory, and the federal Cabinet considers and responds publicly to all recommendations.

The Agency's primary roles in a review panel process are to: provide advice and coordination to federal expert authorities and responsible authorities, maintain the public registry, manage the review process and provide technical and administrative support to the review panel, administer the Participant Funding Program, and design and implement a public information program with the review panel.

**Table 3: Summary of Review Panel Activity**

<b><i>Review Panel of the Eastmain-1-A and Rupert Diversion Project in Quebec</i></b>
<ul style="list-style-type: none"> <li>Hydro-Québec and its subsidiary, the <i>Société d'énergie de la Baie-James</i>, propose to build the \$2 billion Eastmain-1-A generating station (770 MW) and to divert the Rupert River in the James Bay territory.</li> <li>The proposal requires the application of the Act and the provincial environmental assessment process of chapter 22 of the <i>James Bay and Northern Quebec Agreement</i>. In April 2003, the Agency, the <i>Ministère de l'environnement du Québec</i> and the Cree Regional Authority signed an agreement for the coordination of the environmental assessment processes applicable to the project. The goal is to produce a single report at the completion of the review.</li> <li>The review of the project is at the conformity stage of the impact study. The review bodies have targeted July 30 for the submission of any request for additional information.</li> </ul>
<b><i>Review Panel of the Development of the Vanadium Mine in Quebec</i></b>
<ul style="list-style-type: none"> <li>McKenzie Bay International Ltd. (Lac Doré Mining Inc.) proposes the development of a vanadium mine at Lac Doré, near Chibougamau. The proposal requires the application of the Act and the provincial environmental assessment process of chapter 22 of the <i>James Bay and Northern Quebec Agreement</i> (JBNQA).</li> <li>In February 2004, the Minister of Fisheries and Oceans recommended the referral of the project to a review panel.</li> <li>On May 21, 2004, the Cree registered a motion in the Quebec Superior Court seeking a declaration that the JBNQA federal process is applicable to the project and that the <i>Canadian Environmental Assessment Act</i> (the Act) is not. The time of the hearing of the motion has yet to be determined.</li> </ul>

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***Joint Review Panel of the Kénogami Watershed Flood Control Project in Quebec***

- An agreement was signed by the governments of Canada and Quebec to establish a joint review panel for the Kénogami Watershed Flood Control project.
- Hearings were held August 5 to 7, 2003. The joint panel submitted its report to the federal and provincial environment ministers on October 24, 2003.
- The Quebec government (the proponent) has since reconsidered various portions of the project. As a result, the federal government has postponed finalizing its response until the province establishes if the project, or certain portions of the project, would be maintained.

***Joint Review Panel of the Whites Point Quarry Project in Nova Scotia***

- Global Quarry Products proposes to construct and operate a basalt quarry, processing facility and marine terminal located in Digby County, Nova Scotia.
- In June 2003, the Minister of Fisheries and Oceans recommended the referral of the project to a review panel.
- On November 3, 2004, the Minister of the Environment and the provincial Minister of Environment and Labour signed an agreement establishing a joint review panel for the project and appointed the members of the panel.
- On November 10, 2004, the Agency and Nova Scotia Environment and Labour released for public comment the draft Environmental Impact Statement (EIS) Guidelines. After reviewing the public submissions, the joint review panel finalized the EIS Guidelines on March 31, 2005. The Panel is now waiting for the proponent to submit the EIS.

***Joint Review Panel of the Mackenzie Gas Project in the Northwest Territories***

- The Agency has been actively involved in the development of environmental review processes to minimize duplication and meet legislative requirements for major natural gas development in the Northwest Territories (N.W.T.).
- The proposed Mackenzie Gas Project consists of the development of three natural gas fields on the Mackenzie Delta, N.W.T., with associated gathering systems and processing facilities. Pipelines would carry the gas 1,400 kilometres south through the Mackenzie Valley to market. The proponent consortium consists of Shell Canada Limited, ConocoPhillips Canada (North) Limited, ExxonMobil, Imperial Oil Resources Ventures Limited and the Aboriginal Pipeline Group.
- The project is subject to three environmental assessment regimes and three additional regulatory public hearing processes. In preparation for the filing of an application for a major northern gas pipeline project, the June 2002 Cooperation Plan was developed.
- On August 21, 2003, the Minister of the Environment referred the project to a review panel. On August 18, 2004, the Minister of the Environment, the Chair of the Mackenzie Valley Environmental Impacts Review Board and the Chair of the Inuvialuit Game Council announced the establishment of the joint review panel for the Mackenzie Gas Project and released the Environmental Impact Statement terms of reference.
- In February 2005, the Executive Committee (the Chairs of the joint review panel, the National Energy Board, the N.W.T. Water Board and the Mackenzie Valley Land and Water Board) announced that the coordinated public hearings would not start until late summer 2005.

Continued on next page.



***Joint Review Panel of the Kemess North Gold-Copper Mine Project in British Columbia***

- Northgate Minerals Corporation proposes to develop the Kemess North copper and gold deposit, located six kilometres north of its existing Kemess South Mine, and 250 kilometres northeast of Smithers in north central British Columbia.
- On November 19, 2004, the Minister of the Environment referred the Kemess North project to a review panel, following a request by the Minister of Fisheries and Oceans.
- On May 19, 2005, the Minister of the Environment and the B.C. Minister of Sustainable Resource Management signed an agreement to establish a joint review panel and appointed a three-member panel. Panel members were selected by consensus by following a process that involved federal, provincial and First Nations representatives.
- Draft Guidelines for the preparation of the proponent's Environmental Impact Statement were issued July 2005.

***Review Panel of the Rabaska Liquefied Natural Gas Project in Quebec***

- The Rabaska liquefied natural gas (LNG) facility is being proposed by a group of companies led by Gaz Metropolitain, Enbridge Gas and Gaz de France. The proposal is to build the LNG terminal and related facilities at Beaumont, Quebec, on the St. Lawrence River near Québec City. The province of Quebec will also exercise environmental assessment decision-making authority. As a result, the *Canada-Quebec Agreement on Environmental Assessment Cooperation* will apply.
- On January 20, 2005, the Agency issued a news release announcing the decision of the Minister of the Environment to refer the Rabaska project to a review panel.
- The proponents plan to submit the Environmental Impact Statement in summer 2005. In accordance with this timeframe, the review panel could be appointed in winter 2005 or when both governments are satisfied that the impact study is consistent with the Guideline requirements.

***Review Panel of the La Romaine Hydroelectric Complex Project in Quebec***

- The La Romaine project is a 1,500 MW hydro project on the Romaine River in the Lower North Shore region of Quebec. The project is subject to the Quebec environmental assessment process and will require authorizations from Fisheries and Oceans Canada and Transport Canada. It is subject to the *Canada-Quebec Agreement on Environmental Assessment Cooperation*.
- On February 10, 2005, the Agency announced the Minister's decision to refer the project to a review panel. Public consultation was held from April 29 to May 30, 2005, on draft Guidelines for the Environmental Impact Statement.
- It is not expected that a review panel would be appointed until 2007. The panel will be appointed only once both governments are satisfied that the information provided by the proponent meets the requirements set out in the Guidelines.

***Review Panel of the Brooks Power Generation Project in Alberta***

- In March 2003, the Minister of the Environment referred the Brooks Power Generation project to a review panel under section 28 of the Act.
- In August 2004, Fisheries and Oceans Canada confirmed that Luscar Limited had withdrawn this project. Fisheries and Oceans Canada recommended that the environmental assessment process be stopped as it would no longer exercise any federal power or perform any federal duty or function identified in section 5 of the Act.
- On December 10, 2004, the Minister of the Environment determined that a federal environmental assessment of the proposed Brooks Power project was no longer necessary and stopped the review panel process.

Continued on next page.

***Review Panel of the Bennett Environmental Thermal Oxidizer Project in New Brunswick***

- Bennett Environmental Inc. proposes to build a thermal oxidizer capable of treating 100,000-tonne-per-year of oil- and creosote-contaminated soils at Belledune, New Brunswick.
- Representatives of groups opposing the Bennett project submitted a petition, in the fall of 2003, requesting that the project be referred to a review panel pursuant to the transboundary provisions of the *Canadian Environmental Assessment Act*.
- On June 14, 2004, the Minister of the Environment announced the referral of the project to a review panel in order to examine the project's potential transboundary environmental effects.
- The following month, Bennett filed an application for judicial review before the Federal Court, challenging the Minister's decision to refer the project to a review panel. In August, the Federal Court quashed the referral to a review panel, thereby precluding the Minister from continuing with the review panel process.
- On September 28, 2004, the Minister announced the federal government's appeal of the ruling of the Federal Court.
- On March 31, 2005, the review panel was on hold pending the hearing of the matter before the Federal Court of Appeal and its subsequent decision.

***Joint Review Panel of the Highwood Storage and Diversion Project in Alberta***

- Alberta Transportation proposes the construction of a water management project to convey and store water diverted from the Highwood River in the lower Little Bow River basin in south-western Alberta.
- In 1997, Fisheries and Oceans Canada referred the project to the Minister of Environment for a review by a panel. At the completion of the joint review panel in June 1998, the panel concluded that it required further evidence to reach a final conclusion on one of the project components. Another joint review panel was established in March 2000 to address the outstanding issues.
- In March 2005, the joint review panel was waiting for Alberta Transportation to develop its project and submit an application to the Alberta Natural Resources Conservation Board. When that information is received, the panel will need to be re-activated.

For additional information about review panels, visit:  
[www.ceaa.gc.ca/010/basics\\_e.htm#26](http://www.ceaa.gc.ca/010/basics_e.htm#26).

### Comprehensive Studies

Certain projects, by their very nature, may have the potential to cause significant adverse environmental effects. These types of projects have been identified and listed in the *Comprehensive Study List Regulations*.

As a result of revisions to the Act, proclaimed through Bill C-9 on October 30, 2003, the responsible authority must consult the public on its proposed approach and recommend to the Minister of the Environment whether the project continue by means of a comprehensive study environmental assessment or be referred to a mediator or a review panel. At the end of the comprehensive study process, the Minister is required to issue a decision statement as to whether the project is likely to cause significant adverse environmental effects.

The Agency's role in the comprehensive study process is to provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment in support of the Minister's track decision on the environmental assessment and the determination of potential adverse environmental effects. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

The Minister concluded that the comprehensive studies described in Table 4 were not likely to cause significant adverse environmental effects and referred them back to the responsible authority.

**Table 4: Comprehensive Studies Completed During 2004-2005**

Comprehensive Study	Project Proponent	Responsible Authorities	Project Description
Trans Labrador Highway Project (Phase III)	Newfoundland and Labrador Department of Transportation and Works	Fisheries and Oceans Canada	Proposal to construct, over a six-year period, and maintain a two-lane gravel surface highway from Cartwright Junction (87 km south of Cartwright) to Happy Valley-Goose Bay.
New Route 2 Trans-Canada Highway (Perth-Andover to Woodstock)	New Brunswick Department of Transportation	Transport Canada, Infrastructure Canada, and Fisheries and Oceans Canada	Proposal to construct a new section of divided highway starting from south of the Trans-Canada Highway/Route 190 Interchange in the Village of Perth-Andover, past River de Chute, Florenceville, Hartland, and terminating in the vicinity of the intersection of the Trans-Canada Highway/Route 550 (Connell Road) in the town of Woodstock.

Continued on next page.



Comprehensive Study	Project Proponent	Responsible Authorities	Project Description
Liquefied Natural Gas Marine Terminal and Multi-purpose Pier	Irving Oil Limited	Fisheries and Oceans Canada, Environment Canada, and Transport Canada	Proposal to construct and operate a liquefied natural gas receiving, storage and processing facility. The proposed facility would be located at an existing deepwater oil terminal (Irving Canaport) near Saint John, New Brunswick.
Beaufort Sea (Devon) Gas Exploration	Devon Canada Corporation	National Energy Board, Fisheries and Oceans Canada, and Indian and Northern Affairs Canada	Offshore winter hydrocarbon exploratory drilling program from 2005-2009 to evaluate potential natural gas reservoirs in the southern Beaufort Sea, north of the Mackenzie River Delta.
Pérignonka Hydroelectric Facility	Hydro-Québec	Fisheries and Oceans Canada and Transport Canada	450 MW hydroelectric facility on the Pérignonka River, immediately north of its confluence with the Manouane River, north of Lake Saint-Jean. The proposed project includes an 80 m high-dam and two main embankments, a 33 km reservoir, a flood spillway and a 2000 m <sup>3</sup> /s temporary diversion gallery.
BEPCo Exploration Drilling Program	BEPCo Canada Company	Canada-Nova Scotia Offshore Petroleum Board	Exploration and appraisal drilling program from 2005-2009 using a mobile drilling unit to confirm the presence and type of hydrocarbons offshore of Nova Scotia on the Scotian Slope, within the exploration licence 2407 issued by the Canada-Nova Scotia Offshore Petroleum Board.
Cluff Lake Uranium Mine Decommissioning	COGEMA Resources Inc.	Canadian Nuclear Safety Commission	Proposal to decommission the Cluff Lake Uranium Mining facility in northwestern Saskatchewan, 75 km south of Lake Athabasca and 15 km east of the provincial border with Alberta.

For additional information about comprehensive studies, visit:  
[www.ceaa.gc.ca/010/basics\\_e.htm#20](http://www.ceaa.gc.ca/010/basics_e.htm#20).

## **Provided Opportunities for Public Participation in the Environmental Assessment Process**

Opportunities for more meaningful public participation will lead to higher quality environmental assessments. Improvements to the public registry system will facilitate more meaningful public participation through the availability of timely information. Facilitating public participation will ensure that the environmental assessment process addresses the needs of Canadians.

### **2004-2005 Results**

- Administered the Canadian Environmental Assessment Registry Internet site and provided training and guidance to users to assist them in fulfilling their legal obligations in providing quality and timely information to the public. Responsible authorities and Port Authorities are now required to post specific records on the Registry for environmental assessments conducted under the Act. This will help ensure that all interested parties, including the general public, are aware of an assessment from the outset. With over 9,000 environmental assessments registered on the site since October 2003, the Agency is in the process of developing a tool whereby interested parties can subscribe to receive e-mail notification regarding environmental assessment developments. A communications strategy to promote the Registry was developed to facilitate greater public participation and awareness.
- Initiated the implementation of some of the recommendations provided in two usability studies that evaluated the user-friendliness of the Registry for the public. The studies show a high level of satisfaction with the system and have also measured increased performance of the system in meeting citizen expectations.
- Held a public consultation on the *Ministerial Guideline on Assessing the Need for and Level of Public Participation in Screening-level Environmental Assessments* and received comments from eight stakeholders/stakeholder groups. The Guideline has been revised to reflect these comments and has since undergone two legal reviews and a final review by two stakeholder advisory committees. The final document is ready to go forward for Ministerial approval.

### **Promoted Continuous Learning in the Environmental Assessment Process**

Continuous learning involves regularly reviewing activities and accomplishments, assessing successes and modifying processes to improve outcomes. Tackling new environmental assessment practices, such as incorporating climate change considerations, and developing resource material on strategic environmental assessment and coordinated training approaches will improve the overall environmental assessment process within Canada.

#### **2004-2005 Results**

- Put in full operation the Quality Assurance Program. The Agency established a database utilizing information from the Registry Internet site to facilitate analysis of data from large numbers of assessments. The database proved to be a useful tool for analyses related to consolidation of federal environmental assessment. Four priority work areas have been identified: (1) Focus of environmental assessment resources on appropriate projects; (2) effectiveness and efficiency of federal coordination; (3) quality of information on the Registry; and (4) participation of the public in screenings. Work on the first two of the priority areas has been initiated.
- Put in operation the Follow-up Program. The status of Follow-up Programs referred to in the Registry (for projects assessed since October 30, 2003) has been actively and systematically tracked. Limited data were available because many projects with follow-up programs had not yet been implemented.

#### **Quality Assurance Program**

The renewed Act sets out a legislative duty for the Agency to “establish and lead a quality assurance program for assessments conducted under the Act.” This duty is accompanied by powers to request information on environmental assessments conducted by federal authorities and by other entities (e.g., Canada Ports Authorities) regulated under the Act, now or in the future. Those federal authorities and regulated entities are, in turn, required by the renewed Act to provide any such requested information.

## Strategic Outcome 2: Coordinated and Harmonized Environmental Assessments

*The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and delivered cooperatively with other jurisdictions.*

### Context

All federal, provincial and territorial jurisdictions in Canada administer some form of environmental assessment regime. The application of multiple regimes to a single project requires cooperation to avoid duplication, increase certainty and reduce costs, and avoid potential delays.

The Agency promotes consistent approaches to environmental assessments across Canada and with its international partners. The Agency works with provincial, territorial and local partners to develop cooperative approaches wherever possible. It also fosters ongoing relations with Aboriginal communities. The emerging environmental assessment processes under self-government and land claims agreements play an increasing role in the evolution of sustainable development practices in Canada.

**Table 5: Logic Model – Strategic Outcome 2**

<b>Strategic Outcome:</b>
<p><b>Coordinated and Harmonized Environmental Assessments</b></p> <p>The Agency is committed to providing Canadians with environmental assessment approaches that are coordinated across government and undertaken cooperatively with other jurisdictions.</p> <p>Expenditures: \$5,097,117</p> <p>FTEs: 38</p>
<b>Key Partners:</b>
<ul style="list-style-type: none"> <li>• Other government departments and provincial, territorial and local governments</li> <li>• National and regional Aboriginal organizations</li> <li>• Regulatory Advisory Committee</li> <li>• Non-governmental agencies</li> <li>• Governments of foreign jurisdictions</li> <li>• Interest groups</li> <li>• Canadians</li> </ul>
<b>Key Results:</b>
<ul style="list-style-type: none"> <li>• The Agency provided support to federal negotiators at 71 tables where environmental assessment issues in Aboriginal land claims and self-government agreements were being addressed.</li> <li>• The Agency negotiated or continued implementation of six bilateral environmental assessment cooperation agreements with provinces and territories.</li> <li>• The Agency implemented the role of Federal Environmental Assessment Coordinator in over 150 environmental assessments.</li> </ul>



### **Improved Coordination within the Federal Environmental Assessment Process**

Clear and coordinated environmental assessment processes across jurisdictions maximize predictability, increase efficiency, minimize conflicts and contribute to a better overall assessment process. The Agency has undertaken several activities toward this end and has achieved the following results:

#### ***2004-2005 Results***

- Implemented the role of Federal Environmental Assessment Coordinator (FEAC) in over 150 environmental assessments.
- Developed the evaluation framework for the Agency as a FEAC, which will be implemented in fiscal year 2005-2006. The Framework will provide the Agency with data to determine if the FEAC role is improving the coordination of environmental assessments.
- Acted as an independent facilitator to assist in the resolution of disputes regarding environmental assessment matters.

### **Established Cooperative Environmental Assessment Processes Across Jurisdictions**

Coordinated and cooperative environmental assessment provides a clear and understandable process that facilitates public participation and minimizes conflicts. Cooperation also contributes to efficiency and improved overall effectiveness by ensuring that environmental effects of proposed projects are jointly considered before governments make decisions. Coordination with international jurisdictions ensures that the Canadian perspective is taken into account to protect the interests of citizens and industry.

#### ***2004-2005 Results***

- Handled eight transboundary petition requests, of which the following four were resolved in the reporting period: Greenwich, Prince Edward Island; Belledune, New Brunswick; road 770 and the network of secondary and tertiary roads in Ontario; and Pukaskwa, Ontario.
- Provided support to federal negotiators in addressing environmental assessment issues in Aboriginal land claims and self-government agreements. The Agency continued to provide support to federal negotiators at 71 tables where environmental assessment issues in Aboriginal land claims and self-government agreements were being addressed. These negotiations, which are underway across Canada, are at all phases of development ranging from initial framework agreements, agreements-in-principle and final agreements to implementation. These include the Labrador Inuit Agreement, Meadow Lake Tribal Council, Sioux Valley, Manitoba Framework Agreement, Akwesasne,

Nishnawbe-Aski Nation, Union of Ontario Indians, Innu of Labrador, Miapukek, Beaufort Delta (Inuvialuit Gwich'in), Deline, and Northwest Territory Metis. In British Columbia, specifically, the Agency provided support at 18 tripartite negotiation tables in the B.C. treaty process. Five of these negotiations culminated in Agreements-in-Principle (AIP) with the Tsawwassen, Snuneymuxw, Lheidli T'enneh, Sliammon and Maa-nulth First Nations of B.C. Four of these tables are now actively engaged in Final Agreement Negotiations.

- Participated in tripartite negotiations with three other B.C. First Nations: Yale, Yekooche and In-shuck-ch, all of whom are anticipated to reach AIPs in 2005-2006.
- Involved in Quebec negotiations with the Atikamekw, Mamuitun, Nutashkuan Mamu Pakatatau Mamit, and Nunavik (includes self-government, implementation of sections 22 and 23 of the *James Bay and Northern Quebec Agreement*, and "Paix des Braves" negotiations).
- Provided environmental assessment policy advice to Indian and Northern Affairs Canada relating to the development of sector-type agreements such as the *First Nations Oil and Gas Management Act*, the *First Nations Commercial and Industrial Development Act*, the *First Nations Land Management Act* and implementation of the *James Bay and Northern Quebec Agreement*.
- Represented Canada at the *Third Meeting of the Parties to the Convention on Environmental Impact Assessment* held in Cavtat, Croatia, in June 2004. The Agency participated in working group meetings leading up to the Meeting of the Parties. Work focused on expanding the list of projects for which a notification is required when a project is likely to cause significant transboundary effects.
- Entered into a cooperative partnership with the Government of Costa Rica and the Government of Quebec to assist Costa Rica in building institutional capacity for environmental assessment. This partnership fulfills Canada's commitments under the *Canada-Costa Rica Agreement on Environmental Cooperation*.
- Participated in a workshop in Santiago, Chile under its commitment to the *Canada-Chile Agreement on Environmental Cooperation*. This workshop, entitled "Public Participation in the Environmental Impact Assessment System: Comparative Analysis" was attended by over 50 Chilean participants.
- Finalized the *Canada-Ontario* and *Canada-Québec Agreement on Environmental Assessment Cooperation*. The Canada-British Columbia, Canada-Yukon, Canada-Alberta, Canada-Saskatchewan and Canada-Manitoba Agreements continue to be implemented, leading to coordinated environmental assessments of projects subject to both federal and provincial/territorial environmental assessment processes. The Agency is working towards finalizing the Canada-Newfoundland and Labrador Agreement, and has commenced its scheduled review of the Canada-Saskatchewan and Canada-Manitoba Agreements.

### ***The James Bay and Northern Quebec Agreement***

The *James Bay and Northern Quebec Agreement* (JBNQA) is the first comprehensive land claim treaty between Canada and Aboriginal people. Signed in 1975, the Agreement includes self-governance components and lays the foundations for a relationship between the Cree, the Inuit and the Government of Canada. The President of the Agency has been designated by Order-in-Council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the JBNQA.

### **Strengthened Relationships with Partners and Stakeholders**

Building stronger relationships enables the Agency to conduct its business with stakeholders in a more effective manner, supporting the development and advancement of sound environmental assessment practices across the country. This helps to improve the certainty, predictability and timeliness of environmental assessments, thereby supporting the government's focus on developing a strong economy in partnership with healthy communities.

The Agency's regional offices are increasingly recognized by various audiences as a source of informed, relevant advice and guidance on the Act and the federal environmental assessment process. The regional offices provided a total of 110 learning sessions (core courses, learning events and workshops) to a total of 3,091 individuals.

### ***2004-2005 Results***

- Held two Regulatory Advisory Committee (RAC) meetings and six Senior Management Committee on Environmental Assessment (SMCEA) meetings. The Agency provided Secretariat services to both RAC and SMCEA, and updated both committees regularly on Agency activities. The groups discussed and provided advice to the Agency on issues such as offshore oil and gas regulatory development, public participation in screenings, the Quality Assurance Program, cumulative effects and the development and amendment of regulations.
- Held 14 Regional Environmental Assessment Committee meetings. The meetings provide an opportunity to various federal and provincial government departments to share information and discuss coordinated approaches to environmental assessment among jurisdictions within a geographic region.
- Developed, with the Métis National Council and the Assembly of First Nations, a draft Terms of Reference for the Aboriginal Advisory Committee, which has been submitted to the executives of the organizations involved for review.
- Facilitated several discussion groups, workshops and meetings in order to resolve disputes relating to the environmental assessment process. For example, with respect to the Red River Floodway project, the Agency intervened in situations where conflict arose between participants and the environmental assessment team in an attempt to seek resolution of the issues.



## Strategic Outcome 3: Consistent and Predictable Application of Environmental Assessment in Federal Decision Making

***The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.***

### Context

The Agency takes a leadership role in assisting federal departments and agencies to comply with the Act. Although the Act does not contain enforcement provisions, a priority of the Agency is to work with other government departments to promote its consistent and predictable application. The Agency does so by working on expanding the coverage of the Act so that more activities with potential significant environmental effects involving the federal government are assessed. It also encourages compliance by ensuring that those responsible for applying the Act have the appropriate training and tools at their disposal to adequately fulfil their responsibilities. An additional priority is addressing areas where discrepancies within the federal environmental assessment process may exist. The Agency also reviews Cabinet submissions for compliance with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* and provides advice and guidance to departments.

**Table 6: Logic Model – Strategic Outcome 3**

<b>Strategic Outcome:</b>	
<b>Consistent and Predictable Application of Environmental Considerations in Federal Decision Making</b>	
The Agency is committed to providing Canadians with consistent and predictable application of environmental considerations in federal decision making.	
Expenditures:	\$2,053,139
FTEs:	15
<b>Key Partners:</b>	
<ul style="list-style-type: none"> <li>• Federal, provincial, territorial and local governments</li> <li>• National and regional Aboriginal organizations</li> <li>• Non-governmental agencies</li> <li>• Crown corporations and other federal entities</li> <li>• Interest groups</li> <li>• Canadians</li> </ul>	
<b>Key Results:</b>	
<ul style="list-style-type: none"> <li>• The Agency delivered approximately 110 training sessions to more than 3,000 participants in a wide range of stakeholder groups across Canada and developed seven new guidance documents to assist in the application of the Act.</li> <li>• The Agency provided its second training session on Strategic Environmental Assessment in December 2004.</li> </ul>	

## Enhanced Monitoring and Promoted Compliance

Responsibility for compliance is shared under the federal environmental assessment process. Responsible authorities assess the environmental consequences of their actions and take these consequences into account in their decisions. The Agency works to ensure the consistency and quality of environmental assessments involving the federal government.

In addition to the plans detailed below, many other plans listed under other priorities, such as the Quality Assurance Program, the Agency's Registry Internet site, as well as the training and advice provided to stakeholders, play a key role in promoting compliance and enhancing monitoring.

### 2004-2005 Results

- Revised and updated Training and Guidance course materials for the Agency's two key courses (*Orientation to the Act* and *Screenings under CEAA*) in order to improve quality, as well as incorporate the new amendments to the Act.
- Continued to implement the strategic plan for training and guidance and identified new priority projects in consultation with other federal departments. Through a client survey and a federal working group, the Training and Guidance team evaluated the effectiveness of the training and guidance initiatives. Responses indicated an overall high satisfaction with the Agency's recent training and guidance materials.
- Launched an extensive consultative process in June 2003 to analyze the activities of Crown corporations, their concerns and the implications for coming under the Act. This achieved a consensus recommendation that 37 of 41 parent Crown corporations come directly under the Act without the requirement for regulation development. The Agency completed a public consultation on the progress of this initiative and developed a regulatory framework document explaining the rationale of the proposed regulation for two Crown corporations in the provision of commercial loans. The Agency continued consultations with two remaining Crown corporations.

### Crown Corporations and Environmental Assessment

By June 2006, the renewed Act will require 41 federal parent Crown corporations to conduct environmental assessments of projects either by direct compliance with the Act or via a modified environmental assessment process set in regulations.

Bringing the Crown corporations under the Act, while allowing for their varying circumstances, will result in greater equity and ensure that projects undertaken or approved by Crown corporations receive environmental scrutiny.

## **Provided Quality Advice**

To deliver on its mandate, the Agency must be highly regarded within the environmental assessment community. Providing quality advice to stakeholders will increase the likelihood that appropriate and effective practices are employed during environmental assessments and that the public's issues are considered during the decision-making process.

### ***2004-2005 Results***

- Delivered training across the country, providing 38 sessions of core courses to 685 participants representing governments, non-government organizations, the public, industry and consultants. Satisfaction with the training was very high, with 96 percent of course participants stating that they would recommend the course to others.
- Provided informal training and presentations to clients through 110 learning events to 3,091 participants.

## **Maintained a High Level of Internal Expertise**

Staff expertise and competencies improve the effectiveness and efficiency of environmental assessments. Recognized expertise and competencies promote the credibility of the Agency within the environmental assessment community.

### ***2004-2005 Results***

- Delivered three sessions of the course *Interest-based Negotiations in Environmental Assessments* to 46 participants across Canada, including federal, provincial and territorial governments.
- Contributed to the annual *Secrétariat international francophone pour l'évaluation environnementale* conference held in Ouagadougou, Burkina Faso, by participating in the colloquium and contributing \$5,000 towards conference costs.





## **ANNEX 1**

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### **Consolidated Reporting**

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#### **A1.1 Human Resources Management**

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Management of human resources is key to ensuring that the Agency continues to provide Canadians with high-quality programs and policies that support environmental assessment. In 2004-2005, the Agency began implementing the new Public Service Modernization Act. The Union-Management Consultation Committee's mandate was strengthened to meet new requirements, the development of an Informal Conflict Management System was undertaken and planning for the implementation of the Public Service Employment Act was initiated. Human Resources planning has been strengthened to support the integration of Human Resources and business planning. The Agency's action plan, developed from the 2002 Public Service Employee survey, was updated and activities completed, thereby preparing the Agency for the upcoming 2005 survey. Employee performance commitments were linked to organizational priorities through their performance agreements. The Agency also encouraged individual and organizational learning through various means such as attendance at training sessions, internal learning series and participation in training and developmental assignments.

#### **A1.2 Management Accountability and Modern Comptrollership**

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The Agency completed its three-year Modern Comptrollership action plan and continued with implementation of the Management Accountability Framework (MAF). MAF commitments and indicators are now included in all Executive performance management agreements.

The Agency conducted a Gap analysis on its implementation of the MAF. During the upcoming fiscal year, the Agency will develop an action plan to address areas of the framework that need to be expanded throughout the agency.

For additional information about the Management Accountability Framework, visit the Treasury Board Secretariat's Web site: [www.tbs-sct.gc.ca/maf-crg/index\\_e.asp](http://www.tbs-sct.gc.ca/maf-crg/index_e.asp).

### **A1.3 Sustainable Development Strategy**

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The Agency's 2004-2006 Sustainable Development Strategy focuses on three strategic objectives:

- ensuring a greater measure of certainty, predictability and timeliness in the federal environmental assessment process;
- enhancing the quality of environmental assessments; and
- seeking more meaningful public participation in the federal environmental assessment process.

For additional information about the Agency's Sustainable Development Strategy, visit: [www.ceaa.gc.ca/017/0004/001/index\\_e.htm](http://www.ceaa.gc.ca/017/0004/001/index_e.htm).

## ANNEX 2

### Financial Performance

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#### A2.1 Financial Performance Overview

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The Agency's total authorities, consisting of Main Estimates and Supplementary Estimates approved by Parliament, were \$19,271K. This consisted of \$19,201K of operating resources, \$1,983K for the Employee Benefit Plan and \$1,588K of contribution resources reduced by \$3,501K related to the authority to collect and re-spend revenues.

Actual expenditures were \$18,273K and resulted in a reported lapse of \$998K. This constitutes a total lapse of approximately 5.2% of total authorities. However, it is important to note a significant portion of that lapse – more than \$650K – is the result of lapses in the Participant Funding Program, which is accessed only when there are review panels and their status requires it. This leaves the Agency with an adjusted lapse of less than 2% for the remaining resources.

It should also be noted that the Agency has the authority to recover costs of various services related to environmental assessment up to an amount of \$3,501K. However, the use of this authority is dependent on the level of review panel activity that is eligible for cost recovery; as such, the level of revenue tends to fluctuate from year to year. In 2004-2005, \$1,091K of revenues was collected.

#### A2.2 Financial Summary Tables

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This section provides financial performance information using a variety of formats. Summary financial data, such as the information presented in Table 5, are displayed using separate column and row headings. For clarity, these headings are defined below.

<b>Main Estimates</b>	Resource requirements and authorities provided in the 2004-2005 Main Estimates
<b>Planned Spending / Revenues</b>	Planned spending, revenues and other program costs at the beginning of fiscal year 2004-2005
<b>Total Authorities</b>	Includes planned spending plus adjustments to reflect changes in priorities and unforeseen events (Total Authorities are Main Estimates plus Supplementary Estimates plus other authorities or adjustments)
<b>Actual</b>	What was actually spent or collected for fiscal year 2004-2005
<b>Respendable Revenues</b>	Revenues that can be used by the Agency to offset program expenditures; for example, cost recovery for review panels or sale of publications and training services
<b>Non-respendable Revenues</b>	Revenues collected on behalf of the government which cannot be used by the Agency to offset program expenditures

**Table 1: Comparison of Planned to Actual Spending (incl. FTE)**

(thousands of dollars)	2002-03 Actual	2003-04 Actual	2004-2005			
			Main Estimates	Planned Spending	Total Authorities	Actual
Canadian Environmental Assessment Agency	13,368.3	16,731.6	17,883.0	18,183.0	19,270.9	18,272.6
<b>Total</b>	<b>13,368.3</b>	<b>16,731.6</b>	<b>17,883.0</b>	<b>18,183.0</b>	<b>19,270.9</b>	<b>18,272.6</b>
<b>Total</b>	<b>13,368.3</b>	<b>16,731.6</b>	<b>17,883.0</b>	<b>18,183.0</b>	<b>19,270.9</b>	<b>18,272.6</b>
Less: Non-respendable revenue	(21.7)	(0.9)	-	-	(3.8)	(3.8)
Plus: Cost of services received without charge	2,074.6	2,618.8	2,785.0	2,785.0	3,464.4	3,464.4
<b>Net Cost of Agency</b>	<b>15,421.2</b>	<b>19,349.5</b>	<b>20,668.0</b>	<b>20,968.0</b>	<b>22,731.5</b>	<b>21,733.2</b>
Full Time Equivalents	106	128	150	150	135	135

This table provides a summary of resource levels for the last three years, as well as the evolution of the 2004-2005 resources. The increases in total resources over the years are mostly the result of resources approved for the proclamation of the revised *Canadian Environmental Assessment Act*, the Northern Gas Project and collective bargaining agreements. The variance between the Total Authorities and the Actual Spending is largely caused by lapses in the Participant Funding Program as well as various other small operating lapses. Further explanations are provided in Table 2. The variance in "Net Cost of the Agency" can also be explained by fluctuations in the cost of services provided without charge, more specifically, the legal services component provided by the Department of Justice, which was higher than expected in 2004-2005.

**Table 2: Use of Resources by Business Lines**

2004-2005					
Canadian Environmental Assessment Agency	Budgetary (thousands of dollars)				
	Operating	Grants and Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total:
Main Estimates	19,910.0	1,474.0	21,384.0	(3,501.0)	17,883.0
<i>Planned Spending</i>	20,210.0	1,474.0	21,684.0	(3,501.0)	18,183.0
Total Authorities	21,184.2	1,587.7	22,771.9	(3,501.0)	19,270.9
<i>Actual Spending</i>	18,432.6	931.1	19,363.7	(1,091.1)	18,272.6

This table provides a detailed breakdown of resources for the Agency. The variance between Main Estimates and Planned Spending reflects additional resources identified between the tabling of Main Estimates and the Report on Plans and Priorities related to the Northern Gas Project. The variance between Planned Spending and Total Authorities is mostly the result of additional authorities approved during fiscal year 2004-2005 related to the Northern Gas Project, the accessing of the Agency's 2003-2004 lapsed resources, and collective bargaining agreements. The variance between the Total Authorities and the Actual Spending is mostly caused by lapses in the Participant Funding Program as well as various other small operating lapses. It should be noted that the level of demand to fund public participation in review panels depends on the number of review panels and the status of their assessment; the level of demand will therefore dictate if a lapse occurs and its size for a given year.

**Table 3: Voted and Statutory Items**

Vote or Statutory Item	Truncated Vote or Statutory Wording	2004-2005 (thousands of dollars)			
		Main Estimates	Planned Spending	Total Authorities	Actual
30 (S)  (S)	<b>Canadian Environmental Assessment Agency</b>				
	Program Expenditures	15,930.0	16,230.0	17,287.3	<b>16,290.0</b>
	Contributions to Employee Benefit Plans	1,953.0	1,953.0	1,982.6	<b>1,982.6</b>
	Spending of proceeds from the disposal of surplus Crown assets	-	-	1.0	-
	<b>Total Agency</b>	<b>17,883.0</b>	<b>18,183.0</b>	<b>19,270.9</b>	<b>18,272.6</b>

This table presents resources that have been voted to the Agency by Parliament. It should be noted that Parliament approves the voted funding whereas the statutory information is provided for information purposes. Explanation of variance in resource levels can be found in Tables 1 and 2.



**Table 4: Net Cost of Agency**

<i>(thousands of dollars)</i>	<b>2004-2005</b>
Total Actual Spending	18,272.6
<i>Plus: Services Received without Charge</i>	
Accommodation provided by Public Works and Government Services Canada	1,524.0
Contributions covering employers' share of employees' insurance premiums and expenditures paid by the Treasury Board Secretariat (excluding revolving funds)	752.2
Worker's compensation coverage provided by Social Development Canada	-
Salary and associated expenditures of legal services provided by Justice Canada	1,188.2
<i>Less: Non-responsible Revenue</i>	(3.8)
<b>2004-2005 Net Cost of Agency</b>	<b>21,733.2</b>

This table reflects the net cost of the Agency. It begins with the net actual spending and adds services received without charge, and then subtracts non-responsible revenue to arrive at the net cost. For 2004-2005, the actual expenditures were higher than the planned spending reflected in the 2004-2005 Report on Plans and Priorities, mostly because of higher costs than expected for legal services provided by the Department of Justice.

**Table 5: Sources of Responsible and Non-responsible Revenue**

<b>Responsible Revenues</b>						
<i>(thousands of dollars)</i>	<b>Actual 2002- 2003</b>	<b>Actual 2003- 2004</b>	<b>2004-2005</b>			
			<b>Main Estimates</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
Canadian Environmental Assessment Agency	352.2	266.5	3,501.0	3,501.0	3,501.0	1,091.1
<b>Total Responsible Revenues</b>	<b>352.2</b>	<b>266.5</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>1,091.1</b>
<b>Non-responsible Revenues</b>						
Canadian Environmental Assessment Agency	21.7	0.9	-	-	3.8	3.8
<b>Total Non-responsible Revenues</b>	<b>21.7</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>3.8</b>	<b>3.8</b>
<b>Total Revenues</b>	<b>373.9</b>	<b>267.4</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>3,504.8</b>	<b>1,094.9</b>

The Agency has authority to recover costs for environmental assessment services, publications, training and education material. However, it should be noted that the use of this authority is dependent on the level of review panel activity that is eligible for cost recovery; as such, the level of revenue tends to fluctuate from year to year.

**Table 6: User Fees**

User Fee	Fee Type*	Fee Setting Authority	Date Last Modified	2004-2005 (thousands of dollars)			Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Environmental assessment services	R	Environmental Assessment Review Panel Services Charges Order	1998	3,351.0	877.9	1,018.3	2005-2006	3,351.0	3,853.7
							2006-2007	3,351.0	3,887.2
							2007-2008	3,351.0	3,887.2
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	O	<i>Access to Information Act</i>	1992	-	0.7	164.5	2005-2006	1.1	50.0
							2006-2007	1.2	56.0
							2007-2008	1.4	62.7
Figures reported in the above table are on a cash modified basis.  Definition: "R" is Regulatory and "O" is Other Products and Services.				Sub-Total (R) 3,351.0	Sub-Total (R) 877.9	Sub-Total (R) 1,018.3	Total 2005-2006	3,352.1	3,903.7
				Sub-Total (O) 0.0	Sub-Total (O) 0.7	Sub-Total (O) 164.5	Total 2006-2007	3,352.2	3,943.2
				Total 3,351.0	Total 878.6	Total 1,182.8	Total 2007-2008	3,352.4	3,949.9

For 2004-2005, environmental assessment services constitute the main source of revenues of the Agency. This amount is subject to variation depending on the level of review panel activity that is eligible for cost recovery. It is forecasted that \$3,351K will be collected for this type of revenues for the next three years. Full costs of environmental assessment services are based on actual revenues for 2004-2005 and forecasted revenues for 2005-2006, 2006-2007 and 2007-2008 adjusted for an estimated portion of the cost provided without charge<sup>1</sup>.

Actual and forecasted revenues for Access to Information and Privacy (ATIP) are based on a set fee per request as prescribed in the *Access to Information Act*. Full costs are based on actual costs related to generating the required information adjusted by an estimated portion of the cost provided without charge. It should be noted that 2004-2005 costs include a one-time investment that will help reduce future year costs dedicated to ATIP services.

<sup>1</sup> Accommodation provided by Public Works and Government Services Canada. Contributions covering employer's share of employees' insurance premiums and expenditures paid by the Treasury Board Secretariat. Salary and associated expenditures of legal services provided by Justice Canada.





## ANNEX 3

### Other Information

#### A3.1 Agency Organization

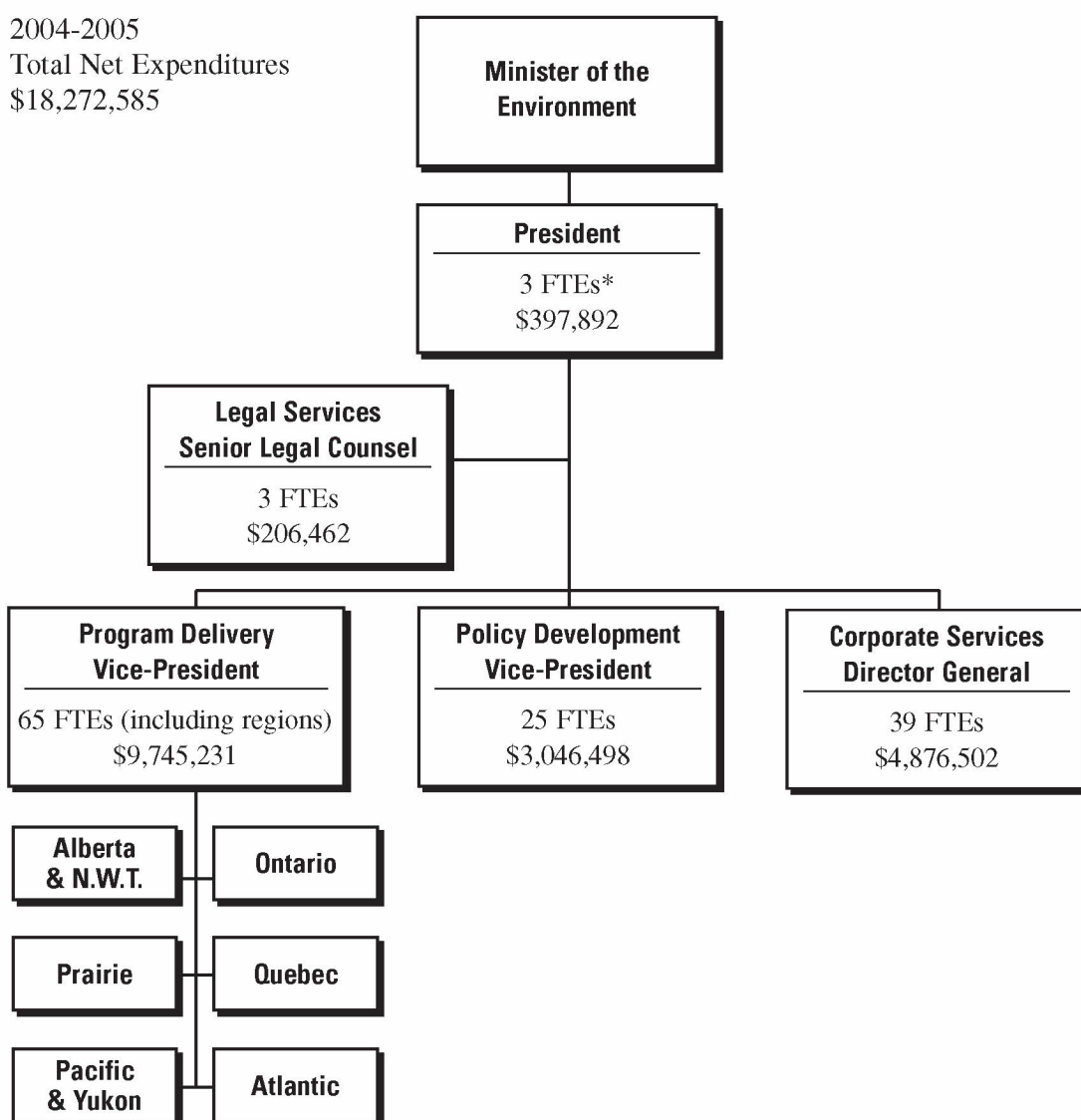
The Agency fulfils its mandate through one program and one business line – environmental assessment. The reporting structure to the Minister of the Environment is shown in the figure below.

**Figure 1: Accountability**

2004-2005

Total Net Expenditures

\$18,272,585



\* Full-time equivalent (FTE) is a measure of human resource usage based on average levels of employment.

## A3.2 Major Federal Statutes and Agreements Administered

The Act is solely administered by the Agency. The Minister has responsibility to Parliament for the following associated regulations:

**Table 7: Major Federal Statutes and Agreements Administered**

<i>Law List Regulations</i>	SOR/94-636 (October 7, 1994)
<i>Comprehensive Study List Regulations</i>	SOR/94-638 (October 7, 1994)
<i>Inclusion List Regulations</i>	SOR/94-637 (October 7, 1994)
<i>Exclusion List Regulations</i>	SOR/94-639 (October 7, 1994)
<i>Federal Authorities Regulations</i>	SOR/96-280 (May 28, 1996)
<i>Projects Outside Canada Environmental Assessment Regulations</i>	SOR/96-491 (November 7, 1996)
<i>Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements</i>	SOR/97-181 (April 8, 1997)
<i>Environmental Assessment Review Panel Service Charges Order</i>	SOR/98-443 (August 26, 1998)
<i>Canada Port Authority Environmental Assessment Regulations</i>	SOR/99-318 (July 28, 1999)

## A3.3 Regulatory Initiatives

The following table outlines the Agency's significant regulatory initiatives during 2004-2005.

**Table 8: Legislative and Regulatory Initiatives**

Legislative and Regulatory Initiatives	Expected Results	2004-2005 Accomplishments
<p>Development of <i>Crown Corporation Regulations</i></p> <p>Crown corporations will become federal authorities in June 2006</p> <p>Regulations will set out a modified environmental assessment process for specific Crown corporations or classes of corporations in recognition of their unique circumstances</p>	<p>Development of frameworks to serve as a basis for consultations with Crown corporations and interested stakeholders</p> <p>Frameworks to be drafted into regulation format</p>	<p>Consensus recommendation that 37 of 41 parent Crown corporations will come directly under the Act in June 2006 with no regulatory initiative modifying the environmental assessment process</p> <p>Development of framework documents for regulations for these Crown corporations not applicable</p> <p>Regulation proposed for two Crown corporations involved in the provision of commercial loans</p> <p>Proposed framework for the regulation prepared and stakeholder consultations launched</p> <p>Comments received will be used to inform the regulatory drafting process</p> <p>Consultations continue with two remaining Crown corporations individually to determine how they might best be served in coming under the Act</p>

Continued on next page.

Legislative and Regulatory Initiatives	Expected Results	2004-2005 Accomplishments
<p>Amendments to the <i>Exclusion List Regulations</i></p> <p>New entries will be added to regulations to prescribe new classes of projects to be exempted from environmental assessment and to modify thresholds of certain existing entries</p>	<p>Reductions in number of environmental assessments of projects having insignificant effects conducted by federal responsible authorities, particularly with regard to screening assessments</p> <p>More efficient and effective use of environmental assessment resources</p>	<p>Legal drafting of the amendments to the regulations near completion</p> <p>Distribution of an unofficial final draft of the new version of the regulations to all federal departments and to the Regulatory Advisory Committee</p> <p>Completion and publication of the draft regulations tentatively scheduled for fall 2005</p>
<p>Amendments to <i>Federal Coordination Regulations</i></p> <p><i>Federal Coordination Regulations</i> will be amended to take into account changes brought about by the renewed Act</p>	<p>Increased coordination among federal departments in fulfilling environmental assessment requirements and improved coordination with other participants in the environmental assessment process, including provinces, industry, environmental organizations and others</p> <p>More timely and predictable environmental assessment process</p> <p>Increased transparency in the environmental assessment process</p>	<p>Legal drafting of the amendments to the regulations near completion</p> <p>Completion and publication of the draft regulations tentatively scheduled for fall 2005</p>
<p>Amendments to <i>Canada Port Authority Environmental Assessment Regulations</i></p> <p>In accordance with changes brought about by renewed Act, amendments to regulations needed to ensure the comprehensiveness, consistency, transparency and overall quality of port authorities environmental assessment processes</p>	<p>Environmental assessment procedures for port authorities that is consistent with provisions of the renewed Act, particularly with regard to comprehensive studies and the Registry</p>	<p>Legal drafting of the amendments to the regulations near completion</p> <p>Completion, stakeholder review and publication of the draft regulations tentatively scheduled for fall 2005</p>

Continued on next page.

Legislative and Regulatory Initiatives	Expected Results	2004-2005 Accomplishments
<p>Development of <i>Airport Authority Regulations</i></p> <p>In accordance with changes brought about by the renewed Act, regulations will close a gap in the Act by requiring airport authorities to conduct an assessment of the environmental effects of projects located on federal land over which those authorities have administration, management, or other specified rights or interests</p>	<p>Comprehensive environmental assessment process that captures all appropriate airport authority activities for assessment</p> <p>Improved consistency and quality of environmental assessment process for airports</p> <p>Increased transparency and greater opportunities for public involvement in assessment process</p>	<p>Discussions with airport authorities and Minister's Regulatory Advisory Committee regarding draft of proposed environmental assessment Regulations carried out during 2004-2005</p> <p>Publication of proposed regulations expected in <i>Canada Gazette</i> Part 1 in second half of 2005-2006</p>
<p>Amendments to the <i>Inclusion List Regulations</i> and the <i>Law List Regulations</i></p> <p>To ensure that an environmental assessment under the Act is conducted prior to issuance of a licence under the <i>International Boundary Waters Treaty Act Regulations</i></p>	<p>Improved consistency and quality of environmental assessment process for projects and activities affecting Canada-U.S. transboundary waters</p>	<p>Work plan for 2005-2006 established by the Agency with help from Department of Foreign Affairs and International Trade</p> <p>Preparation of material for use during consultation with departments and key stakeholders</p> <p>Consultations with departments and external stakeholders to be held in 2005-2006</p>
<p>Amendment to the <i>Comprehensive Study List Regulations</i></p> <p>Amendments to the <i>Comprehensive Study List Regulations</i> relating to offshore exploratory drilling projects</p>	<p>Environmental assessment process for offshore exploratory drilling projects is commensurate with expected environmental effects</p>	<p>Publication of Regulations in <i>Canada Gazette</i> Part I on March 26, 2005</p> <p>Final approval pending review of subsequent public responses</p>

### A3.4 Statistical Summary of Environmental Assessments

Table 9 provides a statistical summary of environmental assessments conducted by responsible authorities and regulated bodies. It outlines the total number of projects that underwent an environmental assessment under the Act during 2004-2005. This information is new from previous years' reporting and is derived from the Canadian Environmental Assessment Registry.

As environmental assessments are often conducted by more than one responsible authority and regulated body, tables 10, 11 and 12 take into consideration the number of environmental assessments according to the type (screening, comprehensive study, review panel) undertaken by each responsible authority and regulated body.

**Table 9: Statistical Summary Report in Fiscal Year 2004-2005**

Type of Environmental Assessment	Ongoing on April 1, 2004	Initiated this fiscal year	Completed this fiscal year				Ongoing on April 1, 2005
			Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Termination	Total	
Screenings	1,260	6,280	4,536	2	294	4,832	2,708
Comprehensive Studies	29	11	7	0	1	8	32
Review Panels	7	4	0	0	1	1	10

**Table 10: Screenings in Fiscal Year 2004-2005**

Responsible Authorities / Regulated Bodies	Ongoing on April 1, 2004	Initiated this fiscal year	Completed this fiscal year				Ongoing on April 1, 2005
			Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Termination	Total	
Agriculture and Agri-Food Canada	73	835	603	0	46	649	259
Atlantic Canada Opportunities Agency	72	380	286	0	49	335	117
Belledune Port Authority	0	1	0	0	0	0	1
Canada Border Services Agency	0	6	2	0	0	2	4
Canada Economic Development for Quebec Regions	23	132	108	0	18	126	29

Continued on next page.



Responsible Authorities / Regulated Bodies	Ongoing on April 1, 2004	Initiated this fiscal year	Completed this fiscal year				Ongoing on April 1, 2005
			Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Termination	Total	
Canada-Newfoundland and Labrador Offshore Petroleum Board	7	10	6	0	2	8	9
Canada-Nova Scotia Offshore Petroleum Board	5	5	5	0	3	8	2
Canadian Heritage	3	12	5	0	0	5	10
Canadian International Development Agency	101	162	161	0	2	163	100
Canadian Nuclear Safety Commission	2	13	0	0	0	0	15
Canadian Transportation Agency	8	19	2	0	0	2	25
Citizenship and Immigration Canada	0	3	0	0	0	0	3
Correctional Service of Canada	3	13	12	0	1	13	3
Environment Canada	74	308	301	0	26	327	55
Fisheries and Oceans Canada	577	931	798	1	75	874	634
Foreign Affairs Canada	4	8	9	0	0	9	3
Fraser River Port Authority	2	3	3	0	0	3	2
Halifax Port Authority	0	6	3	0	0	3	3
Hamilton Port Authority	0	2	1	0	0	1	1
Health Canada	21	38	14	0	0	14	45
Human Resources and Skills Development Canada	13	106	90	0	4	94	25
Indian and Northern Affairs Canada	134	1,338	779	0	25	804	668

Continued on next page.



Responsible Authorities / Regulated Bodies	Ongoing on April 1, 2004	Initiated this fiscal year	Completed this fiscal year				Ongoing on April 1, 2005
			Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Termination	Total	
Industry Canada	20	157	125	0	0	125	52
Infrastructure Canada	123	104	193	0	0	193	34
Montréal Port Authority	4	7	7	0	0	7	4
National Defence	80	343	197	0	6	203	220
National Energy Board	10	35	39	0	2	41	4
National Research Council of Canada	0	3	3	0	0	3	0
Natural Resources Canada	27	119	75	0	8	83	63
Natural Sciences and Engineering Research Council	1	0	0	0	0	0	1
Parks Canada Agency	156	714	591	1	12	604	266
Public Works and Government Services Canada	15	47	39	0	4	43	19
Québec Port Authority	1	5	5	0	0	5	1
Royal Canadian Mounted Police	1	15	8	0	1	9	7
Saint John Port Authority	1	0	1	0	0	1	0
Sept-Îles Port Authority	1	0	0	0	0	0	1
St. John's Port Authority	0	3	2	0	0	2	1
Transport Canada	376	474	360	0	0	360	490
Trois-Rivières Port Authority	0	1	0	0	0	0	1
Vancouver Port Authority	5	15	13	0	1	14	6
Western Economic Diversification Canada	101	253	244	1	9	254	100
Windsor Port Authority	0	3	1	0	0	1	2
<b>Totals</b>	<b>2,044</b>	<b>6,629</b>	<b>5,091</b>	<b>3</b>	<b>294</b>	<b>5,388</b>	<b>3,285</b>

**Table 11: Comprehensive Studies in Fiscal Year 2004-2005**

Responsible Authorities / Regulated Bodies	Ongoing on April 1, 2004	Initiated this fiscal year	Completed this fiscal year				Ongoing on April 1, 2005
			Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Termination	Total	
Agriculture and Agri-Food Canada	1	0	0	0	0	0	1
Canada-Newfoundland and Labrador Offshore Petroleum Board	0	1	0	0	0	0	1
Canada-Nova Scotia Offshore Petroleum Board	0	1	0	0	0	0	1
Canadian Nuclear Safety Commission	1	0	1	0	0	1	0
Environment Canada	2	1	1	0	0	1	2
Fisheries and Oceans Canada	15	3	4	0	1	5	13
Hamilton Port Authority	1	0	0	0	0	0	1
Industry Canada	1	4	0	0	0	0	5
Indian and Northern Affairs Canada	4	2	1	0	0	1	5
Infrastructure Canada	2	0	2	0	0	2	0
National Energy Board	1	0	1	0	0	1	0
Natural Resources Canada	5	1	0	0	0	0	6
Parks Canada Agency	3	0	0	0	0	0	3
Transport Canada	15	4	5	0	0	5	14
Vancouver Port Authority	0	1	0	0	0	0	1
Western Economic Diversification Canada	2	0	0	0	0	0	2
<b>Totals</b>	<b>53</b>	<b>18</b>	<b>15</b>	<b>0</b>	<b>1</b>	<b>16</b>	<b>55</b>

**Table 12: Review Panels in Fiscal Year 2004-2005**

Responsible Authorities / Regulated Bodies	Ongoing on April 1, 2004	Initiated this fiscal year	Completed this fiscal year				Ongoing on April 1, 2005
			Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Termination	Total	
Canadian Environmental Assessment Agency	0	1	0	0	0	0	1
Canadian Transportation Agency	0	1	0	0	0	0	1
Environment Canada	1	0	0	0	0	0	1
Fisheries and Oceans Canada	5	3	0	0	1	1	7
National Energy Board	1	1	0	0	0	0	2
Natural Resources Canada	2	2	0	0	0	0	4
Transport Canada	6	3	0	0	0	0	9
<b>Totals</b>	<b>15</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>25</b>

## **For Further Information**

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### **The Treasury Board Secretariat's Web site**

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)

# **Canadian Environmental Assessment Agency**

## **DEPARTMENTAL PERFORMANCE REPORT**

**For the period ending  
March 31, 2006**

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**The Honourable Rona Ambrose**  
**Minister of the Environment and Minister responsible for**  
**the Canadian Environmental Assessment Agency**

**025900**



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## SECTION I

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### Overview

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#### Minister's Message

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I am pleased to present the *Departmental Performance Report* of the Canadian Environmental Assessment Agency (the Agency) for the period ending March 31, 2006. This report outlines the Agency's key accomplishments for the 2005-2006 fiscal year.

During this reporting period, the main focus of the Agency was to support high-quality environmental assessments (EAs), to promote the advancement of the federal EA process and to maintain a high level of internal expertise. The Agency concentrated its efforts on enhancing the EA process while addressing the interests of stakeholders through improved federal policy. The outcome has been better application of EAs to project, program and policy decision making, which, in the end, supports sustainable economic growth for all Canadians.

The Agency operates in an environment that is growing in complexity and importance. EAs must continually adapt to emerging trends, new scientific methods and insights, and evolving public expectations and jurisprudence. In November 2005, the Agency announced an action plan to strengthen the accountability and integrity of the federal EA process. As such, the new *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* creates a framework within which federal authorities can exercise their respective powers, duties and functions established under the *Canadian Environmental Assessment Act* and its regulations, in a manner that encourages timeliness, certainty and predictability.

The federal EA process plays an important role in safeguarding our environment while supporting a vibrant and sustainable Canadian economy. The Agency will continue to provide the leadership required to ensure that role is played in an efficient and effective manner.

It gives me great pleasure, therefore, to submit the *2005-2006 Departmental Performance Report* for the Agency.

Rona Ambrose, P.C., M.P.  
Minister of the Environment and Minister responsible  
for the Canadian Environmental Assessment Agency

## **Management Representation Statement**

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I submit for tabling in Parliament, the *2005-2006 Departmental Performance Report* for the Agency.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS) guidance;
- It is based on the Department's approved Program Activity Architecture structure as reflected in its Management, Resources and Results Structure;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Jean-Claude Bouchard  
President

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## Executive Summary

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The Agency is a federal body accountable to the Minister of the Environment. The Agency works to provide Canadians with high-quality EAs that contribute to informed decision making, in support of sustainable development.

The Agency, through its national capital headquarters and six regional offices, worked in partnership with other federal departments and agencies, provinces and territories, Aboriginal people and groups, environmental and industry associations, and the public to ensure efficient and effective EAs. By supporting and coordinating federal EAs, the Agency served Canadians by helping to eliminate or reduce a project's potential negative effects on the environment.

During this reporting period, and in its everyday activities, the Agency faced the ongoing challenge of the shared jurisdiction for environmental management among federal, provincial, territorial and Aboriginal governments. The Agency also dealt with many sensitive issues related to reconciling economic development opportunities and environmental protection.

The Agency also advocated for strategic environmental assessment (SEA), a key tool in the promotion of sustainable development, by providing training and guidance to assist federal departments and agencies in applying the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.

Throughout this reporting period, the Agency worked with a wide range of stakeholders to develop partnerships to promote sound EA practices in Canada and abroad. In order to continue to improve the federal EA process, the Agency maintained and supported several mechanisms for receiving advice and for consulting with stakeholders and partners.

One of the most important factors during the 2005-2006 reporting period was the development of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*, which came into force in November 2005. The Directive reinforced the Agency's leadership role and instructed the Agency and federal authorities on how they should conduct themselves in order to deliver high-quality EAs in a timely and predictable manner. Also important was the continued implementation of changes mandated by Bill C-9. This bill was proclaimed law on October 30, 2003, and resulted in amendments to the *Canadian Environmental Assessment Act*. The government committed \$51 million over the five years following royal assent to implement a number of improvements.

In its *2005-2006 Report on Plans and Priorities*, the Agency identified three priorities for its strategic outcome:

1. Support high-quality EAs;
2. Promote the advancement of federal EAs; and
3. Maintain a high level of internal expertise.

The Agency has one primary program activity (*“Effective and Efficient Environmental Assessment”*) which is divided into three sub-activities: Coordination and Harmonization, Guidance and Operations, and Continuous Improvement. The accomplishments of each are explained herein.

During this past year, the Agency has taken tangible actions that will lead to a more effective and efficient approach to EAs in Canada. These actions have promoted strengthened accountability and increased transparency in federal EAs, and have increased cooperation with our governance partners and stakeholders.

## **Who We Are**

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The Agency provides leadership and serves as a centre of expertise for federal EAs. It is responsible for the overall administration of the federal EA process, which includes more than 6,000 assessments carried out by federal departments and agencies each year.

The Agency has one strategic outcome (*“Environmental Assessment is an Integral Part of Program and Policy Decision Making”*), which serves as the basis for its mission:

***The Canadian Environmental Assessment Agency provides Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.***

Headed by the President, who reports directly to the Minister of the Environment, the Agency is mandated by the following instruments:

- i. the *Canadian Environmental Assessment Act*, its accompanying regulations and the November 2005 *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*;
- ii. the *Canada-Wide Accord on Environmental Harmonization* and bilateral agreements with provincial governments that set out mutually agreed-upon arrangements for cooperative EAs; and
- iii. international agreements containing EA provisions to which Canada is a party, the most notable being the *United Nations Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context* (ratified in May 1998).



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In addition, the Agency assists the Minister of the Environment in her role to promote implementation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* by providing guidance and training to federal departments and agencies on EA considerations and requirements with respect to proposed policies, plans and programs.

The President of the Agency has been designated by Order-in-Council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*.

For more information about the Agency, visit: [www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca).

## Summary Information

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### *Financial Resources (\$ thousands)*

Planned Spending	Total Authorities	Actual Spending
17,520	19,459	17,578

### *Human Resources*

Full-time Equivalents (FTEs)

Planned	Actual	Difference
145	135	10

## Operating Environment

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Protecting the environment, while building a strong economy, is a challenge Canadians face every day. By providing Canadians with high-quality EAs that contribute to informed decision making in support of sustainable development, the Agency promotes the government's strategic objective of fostering "Sustainable Economic Growth." EAs respond to this challenge by ensuring environmental protection is considered before a project begins or before policy, plans or programs are adopted. The Agency is focused on strengthening the federal EA regime by establishing a more predictable, consistent and timely process, by improving the quality of federal EAs and by increasing opportunities for public participation.

During the 2005-2006 reporting period, an important factor that influenced the Agency's planning context was the continued implementation of Bill C-9, an Act to amend the *Canadian Environmental Assessment Act*. The Bill was proclaimed into law on October 30, 2003, and the government committed \$51 million over five years to make a number of improvements, some of which have been implemented while others are ongoing.

## Implemented

- Establishing a Federal Environmental Assessment Coordinator (FEAC) for each EA undertaken to assist departments and agencies in working together and with other jurisdictions to improve the coordination and harmonization of EA timelines.
- Creating and maintaining an Internet-based registry to provide the public with improved and up-to-date information on all federal EAs.
- Providing a more certain assessment process for projects subject to the comprehensive study requirements of the *Canadian Environmental Assessment Act* by making an early decision on whether to refer the project to a review panel or to continue the assessment as a comprehensive study.
- Expanding the Participant Funding Program to include comprehensive studies has meant that funding has been distributed among recipients in order to facilitate their participation in public consultations on four comprehensive studies. These are: the Keltic Liquefied Natural Gas Project, the Kitimat Liquefied Natural Gas Project, the Alcan Spent Potlining Processing Plant Project and the Galore Creek Copper-Silver-Gold Mine Project.

## Ongoing

- Implementing a quality assurance program to improve the quality of EAs and compliance with the *Canadian Environmental Assessment Act*.
- Focusing the application of the *Canadian Environmental Assessment Act* on projects with adverse environmental effects and reducing the need for detailed assessment of many smaller projects.
- Providing a consistent EA regime by extending EA obligations to Crown corporations, beginning June 11, 2006.

## Critical Issues

This section outlines the main factors that affected the Agency's development of priorities and plans, as well as its program delivery.

### ***Shared Environmental Management Responsibility***

Constitutionally, environmental management is an area of jurisdiction shared between various levels of government. The Agency worked with provincial, territorial and Aboriginal governments to minimize duplication and delays by bringing about greater cooperation in EAs, and promoted the consistent and predictable application of EA processes across Canada.



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### ***Reconciling Competing Interests***

Projects subject to EAs often give rise to many sensitive issues related to development, environmental protection, Aboriginal interests and federal-provincial relations. Projects being assessed can often be complex, with competing stakeholder interests. The Agency encouraged public participation and worked with stakeholders to reconcile these interests while maintaining productive relationships and promoting high-quality assessments to meet the expectations of Canadians.

### ***Aboriginal Environmental Assessment Regimes***

Aboriginal self-government is reshaping EAs throughout Canada. Through comprehensive land claims and self-government agreements, new Aboriginal-based EA regimes are being negotiated. The Agency continues to work with Aboriginal groups and other federal departments so that Aboriginal EA regimes meet federal EA requirements and take into account specific Aboriginal interests.

### ***Improved Federal Policy Development***

The Agency is a strong advocate for the application of SEA to support improved decision making. The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* is a valuable tool in helping to promote sustainable development. The Agency continued to develop its advocacy and advisory role related to SEA, supporting federal departments in the application of the Directive, tracking national and international developments in the field, and providing leadership to address identified deficiencies in this rapidly evolving area. The Agency provides guidance and training to federal departments and agencies on EA considerations and requirements with respect to proposed policies, plans and programs.

### ***Continuous Improvement of Federal Environmental Assessment***

While amendments to the *Canadian Environmental Assessment Act* in 2003, through Bill C-9, were aimed at ensuring a more predictable, certain and timely federal EA process, a number of concerns continue to be raised by provinces and industry stakeholders. The Agency continued to work with other federal departments, provincial and territorial governments, and stakeholders to identify outstanding concerns about consistency and coordination in EAs, and develop approaches for addressing those concerns.

## **Stakeholders and Partners**

The Agency worked with a wide range of stakeholders and developed partnerships to promote sound EA practices in Canada and abroad. In support of this work, the Agency maintained and supported several mechanisms for receiving advice and consulting with stakeholders and partners, notably the Minister's Regulatory Advisory Committee (RAC). The Agency includes the following among its stakeholders and partners:

### ***Federal Departments and Agencies***

The Agency assisted federal departments and agencies in meeting their obligations under the *Canadian Environmental Assessment Act* and relevant regulations, as well as the *Cabinet Directive on the Implementation of Canadian Environmental Assessment Act* and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. Through its operational policies and procedures, the Agency improved the way in which EAs are conducted at the federal level. The Agency maintained its relationships and consulted with federal departments on policy and operational issues through the Senior Management Committee on Environmental Assessment (SMCEA). In addition, the Agency worked closely with federal departments and agencies on comprehensive studies, in providing administrative and technical support to review panels, and in developing training and guidance material.

### ***Provincial and Territorial Governments***

The Agency worked closely with other jurisdictions to coordinate federal and provincial EA activities, such as joint panel review processes for major projects. It also negotiated federal-provincial EA cooperation agreements, and worked with provincial and territorial governments on a broad range of EA issues.

### ***Aboriginal Peoples***

The Agency continued to advise Indian and Northern Affairs Canada on EA regimes developed and implemented pursuant to comprehensive land claim agreements, self-government agreements and devolution initiatives so that they are consistent with the requirements of the *Canadian Environmental Assessment Act*, and can be coordinated with other existing EA regimes. As well, the Agency worked with other federal departments and agencies to develop appropriate means of consulting with Aboriginal peoples in the federal EA process.

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### ***Industry/Proponents***

The Agency worked with project proponents to improve the timeliness and predictability of the EA process, and to ensure access to both the tools and the information they need to comply with the *Canadian Environmental Assessment Act*. Industry stakeholders were consulted during the development and amendment of regulations. Industry was also equitably represented on RAC.

### ***Public and Non-governmental Organizations***

The *Canadian Environmental Assessment Act* promotes the integration of public values in decision making. Accordingly, the Agency encourages public participation throughout the EA process, and places strong emphasis on transparency and information sharing. The Agency provides participant funding to individuals and non-profit organizations to enable them to take part in the public consultation process associated with review panels and comprehensive studies.

### ***International Community***

The Agency, in cooperation with Foreign Affairs and International Trade Canada, continued to represent Canada in international fora concerning EAs, including international agreements to which Canada is a party, such as the *United Nations Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context*. The Agency also shares information and occasionally engages in partnership projects with foreign governments for the purposes of expanding knowledge and advancing the practice of EAs.

In its *2005-2006 Report on Plans and Priorities*, the Agency identified three priorities for its strategic outcome. The tables below set out the three priorities and summarize the status of each.

### Priority 1: Support High-Quality Environmental Assessment

Strategic Outcome: Environmental Assessment is an Integral Part of Program and Policy Decision Making		
Alignment to Government of Canada Outcomes: Sustainable Economic Growth		
Type	Expected Result	Performance Status
Ongoing	1. Improved understanding of the application of the <i>Canadian Environmental Assessment Act</i> and of the implementation of the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>	Successfully Met
	2. EA approaches are coordinated across government and harmonized with other jurisdictions	Ongoing
	3. Greater and more timely cooperation and communication among federal stakeholders	Successfully Met
	4. Opportunities for more meaningful public participation leading to higher-quality EAs, while facilitating public participation ensures that the EA process addresses the needs of Canadians	Successfully Met
	5. Greater certainty, predictability and timeliness in the federal EA process	Partially Met
	6. Higher-quality EAs	Successfully Met
	7. Increased compliance with the <i>Canadian Environmental Assessment Act</i>	Ongoing

1. To improve understanding of the application of the *Canadian Environmental Assessment Act*, the Agency continued to implement its strategic plan for training and guidance. This involved developing and delivering training to a variety of Agency clients across Canada in order to introduce them to the requirements of the *Canadian Environmental Assessment Act* and best practices for the completion of high-quality EAs. As well, Agency staff across the country provided advice to clients as required, and worked with many stakeholder groups to develop topic-specific guidance materials.



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To improve understanding of the application of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, the Agency continued to offer advice to departments on its implementation and on efforts to fulfill government commitments made in response to the *2004 Report of the Commissioner of the Environment and Sustainable Development*. The Agency also convened several meetings of the interdepartmental network on SEA and delivered two structured training sessions on the Cabinet Directive. It also established an interdepartmental working group to explore ways of making public statements on environmental effects more easily accessible.

2. The Agency has implemented the role of FEAC in over 175 EAs in an effort to harmonize with other jurisdictions.

The Agency initiated discussions regarding substituting the National Energy Board process for an EA by a review panel under the *Canadian Environmental Assessment Act*, for the proposed Brunswick Pipeline. The substitution provisions of the *Canadian Environmental Assessment Act* have not been applied since proclamation of the original Act in 1995.

For the Cacouna Energy Liquefied Natural Gas Terminal Project, the Agency cooperated with the *Bureau d'audiences publiques sur l'environnement du Québec* (BAPE) to establish the first joint panel under the *Canada-Quebec Agreement on Environmental Assessment Cooperation*.

In order to enable a single EA process for projects, the Agency signed two new agreements to establish Joint Review Panels with other jurisdictions and ensured the implementation of existing agreements. In projects where multiple jurisdictions are involved, these agreements improve the coordination of processes and minimize conflicts, while strengthening effectiveness and accountability. The Agency continued negotiations with five provinces for new or renewed bilateral agreements on EA cooperation. Within the 2005-2006 year, two agreements were successfully renewed and two draft agreements were developed and released for public comment.

3. The Environmental Assessment Projects Committee (EAPC) was established by the Agency in the fall of 2005. The EAPC is chaired by the Agency's Vice President of Program Delivery and its members include director generals from Fisheries and Oceans Canada, Transport Canada, Natural Resources Canada and Environment Canada with primary and direct EA responsibilities. The EAPC members work together to achieve timely, consistent and effective EAs at the federal level.

The Agency held 13 Regional Environmental Assessment Committee (REAC) meetings. The meetings provided an opportunity for various federal and provincial government departments to share information and discuss coordinated approaches to EAs among jurisdictions with a geographic region.

Six meetings of the SMCEA were held during the year. This Agency-chaired consultative body brings together representatives from departments and agencies headquartered in the National Capital Region, thereby facilitating communication among federal stakeholders. By addressing common concerns, greater cooperation was achieved.

4. The Canadian Environmental Assessment Registry (CEAR) Web site, maintained by the Agency, was reliable and easy to use. Responsible authorities posted more than 6,000 EAs on the CEAR during the reporting period. By enabling this information to be made available, the Agency facilitated public awareness of EAs.

The Agency, when acting as FEAC, encouraged responsible authorities to make a decision early in the process with respect to conducting formal public consultation in the context of multi-jurisdictional screening of EAs.

In the 2005-2006 fiscal year, the Agency received 121 funding applications requesting a total of approximately \$5 million to support public participation in EAs of 12 projects. The Agency approved 98 out of the 121 applications, amounting to a contribution of approximately \$2.5 million. This funding can extend over multiple fiscal years.

In addition, the Agency worked with multi-stakeholder committees to develop a *Ministerial Guideline on Assessing the Need for and Level of Public Participation in Screenings under the Canadian Environmental Assessment Act* and an accompanying guidance series. These documents, to be published in 2006-2007, will contribute to improved public participation in screenings by establishing criteria for responsible authorities to consider when determining whether public participation in a screening is appropriate. They also address the key elements that a public participation program should exhibit in order to be meaningful.

5. In consultation with other federal departments, the Agency developed the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*, which came into force in November 2005. The Directive reinforces the Agency's leadership role and instructs the Agency and federal authorities on how they should conduct themselves to deliver high-quality EAs in a timely and predictable manner. The Directive establishes common principles for determining what should be examined in a federal EA; clarifies who is responsible for ensuring implementation of mitigation measures to prevent significant adverse effects; and provides for involvement of senior officials to ensure a coordinated federal process.
6. By encouraging the continuous improvement of the EA process, the identification of EA best practices, and the development of innovative processes and procedures, the Agency facilitated the delivery of higher-quality EAs.

Agency staff worked closely with EA practitioners who enter data onto the CEAR Web site to ensure that the posted information is compliant with the public notification requirements of the *Canadian Environmental Assessment Act*.

7. The Agency supports high-quality EAs by promoting greater compliance with the *Canadian Environmental Assessment Act* through its training and guidance program and day-to-day operations.

Specifically, in 2005-2006, the Agency delivered approximately 140 training sessions to more than 3,800 participants across Canada. Of the evaluations received, 94 percent of participants said they would recommend Agency courses to others and the overall level of satisfaction for Agency training was "*excellent*," with an average of 5 out of a possible 6.

## Priority 2: Promote the Advancement of Federal Environmental Assessment

Strategic Outcome: Environmental Assessment is an Integral Part of Program and Policy Decision Making		
Alignment to Government of Canada Outcomes: Sustainable Economic Growth		
Type	Expected Result	Performance Status
Ongoing	1. Adoption of an approach for a consolidated federal EA process	Partially Met
	2. Ongoing refinement of federal EA legislation and regulations	Successfully Met
	3. Facilitation of compliance with the <i>Canadian Environmental Assessment Act</i> , and promotion of continuous improvement of federal EA practices and procedures	Successfully Met
	4. Improvements in the analysis and integration of environmental considerations early in the federal government decision-making process	Successfully Met
	5. Sound EA regimes that meet or exceed the requirements of the <i>Canadian Environmental Assessment Act</i> within Aboriginal land claims and self-government agreements	Ongoing
	6. Policies and regulations that protect Canada's natural environment while supporting innovation and economic growth	Successfully Met
	7. Improved knowledge of the science and practice of EAs	Successfully Met
	8. Canadian interests are considered in international agreements	Successfully Met

1. Following the introduction of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* in November 2005, the Agency undertook a stronger leadership role in the coordination of federal EAs.

The Agency, in collaboration with the responsible authorities and expert federal authorities involved in the EA of the Galore Creek Copper-Silver-Gold Mine Project in British Columbia, adopted the scoping approach as described in the Cabinet Directive. To do so, the Agency, responsible authorities and expert federal authorities developed a Memorandum of Understanding which sets out the roles and responsibilities of the various parties for the EA and related activities of the project. The Agency is also playing an enhanced leadership role in the coordination and conduct of the EA.



2. The following refinements to regulations will create a more efficient and effective EA process by adjusting the application of the *Canadian Environmental Assessment Act* and filling gaps.

**Amendments to the *Exclusion List Regulations***

The Exclusion List amendments will make the EA process more efficient by further eliminating unnecessary assessments. The proposed revisions, published in the *Canada Gazette*, Part I in December 2005, generated a number of suggestions for clarification but only a small number of comments for substantive changes.

**Amendments to the *Law List Regulations* and the *Inclusion List Regulations***

The proposed amendments will fill a gap by requiring that projects approved under the *International Boundary Waters Treaty Act*, and that may alter the natural level or flow of waters on the US side of the border, undergo an EA. The Minister's RAC was consulted on the proposed amendments in 2005-2006.

**Development of the *Airport Authority Regulations***

These regulations will close a gap in the *Canadian Environmental Assessment Act* by requiring airport authorities to conduct EAs for projects located on federal lands over which those authorities have administration, management, or other specified rights or interests. Consultation and discussions with the airport authorities and Transport Canada were ongoing throughout the year.

3. By monitoring and promoting compliance with the *Canadian Environmental Assessment Act* through the Quality Assurance Program, the Agency promoted continuous improvement of federal EA practices and procedures. Findings and statistics were presented to the SMCEA's sub-committee on Quality Assessment. Various federal authorities headquartered in the National Capital Region are represented on this consultative body.
4. The Agency reviewed Memoranda to Cabinet for EA implications and compliance with the *Cabinet Directive on Environmental Assessment of Policy, Plan and Program Proposals*. In support of this review process, the Agency participated in interdepartmental discussions, and offered advice to sponsoring departments and to the Minister of the Environment.
5. The Agency provided support to federal negotiators at 72 tables where EA provisions were being negotiated in Aboriginal land claims and self-government agreements.
6. In addition to those described above, the following regulations were developed, updated or reviewed:

**Development of the *Crown Corporations Involved in the Provision of Commercial Loans Environmental Assessment Regulations***

A regulation was developed for two Crown corporations involved in the provision of commercial loans. The Agency worked closely with these organizations to ensure that the regulation will tailor the federal EA process so that these Crown

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corporations can implement their EA responsibilities under the *Canadian Environmental Assessment Act* while maintaining their ability to deliver services in a competitive environment. The proposed regulation was published in the *Canada Gazette*, Part I, and no negative comments were received.

**Amendments to the *Canada Port Authority Environmental Assessment Regulations***

The amended regulations will apply EA process improvements as authorized by Bill C-9 in 2003 (e.g. greater certainty regarding comprehensive studies). The draft regulations will be sent to stakeholders for review and comment in June 2006.

**Amendments to the *Comprehensive Study List Regulations***

Following consultations with the Minister's RAC and the general public, offshore exploratory drilling projects were removed from the Comprehensive Study List. As a result, these projects must now undergo a screening EA instead of a comprehensive study. This change aligns EA requirements with the understanding of environmental risks and current exploratory drilling practices.

An internal working group was formed to initiate a review of the requirements for the comprehensive study of groundwater extraction projects. Verifying that only those projects with likely significant adverse environmental effects are on the comprehensive study list will ensure that the proper level of assessment is required and the most efficient process followed.

7. The purpose of the Agency's Research and Development Program is to facilitate the promotion, research and development of EA practices, both in Canada and internationally, in keeping with the mandate of the Agency. The Terms and Conditions for the Program were renewed in 2005-2006 and two priority research areas for the 2006-2007 Call for Proposals were identified: meaningful involvement and SEA. Also during the reporting period, seven new research reports were published on the Agency's Web site, presenting the findings of research projects that were awarded funding through the Program in previous years. By making the research reports publicly available in both official languages through the Web site, the Agency ensures that the research findings are available to all Canadians who are interested in the advancement of the science and practice of EAs.
8. The Agency continued to represent Canada's interests with respect to EAs in a number of international agreements, both established and in negotiations, including the *Convention on Environmental Impact Assessment in a Transboundary Context* and the proposed *Canada-U.S.-Mexico Transboundary Environmental Impact Assessment Agreement*.

### Priority 3: Maintain a High Level of Internal Expertise

Strategic Outcome: Environmental Assessment is an Integral Part of Program and Policy Decision Making		
Alignment to Government of Canada Outcomes: Sustainable Economic Growth		
Type	Expected Result	Performance Status
Ongoing	1. Targeted recruitment based on required competencies	Ongoing
	2. Training that addresses competency gaps	Ongoing
	3. Enhanced ability to facilitate and encourage collaboration among stakeholders	Met

1. The Agency successfully recruited and assessed candidates for the executive group by applying the Leadership Competencies developed by Public Service Human Resources Management Agency of Canada (PSHRMAC).

An interdepartmental committee was formed by the Agency to develop an Environmental Assessment Recruitment and Development Program (EARDP). The goal of this program is to address the workforce shortage of EA practitioners by recruiting and training post-secondary graduates. Expected results will be available in 2006-2007.

2. Candidates from the EARDP are expected to be recruited in 2006-2007. The interdepartmental group identified training required for new recruits. Training plans will be established upon the arrival of participants.

The Agency has a learning policy and is committed to creating a culture where the employer and employee share the responsibility for enhancing individual and organizational effectiveness. The Agency is also committed to creating learning opportunities for individual competency development, and promoting team and organizational learning activities. Employees are encouraged to develop a personal learning plan, which identifies learning needs and activities required to meet work objectives.

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Managers received mandatory training on the implementation of the new *Public Service Employment Act* (PSEA) and changes to the *Public Service Labour Relations Act*. This training was provided to ensure that managers understand their new role and how they are accountable for human resources (HR) decisions.

The Agency's Training and Guidance team provided a half-day *Orientation to the Canadian Environmental Assessment Act* training course to 12 new Agency staff. The course, which is intended for new employees and students, gives an overview of the highlights of the *Canadian Environmental Assessment Act* and the federal EA process, with a focus on the Agency's role in the application and interpretation of the *Canadian Environmental Assessment Act*.

3. The Agency continued to offer the *Interest-based Negotiations in Environmental Assessment* training course and held three sessions across Canada last year in partnership with Justice Canada. The sessions received an overall satisfaction rating of "excellent," with an average of 5 out of a possible 6, and 88 percent of participants said they would recommend the course to others.





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## SECTION II

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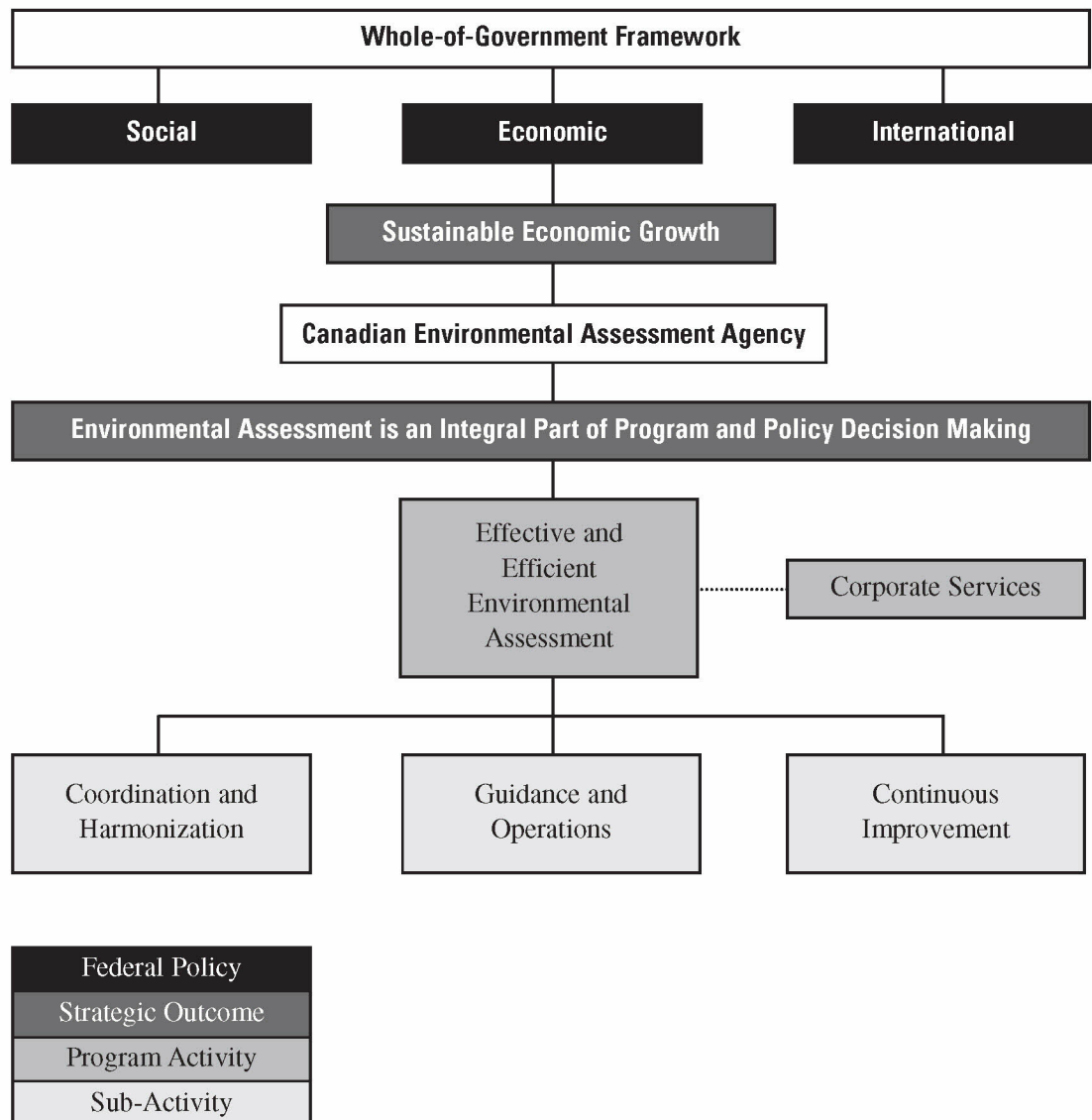
### Analysis of Program Activities by Strategic Outcome

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#### The Canadian Environmental Assessment Agency's Place in the Government Framework

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The whole-of-government framework provides a structured “logic model” for the Canadian Environmental Assessment Agency (the Agency) to map its contribution to a set of high-level Government of Canada “strategic outcomes.” These outcomes promote long-term benefits to Canadians and are grouped in three broad policy areas.



The central role for the Government of Canada is to improve the well being of its citizens, and a sustainable economy is essential in attaining that outcome. Success depends on the reconciliation of environmental considerations with economic growth. The Agency has played a pivotal role in providing Canadians with high-quality environmental assessments (EAs) which have contributed to informed decision making in support of the Government of Canada's role in promoting and fostering "Sustainable Economic Growth."

## Detailed Analysis by Program Activity

The Agency has one primary program activity "Effective and Efficient Environmental Assessment" which is divided into three sub-activities: Coordination and Harmonization, Guidance and Operations and Continuous Improvement. The accomplishments of all of the major activities are explained below.

### 1. Coordination and Harmonization

Coordination and Harmonization involves the development of strong relationships with other jurisdictions and partners to seek the establishment of common goals and advance the interest of sound EAs. These activities result in EA approaches that are coordinated across the federal government and conducted cooperatively with other jurisdictions.

Planned Spending		Actual Spending	
FTEs	(\$ thousands)	FTEs	(\$ thousands)
45	4,891	49	6,278

Activity:	<b>Act as Federal Environmental Assessment Coordinator (FEAC) as appropriate</b>
Description:	Coordinate the activities among federal partners and other jurisdictions for federal EAs to avoid duplication, increase certainty, resolve issues, and thereby reduce costs and delays for individual projects.
Expected Results:	Projects where the Agency assumes the role of FEAC follow a timely, predictable and coordinated process to meet federal and provincial requirements.



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Accomplishments:

The Agency implemented the role of FEAC in over 175 EAs. The Agency acts as the FEAC in the case of multi-jurisdictional EAs and for comprehensive studies under the *Canadian Environmental Assessment Act*.

When the Agency was acting as the FEAC, it:

- facilitated communication and cooperation with other participants in the EAs, including other jurisdictions, the proponent and the public;
- took measures to ensure that potential responsible authorities with respect to a project were identified, as well as other federal authorities that had relevant expertise to offer in the context of the EAs of the project;
- coordinated the involvement of responsible authorities and other federal authorities during the EAs;
- coordinated the fulfillment of the responsible authorities' Canadian Environmental Assessment Registry (CEAR) obligations during the EAs;
- encouraged all federal authorities to fulfill their obligations under the *Canadian Environmental Assessment Act* in a timely manner (including, for example, facilitating the resolution of differences between federal authorities); and
- coordinated the involvement of federal authorities with other jurisdictions during the EAs (including, for example, facilitating the resolution of differences between federal authorities and authorities of another jurisdiction in a cooperative assessment).

Activity: **Facilitation, Mediation and Dispute Resolution**

Description: Increase the awareness and capacity within the Agency, and among other federal partners and jurisdictions, regarding informal dispute resolution as a tool to address EA-related issues.

Expected Results: Increased capacity in facilitation, informal mediation and dispute resolution.

Accomplishments:

In partnership with Justice Canada, the Agency delivered three sessions of the *Interest-based Negotiations in Environmental Assessment* training course across Canada. The sessions were delivered to 38 participants and received an overall satisfaction rating of “*excellent*,” at an average of 5 out of 6, and 88 percent of participants said they would recommend the course to others.

Activity: **Formalize Cooperation Agreements**

Description: Seek to establish a cooperative policy framework for EA processes across jurisdictions to maximize predictability, increase efficiency and minimize conflicts, while strengthening effectiveness and accountability.

Expected Results: Development or renewal of bilateral agreements for environmental cooperation to enable a single EA process to meet the requirements of both jurisdictions.

Accomplishments:

The Agency continued negotiations with five provinces for new or renewed bilateral agreements on EA cooperation. During 2005-2006, two agreements were successfully renewed and two draft agreements were developed and released for public comment.

In order to enable a single EA process for each project, the Agency signed two new agreements to establish Joint Review Panels with other jurisdictions (Sydney Tar Ponds and Coke Ovens Sites Remediation and the Kemess North Gold-Copper Mine Projects) and ensured the implementation of existing agreements. In projects where multiple jurisdictions are involved, these agreements improve the coordination of processes and minimize conflicts, while strengthening effectiveness and accountability.

The Agency led discussions with regards to substitution of an EA by a review panel under the *Canadian Environmental Assessment Act* with the National Energy Board process for the proposed Brunswick Pipeline. Substitution provisions of the *Canadian Environmental Assessment Act* have not been applied since the proclamation of the original *Canadian Environmental Assessment Act* in 1995.

The Agency cooperated with the *Bureau d'audiences publiques sur l'environnement du Québec* (BAPE) to establish the first joint panel under the *Canada-Quebec Agreement on Environmental Assessment Cooperation* for the Cacouna Energy Liquefied Natural Gas Terminal Project.

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## 2. Guidance and Operations

Guidance and Operations refer to the day-to-day delivery of EA operations, advice, guidance and support for public participation. These activities result in the maintenance and enhancement of operational capacity and subject-matter expertise within the Agency, to support the roles of stakeholders and decision-makers.

Planned Spending		Actual Spending	
FTEs	(\$ thousands)	FTEs	(\$ thousands)
68	9,017	56	7,329

Activity: **Review Panels, Comprehensive Studies and Class Screenings**

Description: Review panels, comprehensive studies and class screenings which directly contribute to the integration of environmental factors into the decision-making process for a specific project or class of projects.

Expected Results: For each project, environmental effects are considered, conclusions are reached regarding the significance of these effects and necessary mitigation activities are identified.

Environmental factors are integrated into decision making and the requirements of the *Canadian Environmental Assessment Act* are met for each project.

Accomplishments:

The Agency declared four model class screening reports and three replacement class screening reports, and worked to develop a further 27 reports. These class screening reports will enable responsible authorities to use resources more efficiently while ensuring that environmental considerations are taken into account during project planning and implementation.

In addition, the Agency supported the development of class screenings by providing advice, technical assistance and funding to federal departments. Through the Class Screening Funding Program, the Agency supported federal departments in the development of the seven new class screening reports.



The Agency managed eight review panels and provided advice and guidance to responsible authorities, project proponents and the public in the review panel process. See Section IV for summaries of review panels.

The Agency was involved in 40 comprehensive studies during this planning period. Of these 40 comprehensive studies, 30 were on-going, 10 were initiated and two were terminated. It is important to note that some of these comprehensive studies were initiated before the changes to the *Canadian Environmental Assessment Act* took place and therefore follow the previous comprehensive study process.

Activity: **Strategic Environmental Assessment (SEA)**

Description: Review policy, plan and program proposals to incorporate environmental considerations into the development of public policies, while promoting the integration of environmental factors into the earliest stages of decision making.

Expected Results: Improved integration of environmental factors into federal policy, plan and program proposals.

Accomplishments:

The Agency reviewed Memoranda to Cabinet for EA implications and the compliance with the *Cabinet Directive on Environmental Assessment of Policy, Plan and Program Proposals*. In support of this review process, the Agency participated in interdepartmental discussions, and offered advice to sponsoring departments and to the Minister of the Environment.

The Agency also convened three meetings of the interdepartmental network and continued to work with other departments and agencies to fulfill government commitments made in response to the *2004 Report of the Commissioner of the Environment and Sustainable Development*.

To promote improved application of the Cabinet Directive, the Agency modified its *Introduction to Strategic Environmental Assessment* training course to reflect the 2004 updates to the Cabinet Directive. The Agency provided training sessions to federal employees to meet the Agency's commitment to help other government departments fulfill their obligations under the Cabinet Directive. Participants that took the SEA training rated their overall satisfaction with the course as "*excellent*," with an average of 5 out of a possible 6, and 100 percent of participants said they would recommend the training to others.

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Activity: **Public Participation**

Description: Provide mechanisms to support public participation in the federal EA process to ensure an open, balanced process with high-quality and credible assessments.

Expected Results: Public participation in the conduct of comprehensive study and review panel processes assisted by the Participant Funding Program.

Accomplishments:

The Agency administers a Participant Funding Program, which supports individuals and non-profit organizations interested in participating in EAs.

In the 2005-2006 fiscal year, the Agency received 121 funding application requests to support public participation in the EAs of 12 projects. The Agency awarded funding to 98 applicants to support their effective participation in the EAs being conducted (eight review panels and four comprehensive studies).

Activity: **Training and Guidance**

Description: Develop tools and mechanisms that support an improved EA process, including provision of training services and guidance material.

Expected Results: EA practitioners and interested parties understand the EA process and their obligations under the *Canadian Environmental Assessment Act*.

Accomplishments:

The Agency supports high-quality EAs by promoting greater compliance with the *Canadian Environmental Assessment Act* through its training and guidance program and day-to-day operations.

To improve understanding of the application of the *Canadian Environmental Assessment Act*, the Agency continued to implement its strategic plan for training and guidance. Based on a client survey and on input from a federal working group, the Agency initiated or continued the development of new guidance documents on the following topics: Class Screenings, Public Participation in Screenings, Cumulative Environmental Effects Assessment and *Species at Risk Act* considerations under the *Canadian Environmental Assessment Act*. The Agency also published a new document entitled *Glossary – Terms commonly used in the Federal EAs*. The Glossary combines important definitions found in the *Canadian Environmental Assessment Act* with some useful explanations of terms commonly used in the federal EA process. The Glossary will help to standardize EA vocabulary at the federal level and provide Agency clients with a quick reference tool.

To meet the Agency's commitment to develop effective guidance materials in partnership with stakeholders, the drafting of each new guidance initiative involved consultation with clients, either through partnership with other federal departments via the Senior Management Committee on Environmental Assessment (SMCEA) or other working groups. Consultation was also undertaken in the review of draft documents, and for more collaborative efforts, through the use of subcommittees of the Agency's Regulatory Advisory Committee (RAC) with representation of industry, Aboriginal groups, non-governmental organizations and federal departments. This effort to partner with a variety of stakeholders ensured that the Agency's training and guidance program continued to meet clients' needs and adequately supported EA practitioners in complying with the *Canadian Environmental Assessment Act* and improving their EA practices.

To further support clients, the Agency delivered approximately 140 training sessions across Canada to more than 3,800 participants from various levels of government, non-government organizations, academics, the public, industry, Aboriginal groups and consultants.

To provide an overview of the requirements of the *Canadian Environmental Assessment Act*, the Agency delivered 20 sessions of its one-day *Orientation to the Canadian Environmental Assessment Act* course to 350 participants across Canada. Participants rated their overall satisfaction with the course as "excellent," with an average of 5 out of a possible 6, and 95 percent said they would recommend the course to others.

As well, to provide hands-on techniques for conducting screening-level EAs, the Agency delivered 12 of its standard three-day *Screenings under the Canadian Environmental Assessment Act* courses and three additional customized sessions for First Nations groups. Satisfaction with the training was very high, receiving averages of 5.3 and 4.7 respectively out of a possible 6. Additionally, participants thought highly of the usefulness of the training in increasing their compliance with the *Canadian Environmental Assessment Act*, and stated that they would recommend the course to others at an average of 97 percent for the standard course and 95 percent for the customized First Nations sessions.

The Agency also delivered a number of half-day courses to promote compliance in specific topic areas in various locations across Canada or as requested. These courses included *Overview of the Canadian Environmental Assessment Registry*, *How to Maintain the Registry Web Site*, and the *James Bay and Northern Quebec Agreement*. In addition, to meet specific client needs, the Agency also developed and delivered many customized training sessions on an as-requested basis.



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### 3. Continuous Improvement

Continuous Improvement activities support improved EA practices and/or specific outcomes. Improved practices generally result in a better understanding of potential environmental effects and increasingly effective mitigation measures, including implementation and follow-up programs.

Planned Spending		Actual Spending	
FTEs	(\$ thousands)	FTEs	(\$ thousands)
32	3,612	30	3,971

Activity: **Canadian Environmental Assessment Registry (CEAR) Web Site**

Description: Activities directly related to the establishment, management, communications or maintenance of the CEAR and any other activities related to retention of data about projects undergoing federal EAs.

Expected Results: Stakeholders have access to a reliable, easy-to-use Registry Web site, which provides timely and useful information about EAs, thereby facilitating public involvement in the EA process.

Accomplishments:

The CEAR Web site maintained by the Agency was reliable and easy to use. Responsible authorities posted more than 6,000 EAs on the CEAR during the year. By enabling this information to be made available, the Agency facilitated public awareness of EAs.

Several improvements were made to the CEAR Web site to facilitate meaningful public participation in the EA process. Training and ongoing guidance were provided to system users to assist them in fulfilling their legal obligations in providing meaningful, high-quality and timely information to the public via the Web site.

Increased engagement, awareness, and transparency in the EA process were actively promoted at the 60th annual Canadian Library Association Conference. CEAR brochures were distributed to stakeholders to encourage use of the Web site. On average, 10,000 users visit the CEAR Web site each month.

The Agency responded to over 500 public requests for information and EA records.



**Activity: Continue the Quality Assurance Program**

**Description:** Monitor and promote compliance with the *Canadian Environmental Assessment Act*.

**Expected Results:** EA performance information and analysis are provided to program participants, enabling them to better discharge their responsibilities in relation to the *Canadian Environmental Assessment Act* and to improve the overall quality of EAs.

**Accomplishments:**

The Quality Assurance Program is implemented government-wide, with an analytical unit housed within the Agency. Program participants monitor and promote both compliance with the *Canadian Environmental Assessment Act* and continuous improvement of federal EA in Canada.

Compliance issues associated with requirements to post certain information about federal EAs on the CEAR Web site have been systematically documented, and their frequency of occurrence estimated. Collaborative efforts have been initiated to implement system business rules, and update training materials in order to improve performance.

As a first step in identifying and prioritizing specific areas of quality improvement for screenings, the Agency analyzed a sample of screening reports. The study evaluated specific aspects of the assessments, such as the descriptions of cumulative effects and use of follow-up programs, to determine where future work should be directed to encourage increased quality and compliance.

The Agency reviewed all of the comprehensive studies commenced since the amended *Canadian Environmental Assessment Act* was proclaimed in 2003. Ongoing analyses aim to identify the factors that determine the time required to complete these evaluations.

**Activity: Legislation, Regulation and Policy**

**Description:** Consultations, communications and activities related to the legislative and policy basis for the federal practice of EAs, except as related specifically to another defined activity.

**Expected Results:** Existing policies and regulations are reviewed and new ones developed as appropriate, in accordance with the provisions of the *Canadian Environmental Assessment Act*, as well as government and Agency priorities.

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Accomplishments:

The following policies and regulations were developed, reviewed or updated:

**Development of the *Crown Corporations Involved in the Provision of Commercial Loans Environmental Assessment Regulations***

The proposed regulations were pre-published in the *Canada Gazette*, Part I in order to come into force on June 11, 2006, the day 41 federal parent Crown corporations become subject to the *Canadian Environmental Assessment Act*.

**Amendments to the *Exclusion List Regulations***

Legal drafting of these revised regulations was completed. The draft regulations were then published in the *Canada Gazette*, Part I for review and comment.

**Amendments to the *Federal Coordination Regulations***

An internal draft of the revised regulations was completed, and is being reviewed in light of the new *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*.

**Amendments to the *Canada Port Authority Environmental Assessment Regulations***

Legal drafting of the regulations was completed in preparation for a final consultation with stakeholders early in 2006-2007.

**Development of the *Airport Authority Regulations***

Consultation and discussions with the airport authorities and Transport Canada have been ongoing. The preparation of drafting instructions is expected for the summer of 2006.

**Amendments to the *Law List Regulations* and the *Inclusion List Regulations***

In order to ensure the support of stakeholders, a discussion paper was developed and the RAC consulted on the proposed amendment which would add the *International Boundary Waters Treaty Act* to these regulations.

**Amendments to the *Comprehensive Study List Regulations***

A regulatory amendment to remove offshore exploratory drilling from the comprehensive study list was finalized and published in the *Canada Gazette*, Part II on November 30, 2005. An internal working group was formed to initiate a review of the comprehensive study requirements for groundwater extraction.

***Cabinet Directive on Implementing the Canadian Environmental Assessment Act***

Introduced in November 2005, this new policy reinforces the Agency's leadership role and instructs the Agency and federal authorities on how they should conduct themselves to deliver high-quality EAs in a timely and predictable manner.

**Activity: Environmental Assessment Follow-up**

**Description:** Provide a permanent repository for the results of follow-up programs conducted under the *Canadian Environmental Assessment Act*, as well as summaries of the documents in the repository, for EA practitioners, stakeholders and members of the public.

**Expected Results:** Users and stakeholders have access to reliable data about the actual effects of past projects and the efficacy of various mitigation measures employed on those projects, thereby contributing to the establishment of best practice mitigation measures for future projects.

**Accomplishments:**

The Agency developed and implemented systems for requesting and tracking follow-up studies. While the number of substantive follow-up studies received was too small to make establishing a formal follow-up repository worthwhile during the reporting period, it is anticipated that suitable follow-up studies will become available once larger projects, assessed by comprehensive study or panel review, start to be implemented.

**Activity: Support for Research**

**Description:** Promote continuous learning, development of new, and improvement of existing, EA practices.

**Expected Results:** Research activities and projects lead to improved EA practices.

**Accomplishments:**

The purpose of the Agency's Research and Development Program is to facilitate the promotion, research and development of EA practices in Canada and internationally in keeping with the mandate of the Agency, specifically paragraph 62 (c) of the *Canadian Environmental Assessment Act*. During the reporting period, the Terms and Conditions for the Program were renewed and two priority research areas for the 2006-2007 Call for Proposals were identified: meaningful involvement and SEA. Also during the reporting period, seven new research reports were published on the Agency's Web site, presenting the findings of research projects which were awarded funding through the Program in previous years. By making the research reports publicly available in both official languages through the Web site, the Agency ensures that the research findings are available to all Canadians who are interested in the advancement of the science and practice of EAs.

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In addition to funding research projects, the Agency made contributions during the 2005-2006 fiscal year to a number of organizations in support of:

- networking and developing partnerships with the aim of sharing information on EAs in support of sustainable development issues, initiatives and activities; and
- organizing, coordinating and managing environmental conferences aimed at increasing awareness and understanding of EAs.





## SECTION III

### Supplementary Information

**Table 1: Comparison of Planned to Actual Spending (including FTEs)**

(\$ thousands)	2003-2004 Actual	2004-2005 Actual	2005-2006			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
<b>Effective and Efficient Environmental Assessments (EAs)</b>	16,731.6	18,272.6	21,071.0	21,021.0	26,309.8	21,985.3
Less: Non-respendable revenue	-0.9	-3.8	-3,501.0	-3,501.0	-6,851.0	-4,406.8
Plus: Cost of services received without charge	2,618.8	3,464.4	3,020.0	3,020.0	2,886.7	2,886.7
<b>Total Agency Spending</b>	<b>19,349.5</b>	<b>21,733.2</b>	<b>20,590.0</b>	<b>20,540.0</b>	<b>22,345.5</b>	<b>20,465.2</b>
<b>Full-time Equivalents</b>	<b>128.0</b>	<b>135.0</b>	<b>145.0</b>	<b>145.0</b>	<b>135.0</b>	<b>135.0</b>

This table provides a summary of resource levels for the last three years, as well as the evolution of the 2005-2006 resources. The fluctuation in total resources over the years is the result of funding changes in various initiatives, such as the *Canadian Environmental Assessment Act*, the Northern Gas Pipeline Project, collective bargaining and cost of services received without charge. The variance between the *Total Authorities* and the *Total Actuals* mainly consists of an approved re-profile of \$650K to 2006-2007 for the Northern Gas Pipeline Project and resources to cover legal services of \$656K received from Justice Canada.

**Table 2: Resources by Program Activity**

2005-2006					
Program Activity	Budgetary (\$ thousands)				
	Operating	Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total
<b>Effective and Efficient Environmental Assessment</b>					
Main Estimates	18,828.0	2,243.0	21,071.0	-3,501.0	17,570.0
Planned Spending	18,778.0	2,243.0	21,021.0	-3,501.0	17,520.0
Total Authorities	24,300.5	2,009.3	26,309.8	-6,851.0	19,458.8
Actual Spending	20,757.4	1,227.9	21,985.3	-4,406.8	17,578.5

This table provides a detailed breakdown of resources for the Agency. The variance between Main Estimates and Planned Spending reflects a reduction in resources due to the Government-wide Expenditure Review Exercise. The variance between *Planned Spending* and *Total Authorities* is mostly the result of additional authorities approved during fiscal year 2005-2006 related to the Northern Gas Pipeline Project, accessing of the Agency's 2004-2005 lapsed resources, collective bargaining agreements and Smart Regulations. The variance between the Total Authorities and the Actual Spending mainly consists of an approved re-profile of \$650K in public participation to 2006-2007 for the Northern Gas Pipeline Project, resources to cover legal services of \$656K received from the Department of Justice and various other lapses. It should be noted that the level of demand to fund public participation in review panels depends on the number of review panels and the status of their assessment; the level of demand will therefore dictate if a contribution lapse occurs and its size for a given year.

**Table 3: Voted and Statutory Items**

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005-2006 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual
15	Operating Expenditures	15,744.0	15,694.0	17,466.9	15,586.6
(S)	Contributions to employee benefit plans	1,826.0	1,826.0	1,990.9	1,990.9
(S)	Spending of proceeds from the disposal of surplus Crown assets	-	-	1.0	1.0
	<b>Total</b>	<b>17,570.0</b>	<b>17,520.0</b>	<b>19,458.8</b>	<b>17,578.5</b>

This table presents resources that have been voted to the Agency by Parliament. It should be noted that Parliament approves the voted funding whereas the statutory information is provided for information purposes. Explanation of variance in resource levels can be found in tables 1 and 2.



**Table 4: Services Received Without Charge**

(\$ thousands)	2005-2006
Accommodations provided by Public Works and Government Services Canada	1,281.7
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (TBS) (excluding revolving funds). Employer's contribution to employees' insured benefits plans and associated expenditures paid by TBS	840.6
Salary and associated expenditures of legal services provided by Justice Canada	764.4
<b>Total 2005-2006 services received without charge</b>	<b>2,886.7</b>

This table reflects the services received without charge from other government departments. For 2005-2006, the actual expenditures were lower than the planned spending reflected in the *2005-2006 Report on Plans and Priorities*, mostly because of lower costs than expected for Accommodations provided by Public Works and Government Services Canada.

**Table 5: Sources of Respendable and Non-respendable Revenue**

Respendable Revenues						
(\$ thousands)	Actual 2003- 2004	Actual 2004- 2005	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Effective and Efficient EAs						
Cost recovery for environmental assessment services	-	877.9	3,351.0	3,351.0	6,701.0	4,167.7
Cost recovery for publications, training and education materials (federal)	114.0	105.2	90.0	90.0	90.0	85.8
Cost recovery for publications, training and education materials (external)	152.5	108.0	60.0	60.0	60.0	153.3
Total Respendable Revenues	266.5	1,091.1	3,501.0	3,501.0	6,851.0	4,406.8
Non-respendable Revenues						
Effective and Efficient EAs	0.9	3.8	-	-	18.4	18.4
Total Non-respendable Revenues	0.9	3.8	-	-	18.4	18.4
Total Revenues	267.4	1,094.9	3,501.0	3,501.0	6,869.4	4,425.2

The Agency has authority to recover costs for EA services, publications, training and education material. However, it should be noted that the use of this authority is dependent on the level of review panel activity that is eligible for cost recovery; as such, the level of revenue tends to fluctuate from year to year.

Table 6A: User Fees

A. User Fee	Fee Type	Fee-setting Authority	Date Last Modified	2005-2006			Performance Standard	Performance Results	Planning Years		
				Forecast Revenue (\$ thousands)	Actual Revenue (\$ thousands)	Full Cost			Fiscal Year	Forecast Revenue (\$ thousands)	Estimated Full Cost
Environmental assessment services	R	Environmental Assessment Review Panel Services Charges Order	2002	3,351.0	4,167.7	4,755.3	Environmental Assessment Review Panel Service Charges Order	Individual service-level agreements are signed between the Agency and project proponents in support of the EAs conducted by review panels in accordance with <i>Canadian Environmental Assessment Act</i> .	2006-2007	3,351.0	3,887.2
									2007-2008	3,351.0	3,887.2
									2008-2009	3,351.0	3,887.2
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	O	<i>Access to Information Act</i>	1992	-	0.2	160.9	Service standards are in the <i>Access to Information Act</i> , Section 7: <a href="http://laws.justice.gc.ca/en/a-1/en/a-1/218072.html">http://laws.justice.gc.ca/en/a-1/218072.html</a>	Statutory deadlines were met 92% of the time.	2006-2007	0.2	90.0
									2007-2008	0.2	104.4
									2008-2009	0.3	118.9
Figures reported in the above table are on a cash modified basis.  Definition: "R" is Regulatory and "O" is Other Products and	Sub-Total (R)			3,351.0	4,167.7	4,755.3			Total 2006-2007	3,351.2	3,977.2
	Sub-Total (O)			-	0.2	160.9			Total 2007-2008	3,351.2	3,991.6
	Total			3,351.0	4,167.9	4,916.2			Total 2008-2009	3,351.3	4,006.1

Figures reported in the above table are on a cash modified basis.

Definition: "R" is Regulatory and "O" is Other Products and Services.

For 2005-2006, EA services constitute the main source of revenues of the Agency. This amount is subject to variation depending on the level of review panel activity that is eligible for cost recovery. Reflected forecasted revenues of \$3,351K are based on authorities. As review panel activity increases additional authorities will be sought. Full costs of EA services are based on actual revenues for 2005-2006 and forecasted revenues for 2006-2007, 2007-2008 and 2008-2009 adjusted for an estimated portion of the cost provided without charge.\*

Actual and forecasted revenues for Access to Information and Privacy (ATIP) requests are based on a set fee per request as prescribed in the *Access to Information Act*. Full costs are based on actual costs related to generating the required information adjusted by an estimated portion of the cost provided without charge. It should be noted that 2005-2006 costs include a one-time investment that will help reduce future year costs dedicated to ATIP services.

**Table 6B: Policy on Service Standards for External Fees**

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	Service standards are in the <i>Access to Information Act</i> , Section 7: <a href="http://laws.justice.gc.ca/en/a-1/218072.html">http://laws.justice.gc.ca/en/a-1/218072.html</a>	Statutory deadlines were met 92% of the time.	The service standard is established by the <i>Access to Information Act</i> and the <i>Access to Information Regulations</i> . Consultations with stakeholders were undertaken for amendments done in 1986 and 1992.
Environmental Assessment Fees	Environmental Assessment Review Panel Service Charges Order	Individual service-level agreements are signed between the Agency and project proponents in support of the EAs conducted by review panels in accordance with the <i>Canadian Environmental Assessment Act</i> .	Prior to development of the Order, public comments were solicited at stakeholder meetings held across Canada, and consultations were held over the course of several meetings with the Minister's multi-stakeholder Regulatory Advisory Committee. All of the comments received were considered and, where appropriate, incorporated into the design of the Order.

\* Accommodation provided by Public Works and Government Services Canada. Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat. Salary and associated expenditures of legal services provided by Justice Canada.

**Table 7: Major Regulatory Initiatives**

Regulatory Initiatives	Expected Results	Results Achieved
Development of Crown corporation regulations Crown corporations will come under the <i>Canadian Environmental Assessment Act</i> in June 2006. The Agency will work with these Crown corporations to assist them in meeting their new obligations. Where appropriate, this will involve the development of new regulations to vary the requirements for specific Crown corporations.	Regulations will vary the EA process as necessary so that Crown corporations can implement their new responsibilities under the <i>Canadian Environmental Assessment Act</i> in a manner that is consistent with their mandates and accounts for their commercial and competitive circumstances.	39 of 41 parent Crown corporations will come under the <i>Canadian Environmental Assessment Act</i> in June 2006 with no need for a regulatory variation modifying the EA process.  A proposed regulation varying the EA process for two Crown corporations that provide commercial loans was published in the <i>Canada Gazette</i> , Part I in December 2005, in order that it come into force on June 11, 2006. The regulation will allow them to implement their new responsibilities under the <i>Canadian Environmental Assessment Act</i> while maintaining their ability to deliver services in a competitive environment.
Amendments to the <i>Exclusion List Regulations</i> New entries will be added to these regulations to prescribe new classes of projects to be excluded from EAs and to modify thresholds of certain existing entries.	Reductions in the number of EAs of projects having insignificant effects conducted by federal responsible authorities, particularly with regard to screening assessments.  More efficient and effective use of EA resources.	Publication of the draft regulations in the <i>Canada Gazette</i> , Part I occurred in December 2005, followed by submission of comments by a number of interested parties. Comments were analyzed in preparation for finalizing the regulations.
Amendments to <i>Federal Coordination Regulations</i> <i>Federal Coordination Regulations</i> will be amended to take into account changes brought about in 2003 by the renewed Act.	Increased coordination among federal departments in fulfilling EA requirements and improved coordination with other participants in the EA process, including provinces, industry, environmental organizations and others.  A more timely and predictable EA process.  Increased transparency in the EA process.	Legal drafting of the amendments to the regulations was completed in November 2005.  Completion and publication of the draft regulations have been delayed pending re-evaluation of the proposed regulation in light of the new <i>Cabinet Directive on Implementing the Canadian Environmental Assessment Act</i> .
Amendments to <i>Canada Port Authority Environmental Assessment Regulations</i> In accordance with changes brought about by the renewed Act in 2003, amendments to these regulations are needed to ensure the comprehensiveness, consistency, transparency and overall quality of port authorities' EA processes.	EA procedures for port authorities will be consistent with provisions of the amended Act particularly with regard to comprehensive studies and the Registry.	Legal drafting of the amendments to the regulations was essentially complete by the end of March 2005, in preparation for final consultation scheduled for the spring and summer of 2006.



Regulatory Initiatives	Expected Results	Results Achieved
<p><i>Airport Authority Regulations</i></p> <p>In accordance with changes brought about by the renewed Act, these regulations will close a gap in the <i>Canadian Environmental Assessment Act</i> by requiring airport authorities to conduct an assessment of the environmental effects of projects located on the federal land over which those authorities have administration, management, or other specified rights or interests.</p>	<p>An EA process that captures all appropriate airport authority activities for assessment.</p>	<p>Key remaining issues with airport authorities were addressed.</p> <p>Completion of drafting instructions expected for 2006.</p>
<p>Review of four key regulations under the <i>Canadian Environmental Assessment Act</i></p> <p>In accordance with changes brought about in 2003 by the renewed Act, the <i>Inclusion List Regulations</i>, <i>Law List Regulations</i>, <i>Comprehensive Study List Regulation</i> and <i>Exclusion List Regulations</i> will be reviewed to ensure that they remain relevant to government programs and priorities.</p>	<p>Regulations kept current, reflecting latest approaches and experience with EAs.</p>	<p>Developed a draft Review Framework for the four key regulations for discussion internally.</p> <p>Established a working group for review of Section 10 of the <i>Comprehensive Study List Regulations</i>, which is being performed as a pilot project for implementation of the draft review framework.</p> <p>Consulted the Regulatory Advisory Committee (RAC) on adding a reference to the <i>International Boundary Waters Treaty Act</i> to the <i>Law List</i> and <i>Inclusion List Regulations</i>. Drafted a plan for broad stakeholder consultation.</p> <p>Initiated Crowns-focused review of the <i>Exclusion List Regulations</i>. Ongoing discussions with airport authorities and port authorities regarding potential amendments to the <i>Exclusion List Regulations</i>.</p>
<p>New EA regulations for the Canadian International Development Agency (CIDA)</p> <p>Regulations will prescribe modified EA procedures for projects and activities funded outside Canada by CIDA.</p>	<p>CIDA will have greater flexibility in complying with the requirements of the <i>Canadian Environmental Assessment Act</i> while respecting the sovereignty and cultural setting of foreign states, particularly when providing development assistance in partnership with other countries and international agencies.</p>	<p>Held preliminary discussions with CIDA on the need to develop the regulations. Identification of policy direction with CIDA is ongoing.</p>
<p>Amendments to key regulations</p> <p>Amendments will improve the offshore oil and gas EA regime under the <i>Canadian Environmental Assessment Act</i>.</p>	<p>EA process for offshore oil and gas projects more aligned with environmental understanding and current practices.</p>	<p>Regulatory amendment finalized and published in the <i>Canada Gazette</i>, Part II on November 30, 2005. As a result, first offshore exploratory drilling projects in an area subject to a screening EA instead of a comprehensive study.</p>

**Table 8: Response to Parliamentary Committees, and Audits and Evaluations**


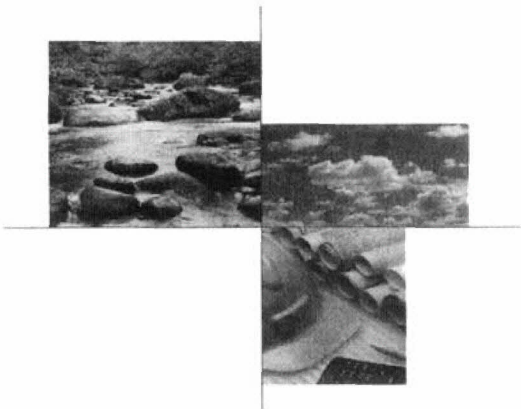


<b>Response to Parliamentary Committees</b>
During the reporting period, the Agency did not table any responses to Parliamentary Committee reports.
<b>Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development</b>
During the reporting period, no recommendation of the Auditor General was addressed specifically to the Agency.
<b>External Audits (Note: These refer to other external audits conducted by the Public Service Commission of Canada [PSC] or the Office of the Commissioner of Official Languages.)</b>
<p>During the year 2005-2006, two audits were conducted by central agencies. These audits were:</p> <p><b>Audit of Student Employment Programs</b></p> <p>The PSC launched a government-wide audit of the Student Employment Programs and audited the Agency's student hiring files in the spring of 2005. The purpose of this audit was to collect information on how well the Agency is respecting the merit principle and applying the underlying staffing values. The audit will determine whether selection processes conducted under the Federal Student Work Experience Program and COOP, and subsequent appointments through student bridging mechanisms, were made in accordance with legislation, policies and regulations. The audit covered student employment during the period from October 2003 to September 2004. The results of this audit will be known in early 2007.</p> <p><b>Classification Monitoring</b></p> <p>During the summer of 2005, the Public Service Human Resources Management Agency of Canada (PSHRMAC) conducted an audit of the Agency's classification position files. This review was part of the initiative on the Classification Monitoring of Small Agencies, which aimed to assess the health and integrity of the classification program delivery in all small departments. A methodology and approach to the monitoring was shared with the Agency's staff and results are expected in 2006-2007.</p>
<b>Internal Audits or Evaluations</b>
Audit of the Participant Funding Program (for more information see <a href="http://www.ceaa.gc.ca/017/016/audit_e.htm">http://www.ceaa.gc.ca/017/016/audit_e.htm</a> )

**Table 9: Sustainable Development Strategy**

Points to Address	Departmental Input
1. What are the key goals, objectives and/or long-term targets of the Sustainable Development Strategy (SDS)?	The key goal of the 2004-2006 SDS is to strengthen the role of EAs in federal decision making by making it more efficient and effective. This goal was supported by 46 specific commitments.
2. How do your key goals, objectives and/or long-term targets help achieve your department's strategic outcomes?	The goal of the 2004-2006 SDS directly supports the Agency's strategic outcome of effective and efficient EAs which provide Canadians with high-quality assessments that contribute to informed decision making in support of sustainable development.
3. What were your targets for the reporting period?	The majority of the commitments were completed or ongoing in the 2005-2006 reporting period. For a full list of the 46 commitments and targets, please refer to the Agency's 2004-2006 SDS.
4. What is your progress to date? (This includes outcomes achieved in relation to objectives and progress on targets.)	By the end of the reporting period, the Agency had completed 23 of its commitments from the 2004-2006 SDS, and progress was on target for an additional seven commitments. Eight commitments were behind schedule, but are expected to be completed before or shortly after the strategy expires.
5. What adjustments have you made, if any? (To better set the context for this information, discuss how lessons learned have influenced your adjustments.)	<p>Six of the 2004-2006 SDS commitments were deemed no longer applicable as they are either no longer priority items for the Agency or other related initiatives have resulted in the commitments no longer being relevant.</p> <p>In addition, two commitments were placed on hold pending the identification of a source of funding. The commitments on hold were:</p> <ul style="list-style-type: none"><li>i. to initiate the formal development of a regulation for Indian band councils in Nova Scotia; and</li><li>ii. to initiate dialogue in other regions of Canada with a view to developing band council EA regulations under the <i>Canadian Environmental Assessment Act</i>.</li></ul>



**Table 10: Financial Statements**

	Canadian Environmental Assessment Agency	Agence canadienne d'évaluation environnementale
		
<b>Financial Statements</b>		
For the Year Ended March 31, 2006		
(Unaudited)		
		

## Canadian Environmental Assessment Agency

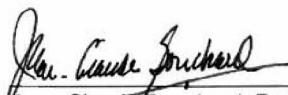
### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Canadian Environmental Assessment Agency for the year ended March 31, 2006 and all information contained in this report rests with the agency's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

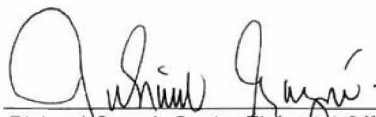
Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the agency's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the Agency have not been audited.



Jean-Claude Bouchard, President



Richard Gagné, Senior Financial Officer

Ottawa, Canada  
August 15, 2006

**Canadian Environmental Assessment Agency**  
**Statement of Financial Position (Unaudited)**  
**At March 31**  
(in dollars)

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>Financial assets</b>		
Accounts receivable and advances (Note 4)	<u>1,036,663</u>	<u>54,445</u>
<b>Total financial assets</b>	1,036,663	54,445
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	<u>12,653</u>	<u>14,059</u>
<b>Total non-financial assets</b>	12,653	14,059
<b>TOTAL</b>	<u><b>1,049,316</b></u>	<u><b>68,504</b></u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,984,157	2,304,386
Vacation pay and compensatory leave	412,076	584,046
Employee severance benefits (Note 7)	<u>2,087,903</u>	<u>1,767,148</u>
<b>Total liabilities</b>	<u>5,484,136</u>	<u>4,655,580</u>
<b>Equity of Canada</b>	<u>(4,434,820)</u>	<u>(4,587,076)</u>
<b>TOTAL</b>	<u><b>1,049,316</b></u>	<u><b>68,504</b></u>
Contingent liabilities (Note 8)		
Contracted obligations (Note 9)		

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**  
**Statement of Operations (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<u>2006</u>	<u>2005</u>
Transfer payments		
First Nations	549,916	267,426
Non-profit organizations	398,530	211,493
Other levels of government	245,500	256,107
Industry	13,500	132,572
Individuals	5,000	24,870
Other countries and international organizations	<u>5,000</u>	<u>35,000</u>
Total transfer payments	1,217,446	927,468
Operating Expenses		
Salaries and employee benefits	13,794,906	12,510,288
Professional and special services	6,191,397	5,782,643
Rentals	1,901,967	1,808,182
Travel and relocation	1,680,726	1,234,041
Furniture and equipment	413,335	427,809
Information	333,472	333,708
Telecommunications	199,302	179,128
Utilities, materials and supplies	171,864	218,287
Postage	58,339	48,530
Repairs and maintenance	9,649	33,376
Other	3,659	2,597
Amortization	<u>1,406</u>	<u>-</u>
Total operating expenses	<u>24,760,022</u>	<u>22,578,589</u>
<b>Total Expenses</b>	<b><u>25,977,468</u></b>	<b><u>23,506,057</u></b>
Revenues		
Environmental assessment and training services	5,343,257	1,090,351
Miscellaneous revenues	<u>207</u>	<u>1,639</u>
<b>Total Revenues</b>	<b><u>5,343,464</u></b>	<b><u>1,091,990</u></b>
<b>Net Cost of Operations</b>	<b><u>20,634,004</u></b>	<b><u>22,414,067</u></b>

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**  
**Statement of Cash Flow (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<u>2006</u>	<u>2005</u>
<b>Operating Activities</b>		
Net cost of operations	20,634,004	22,414,067
Non-cash items:		
Services provided without charge (Note 10)	(3,106,219)	(3,464,425)
Amortization of tangible capital assets (Note 5)	(1,406)	-
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances (Note 4)	982,218	(246,027)
Increase (decrease) in cash	-	(1,328)
Decrease (increase) in liabilities	<u>(828,556)</u>	<u>(383,965)</u>
Cash used by Operating Activities	<u>17,680,041</u>	<u>18,318,322</u>
<b>Capital Investment Activities</b>		
Acquisition of tangible capital assets	<u>-</u>	<u>14,059</u>
Cash used by capital investment activities	<u>-</u>	<u>14,059</u>
<b>Financing Activities</b>		
Net cash provided by Government of Canada	<u><b>17,680,041</b></u>	<u><b>18,332,381</b></u>

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**  
**Statement of Equity of Canada (Unaudited)**  
**At March 31**  
(in dollars)

	<u>2006</u>	<u>2005</u>
<b>Equity of Canada, beginning of year</b>	(4,587,076)	(3,969,815)
Net cost of operations	(20,634,004)	(22,414,067)
Current year appropriations used (Note 3)	17,578,452	18,272,585
Revenue not available for spending	(948,750)	(4,583)
Change in net position in the Consolidated Revenue Fund	1,050,339	64,379
Services received without charge (Note 10)	<u>3,106,219</u>	<u>3,464,425</u>
<b>Equity of Canada, end of year</b>	<u><b>(4,434,820)</b></u>	<u><b>(4,587,076)</b></u>

The accompanying notes and schedules form an integral part of these statements.



**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

**1. Authority and Objectives**

The Canadian Environmental Assessment Agency was established in 1995 under the Canadian Environmental Assessment Act. The Agency is mandated to provide high-quality federal environmental assessments that promote sustainable development. The Agency achieves this objective by:

- (a) providing administrative and advisory support for environmental assessment review panels
- (b) promoting uniformity and harmonization of environmental assessment activities across Canada at all levels of government
- (c) providing opportunities for meaningful public participation in the federal environmental assessment process.

The Agency has one core program activity which is "effective and efficient environmental assessment" which serves as the basis for its mission. This core program activity is supported by Corporate Services which provides modern, timely and responsive services.

In addition, the Agency has obligations under the Canada-Wide Accord on Environmental Harmonization and bilateral agreements with the provincial governments as well as international agreements covering environmental assessments.

The Agency is listed in Schedule 1.1 of the *Financial Administration Act* and reports to Parliament through the Minister of the Environment.

**2. Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector

- (a) Parliamentary appropriations - The Canadian Environmental Assessment Agency is primarily financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high level reconciliation between the bases of reporting.

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**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

(b) Net Cash Provided by Government - The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between the Agency and other federal government departments.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non spendable revenue recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses - Expenses are recorded on an accrual basis:

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total agency obligation to the Plan. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labor contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

(g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities - Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Foreign currency transactions - Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the rate of exchange in effect on March 31.

(j) Tangible capital assets - All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the capital asset as follows:

Asset class	Sub-asset class	Amortization period
Machinery and equipment	Furniture and fixtures	5 to 15 years

(k) Measurement uncertainty - The preparation of financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that could affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable. The most significant estimated items are employee severance benefits, allowances for employee vacation and compensatory benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statement in the year they become known.



**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

**3. Parliamentary Appropriations**

The Agency receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

**a) Reconciliation of net cost of operations to current year appropriations used:**

	<b>2006</b>	<b>2005</b>
	(in dollars)	
<b>Net cost of operations</b>	20,634,004	22,414,067
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge (Note 10)	(3,106,219)	(3,464,425)
Amortization of tangible capital assets (Note 5)	(1,406)	-
Revenue not available for spending	948,750	4,583
Vacation pay and compensatory leave	(248,096)	(94,278)
Legal expenses charged by Justice Canada	(655,841)	(601,574)
Other	7,260	153
	<u>17,578,452</u>	<u>18,258,526</u>
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Acquisitions of tangible capital assets	-	14,059
<b>Current year appropriations used</b>	<u><b>17,578,452</b></u>	<u><b>18,272,585</b></u>

**(b) Appropriations provided and used**

	<b>Appropriations Provided</b>	
	<b>2006</b>	<b>2005</b>
	(in dollars)	
Vote 15 – Program expenditures	17,466,946	17,287,251
Statutory amounts	1,991,890	1,983,622

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

Less:		
Lapsed appropriations	(1,880,384)	(998,288)
<b>Current year appropriations used</b>	<b>17,578,452</b>	<b>18,272,585</b>

**(c) Reconciliation of net cash provided by Government to current year appropriations used**

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Net cash provided by Government	17,680,041	18,332,381
Revenue not available for spending	948,750	4,583
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	(982,218)	246,027
Variation in accounts payable and accrued liabilities	679,771	305,760
Legal expenses charged by Justice Canada	(655,841)	(601,574)
Other adjustments	(92,051)	(14,592)
	(1,050,339)	(64,379)
<b>Current year appropriations used</b>	<b>17,578,452</b>	<b>18,272,585</b>

**4. Accounts Receivable and Advances**

The following table presents details of accounts receivable and advances:

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Receivables from other Federal Government departments and agencies	81,497	2,211
Receivables from external parties	952,366	49,834
Employee advances	2,800	2,400
<b>Total</b>	<b>1,036,663</b>	<b>54,445</b>

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

**5. Tangible Capital Assets**

(in dollars)

Capital asset class	Cost				Accumulated amortization				2006 Net book value	2005 Net book value
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance		
Machinery and equipment	14,059	-	-	14,059	-	1,406	-	1,406	12,653	14,059
<b>Total</b>	<b>14,059</b>	<b>-</b>	<b>-</b>	<b>14,059</b>	<b>-</b>	<b>1,406</b>	<b>-</b>	<b>1,406</b>	<b>12,653</b>	<b>14,059</b>

Amortization estimated expense for the year ended March 31, 2006 is 1,406\$ (2005 - 0\$).

**6. Accounts Payable and Accrued Liabilities**

The following table presents details of accounts payable and accrued liabilities:

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Payables to other Federal Government departments and agencies	352,181	114,867
Payables to external parties	2,259,583	1,573,908
Accrued salaries	372,393	615,611
<b>Total</b>	<b>2,984,157</b>	<b>2,304,386</b>

**7. Employee Benefits**

(a) Pension benefits: The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.



**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

Both the employees and the Agency contribute to the cost of the Plan. The 2005-06 expense amounts to \$1,473,276 (\$1,453,222 in 2004-05), which represents approximately 2.6 time the contributions by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	<b>2006</b>	<b>2005</b>
	(in dollars)	
Accrued benefit obligation, beginning of year	1,767,148	1,653,618
Expense for the year	399,576	136,405
Benefits paid during the year	(78,821)	(22,875)
<b>Accrued benefit obligation, end of year</b>	<b>2,087,903</b>	<b>1,767,148</b>

**8. Contingent Liabilities - Claims and litigation**

In the normal course of its operations, the Agency becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the government's consolidated financial statements. These estimated liabilities are not recognized on the Agency's financial statement as a liability until the amount of the liability is firmly established. At March 31, 2006, no actual liabilities exist and insufficient information is available to determine if any of the potential liabilities will become actual liabilities.

**9. Contractual Obligations**

The nature of the Agency's activities can result in some multi-year contracts and obligations whereby the Agency will be obligated to make future payments when the

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

<u>(in dollars)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 and thereafter</u>	<u>Total</u>
Transfer payments	151,148	-	-	-	-	151,148
Professional services	245,696	62,538	42,538	27,987	12,300	391,059
Operating leases	166,645	166,645	73,298	8,017	8,017	422,622
<b>Total</b>	<b>563,489</b>	<b>229,183</b>	<b>115,836</b>	<b>36,004</b>	<b>20,317</b>	<b>964,829</b>

**10. Related Party Transactions**

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Agency received services which were obtained without charge from other Government departments as presented below.

During the year the Agency received without charge from other departments, accommodation, legal fees and employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's Statement of Operations as follows:

	<u>2006</u>	<u>2005</u>
	<u>(in dollars)</u>	
Accommodation	1,539,563	1,523,999
Employer's contribution to the health and dental insurance plans	802,296	752,208
Legal services provided by the Department of Justice	764,360	1,188,218
<b>Total</b>	<b>3,106,219</b>	<b>3,464,425</b>

The Agency also obtains selected financial services, materiel management, informatics and compensation and benefits services under shared services agreement with

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2006**

Environment Canada. A portion of the cost of these services is paid annually and is reflected in the net cost of the program while a further portion is non-reimbursing and represents the commitment to shared services which was made at the time of the Agency's creation.

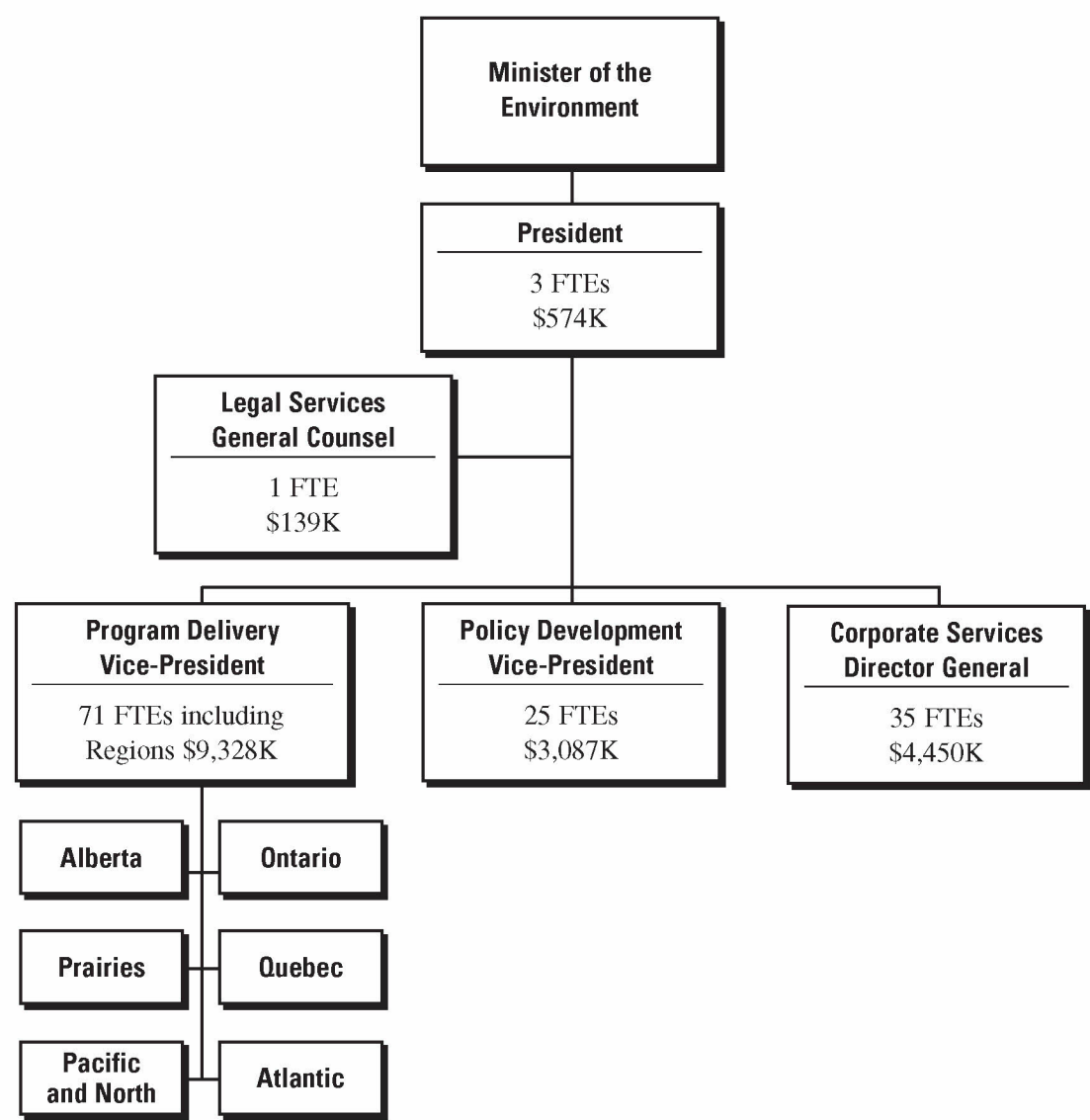
In addition, the Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included as an expense in the Agency's Statement of Operations.

SECTION IV

Other Items of Interest

Agency Organization

The reporting structure to the Minister of the Environment is shown in the figure below.  
Actual Spending: \$17,578K with 135 FTEs.



## Corporate Services

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Corporate Services support the operating programs and activities of the Canadian Environmental Assessment Agency (the Agency) and include many administrative activities normally performed outside program areas that cannot otherwise be allocated as program support overhead. These include Finance and Administration, Legal Services, Human Resources (HR), Communications and Information Management/Information Technology.

The objective of the Agency's Corporate Services *is to support the core program activities by providing modern, timely and responsive services that are effective and efficient.*

The Agency utilized a total of 36 FTEs within Corporate Services which, for the purpose of this report, includes legal services. The total actual cost for the Corporate Services function was \$4,589K. These amounts are included in this report's tables.

## Corporate Initiatives

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### ***Public Service Modernization***

During 2005-2006, the Agency successfully implemented the various components of the new *Public Service Modernization Act* (PSMA):

- The *Public Service Labour Relations Act* (PSLRA);
- The *Public Service Employment Act* (PSEA); and
- The amended *Financial Administration Act* (FAA).

The Agency developed and implemented its Informal Conflict Management System, Grievance Procedure, and strengthened its existing Labour-Management Consultation Committee. The Agency continues to enjoy very effective labour-management relations.

An HR Plan, three mandatory policies and an appointment framework were developed in consultation with Agency employees, managers and union representatives. All managers received PSEA training and all of the HR Advisors successfully passed the Public Service Commission (PSC) validation knowledge test. Employees attended an information session on the various aspects of PSMA at Environment Canada. Staffing monitoring mechanisms were developed to track processes. An integrated HR and business planning tool was put in place and implemented for the 2006-2007 operational plan.

The Agency developed and implemented a new Human Resources Delegation Instrument and all managers received mandatory training and delegated authority.



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## Management Accountability Framework

The Management Accountability Framework (MAF) establishes the standard for management in the Government of Canada and is the basis for management accountability between the Agency, Treasury Board Secretariat (TBS) and the Public Service Human Resources Management Agency of Canada (PSHRMAC). The 10 elements of the MAF collectively define “management” and establish the expectations for sound management practices at the Agency. These elements are further sub-divided into 25 indicators against which the Agency was ranked and measured. In 2005-2006, the Agency completed its first biennial assessment under the MAF with results expected from TBS/PSHRMAC later in the fall of 2006. The Agency will develop an action plan to address any shortcomings and implement any corrective measures required.

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## Statistical Summaries of Environmental Assessments

Table A provides a statistical summary of environmental assessments (EAs) conducted under the *Canadian Environmental Assessment Act*.

**Table A: Statistical Summary Report in Fiscal Year 2005-2006**

EA Type	On-going on April 1, 2005	Initiated this fiscal year	Completed this fiscal year				On-going on April 1, 2006
			Number of EAs with no significant effects	Number of EAs with significant effects	Termination	Total	
Screenings	2,379	5,807	4,766	1	280	5,047	3,139
Comprehensive Studies	30	10	0	0	2	2	38
Review Panels	8 <sup>1</sup>	2	0	0	0	0	10

<sup>1</sup> Two panels are pending

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## Screenings

A screening is the most common type of EA. It is a systematic approach to identifying and documenting the environmental effects of a proposed project and determining the need to eliminate or minimize (mitigate) the adverse effects, to modify the project plan, or to recommend further assessment through mediation or an assessment by a review panel.

Screenings are used to assess a wide range of projects. They will vary in time, length and depth of analysis, depending on the circumstances of the proposed project, the existing environment and the likely environmental effects. Some screenings may require only a brief analysis of the available information and a brief report, while others may need new background studies and will be more thorough and rigorous.

The responsible authority must ensure that the screening of the project is carried out and must prepare or ensure the preparation of a report which summarizes the findings of the screening.



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## Comprehensive Studies

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Certain projects, by their very nature, may have the potential to cause significant adverse environmental effects. These types of projects have been identified and listed in the *Comprehensive Study List Regulations*.

As a result of revisions to the *Canadian Environmental Assessment Act*, proclaimed through Bill C-9 on October 30, 2003, the responsible authority must consult the public on its proposed approach and recommend to the Minister of the Environment whether the project continue by means of a comprehensive study EA or be referred to a mediator or a review panel. At the end of the comprehensive study process, the Minister is required to issue a decision statement as to whether the project is likely to cause significant adverse environmental effects.

The Agency's role in the comprehensive study process is to provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the *Canadian Environmental Assessment Act*; manage the public comment period; and provide advice to the Minister of the Environment in support of the Minister's track decision on the EAs and the determination of potential adverse environmental effects. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

The Minister concluded that the comprehensive studies described below were not likely to cause significant adverse environmental effects and referred them back to the responsible authority

### ***Victor Diamond Mine***

De Beers Canada proposes to construct and operate an open-pit diamond mine within the James Bay Lowlands in Northern Ontario, approximately 90 km west of the Attawapiskat Reserve. Project components include the construction and operation of: a wellfield around the mine pit to draw down groundwater in the order of 50,000 m<sup>3</sup> per day; an all-weather air strip 1,600 m in length; an on-site explosives factory; barge-handling facilities at the Attawapiskat Reserve; a winter road along the north shore of the Attawapiskat River; access roads, camp accommodations, other ancillary works and the relocation of South Granny Creek.

The RAs for this project are: Natural Resources Canada, Fisheries and Oceans Canada, Transport Canada and Human Resources and Skills Development Canada.

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### ***Pamour Gold Mine Expansion***

The project consists of a major expansion of the Pamour Mine No. 3 pit into Three Nations Lake; relocation of Highway 101 resulting from the pit expansion; transport of ore to the Dome Mill; ore processing at the Dome Mill for 12 years; tailings storage at the Dome Mine site; waste rock storage at the Pamour Mine Site; and ancillary facilities to support the operation. The proponent has broken the project into three major components:

1. construction and operation of a haul road from the Pamour site to the Dome Mine site;
2. realignment of Highway 101 from the expansion of the pit at the Pamour site; and
3. expansion of the Pamour pit.

The RAs for this project are: Fisheries and Oceans Canada and Transport Canada.

### **Review Panels**

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Distinguished by extensive public participation, review panels and Joint Review Panels with other jurisdictions, are the most visible and public type of EA. Review panels are independent from government, with members appointed by the Minister of the Environment.

The review panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public comment periods and public hearings. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

At the completion of the review process, the review panel's report, including conclusions and recommendations, is submitted to the Minister of the Environment. The recommendations are advisory, and the responsible authority, with the approval of the federal Cabinet, considers and responds publicly to all recommendations.

The Agency's primary roles in a review panel process are to: provide advice and coordination to federal expert authorities and responsible authorities, maintain the public registry, manage the review process and provide technical and administrative support to the review panel, administer the Participant Funding Program, and design and implement a public information program with the review panel.

During this reporting period, the Agency provided support and advice to the following review panels:

#### ***Review Panel of the Eastmain-1-A and Rupert Diversion Project in Quebec***

Hydro-Québec and its subsidiary, the *Société d'énergie de la Baie-James*, propose to build the \$4 billion Eastmain-1-A generating station (770 MW) and to divert the Rupert River in the James Bay territory.

The proposal requires the application of the *Canadian Environmental Assessment Act* and the provincial EA process of chapter 22 of the *James Bay and Northern Quebec Agreement*. In April 2003, the Agency, the *Ministère du Développement durable, de l'Environnement et des Parcs* and the Cree Regional Authority signed an agreement for the coordination of the EA processes applicable to the project. This agreement will endeavour to avoid processes duplication and to facilitate cooperation to ensure efficient and proper assessments of this project.

The review of the project is at the public hearings stage. The review bodies have targeted the end of October 2006 for the submission of a report to their respective authorities.

### ***Joint Review Panel of the Whites Point Quarry Project in Nova Scotia***

Global Quarry Products proposes to construct and operate a basalt quarry, processing facility and marine terminal located in Digby County, Nova Scotia.

In June 2003, the Minister of Fisheries and Oceans recommended the referral of the project to a review panel. On November 3, 2004, the Federal Minister of the Environment and Nova Scotia's Minister of Environment and Labour signed an agreement establishing a Joint Review Panel for the project and appointed the members of the panel.

On November 10, 2004, the Agency and the Nova Scotia Department of Environment and Labour released for public comment the draft Environmental Impact Statement (EIS) Guidelines. After reviewing the public submissions, the Joint Review Panel finalized the EIS Guidelines on March 31, 2005. In March 2006, the Panel was waiting for the proponent to submit the EIS.

### ***Joint Review Panel of the Mackenzie Gas Project in the Northwest Territories***

The Agency has been actively involved in the development of environmental review processes to minimize duplication and meet legislative requirements for major natural gas development in the Northwest Territories (NWT). The proposed Mackenzie Gas Project consists of the development of three natural gas fields on the Mackenzie Delta, with associated gathering systems and processing facilities. Pipelines would carry the gas 1,400 km south through the Mackenzie Valley to market. The proponent consortium consists of Shell Canada Limited, ConocoPhillips Canada (North) Limited, ExxonMobil, Imperial Oil Resources Ventures Limited and the Aboriginal Pipeline Group.

The project is subject to three EA regimes and three additional regulatory public hearing processes. In preparation for the filing of an application for a major northern gas pipeline project, the June 2002 Cooperation Plan was developed. On August 21, 2003, the Minister of the Environment referred the project to a review panel. On August 18, 2004, the Minister of the Environment, the Chair of the Mackenzie Valley Environmental Impacts Review Board and the Chair of the Inuvialuit Game Council announced the establishment of the Joint Review Panel for the Mackenzie Gas Project and released the EIS terms of reference. Joint Review Panel hearings began in February 2006 and are expected to conclude in November 2006.



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### ***Joint Review Panel of the Kemess North Gold-Copper Mine Project in British Columbia***

Northgate Minerals Corporation proposes to develop the Kemess North copper and gold deposit, located 6 km north of its existing Kemess South Mine, and 250 km northeast of Smithers in north central British Columbia.

On November 19, 2004, the Minister of the Environment referred the Kemess North project to a review panel, following a request by the Minister of Fisheries and Oceans. On May 19, 2005, the Minister of the Environment and the B.C. Minister of Sustainable Resource Management signed an agreement to establish a Joint Review Panel and appointed a three-member panel. Panel members were selected by consensus following a process that involved federal, provincial and First Nations representatives. Final guidelines for the preparation of the proponent's EIS were issued August 2005. A comment period on the conformity of the EIS was held from October 2005 to January 2006.

### ***Review Panel of the Rabaska Liquefied Natural Gas Project in Quebec***

The Rabaska liquefied natural gas (LNG) facility is being proposed by a group of companies led by Gaz Métropolitain, Enbridge Gas and Gaz de France. The proposal is to build the LNG terminal and related facilities in Lévis, Quebec, on the St. Lawrence River near Québec City. The project is subject to the Quebec EA process, and to the *Canada-Quebec Agreement on Environmental Assessment Cooperation*.

On January 20, 2005, the Agency announced the Minister's decision to refer the Rabaska project to a review panel. The Minister issued the final guidelines for the preparation of the EIS on April 6, 2005, and the proponent submitted its EIS on January 26, 2006. Hearings are expected to begin in the fall of 2006, once both governments are satisfied that the EIS is consistent with the guideline requirements.

### ***Review Panel of the La Romaine Hydroelectric Complex Project in Quebec***

The La Romaine project is a 1,500 MW hydro project on the Romaine River in the Lower North Shore region of Quebec. The project is subject to the Quebec EA process and will require authorizations from Fisheries and Oceans Canada and Transport Canada. It is subject to the *Canada-Quebec Agreement on Environmental Assessment Cooperation*.

On February 10, 2005, the Agency announced the Minister's decision to refer the project to a review panel. Public consultation was held from April 29 to May 30, 2005, on draft EIS Guidelines, and final guidelines were submitted to the proponent in August. The proponent plans to submit its EIS during the winter of 2007. It is not expected that a review panel will be appointed before the spring of 2007 at the earliest.

***Review Panel of the Sydney Tar Ponds and Coke Ovens Sites Remediation Project in Nova Scotia***

The Sydney Tar Ponds Agency proposes to remediate the Sydney Tar Ponds and Coke Ovens sites in Cape Breton, Nova Scotia.

On July 13, 2005, an agreement was signed between federal and provincial governments establishing a Joint Review Panel for the project. On December 29, 2005, the Panel received the EIS from the proponent and initiated a 48-day comment period which closed on February 16, 2006. Hearings are expected to begin in April 2006.

***Cacouna Energy Project (Quebec)***

This LNG facility is proposed by Petro-Canada and Trans-Canada Pipelines. The proposal is to build the LNG and related facilities at Gros-Cacouna on the east shore of the St. Lawrence River, about 15 km east of Rivière-du-Loup. The project is subject to the Quebec EA process, and the *Canada-Quebec Agreement on Environmental Assessment Cooperation* applies to the project.

On August 12, 2005, the Minister announced her decision to refer the project to a review panel. The public consultation period on the draft guidelines ended on September 26, 2005. The Minister of the Environment released the guidelines to the proponent on November 3, 2005. Public consultation on the final EIS was held between November 7 and December 7, 2005. Questions and comments on the EIS were submitted to the proponent on December 12. In March 2006, a Joint Review Panel was about to be appointed and hearings were scheduled for May and June 2006. A Joint Review Panel report is expected to be submitted to both Quebec and Canada Ministers of the Environment by early September 2006.

For additional information about review panels, visit: [www.ceaa.gc.ca/010/basics\\_e.htm#26](http://www.ceaa.gc.ca/010/basics_e.htm#26).

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## **For Further Information Please Contact**

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[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)







# **CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY**

## **DEPARTMENTAL PERFORMANCE REPORT**

**For the period ending  
March 31, 2007**

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**The Honourable John Baird  
Minister of the Environment and  
Minister responsible for the  
Canadian Environmental Assessment Agency**

**025970**



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## SECTION I: OVERVIEW

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- ◆ Stakeholders and Partners
- ◆ Link to the Government of Canada Outcome Areas





## MINISTER'S MESSAGE

I am pleased to present the Performance Report of the Canadian Environmental Assessment Agency for the period ending March 31, 2007. This report outlines the Agency's key accomplishments for the 2006–2007 fiscal year.

The Agency's overall mandate is to support high-quality environmental assessments that contribute to informed decision making. During this reporting period, the Agency's priorities were improving integration of the environmental assessment process; assuming a more active leadership role in federal environmental assessment; and building capacity to deliver on its responsibilities.

The Agency operates in an increasingly complex environment. Environmental assessment must continually adapt to emerging trends, new scientific methods and insights, and evolving public expectations. During 2006–2007, the Agency focused its efforts on activities that contribute to more effective, efficient environmental assessments and better coordination of activities within the federal government and with other jurisdictions.

The federal environmental assessment process plays an important role in safeguarding our environment while allowing for a strong and growing Canadian economy. The Canadian Environmental Assessment Agency will continue to provide leadership to improve this process and support informed decision making.

It gives me great pleasure, therefore, to submit the 2006–2007 Performance Report for the Agency.

---

**John Baird, P.C., M.P.**

**Minister of the Environment and Minister responsible for the  
Canadian Environmental Assessment Agency**

# MANAGEMENT REPRESENTATION STATEMENT

I submit for tabling in Parliament, the 2006–2007 Departmental Performance Report for the Canadian Environmental Assessment Agency.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance.
- It is based on the Department's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board.
- It presents consistent, comprehensive, balanced and reliable information.
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it.
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

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**Jean-Claude Bouchard**

**President**

## SUMMARY INFORMATION

### Reason for Existence

The Canadian Environmental Assessment Agency (the Agency) provides leadership and serves as the centre of expertise for the federal environmental assessment process. The Agency's mandate is to provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.

A strategic outcome defines the work of the Agency: "Environmental assessment is an integral part of program and policy decision making." The Agency's program activity is "efficient and effective environmental assessment." This work is achieved through three key programs: coordination and cooperation, guidance and operation, and continuous improvement.

Led by the President, who reports directly to the Minister of the Environment, the Agency delivers its mandate within the framework of the following instruments:

- the *Canadian Environmental Assessment Act* (the Act) and its accompanying regulations;
- the *Canada-Wide Accord on Environmental Harmonization* and bilateral agreements with provincial governments that establish arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, principally the United Nations *Economic Commission for Europe Convention on Environmental Impact Assessment in a Transboundary Context*.

The Agency also assists the Minister of the Environment in implementing the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* by providing guidance to federal authorities on environmental assessment considerations and requirements with respect to proposed policies, plans and programs. Moreover, the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* reinforces the key facilitation role of the Agency in the administration of the Act and in encouraging the application of federal environmental assessments in a manner that supports the timely, predictable and efficient preparation of high-quality environmental assessments.

The President of the Agency has been designated by order-in-council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*.

## Financial Resources (\$000s)

Planned Spending	Total Authorities	Actual Spending
18,033	19,525	18,372

## Human Resources

Planned	Total Authorities	Actual
149	148	148

## Status on Performance

<b>Strategic Outcome</b> Environmental assessment is an integral part of program and policy decision making.				
<b>Program Activity</b> Efficient and effective environmental assessment.				
<b>Expected Results</b> Environmental assessment: a) Processes are well coordinated across the federal government and with other jurisdictions; b) Expertise and operational capacity is maintained and enhanced, and the role of stakeholders and decision makers is supported; and c) Practices are improved, and increasingly effective mitigation measures are implemented.				
Priority	Type	Performance Status	Planned Spending (\$000s)	Actual Spending (\$000s)
<b>No. 1</b> <i>Build a framework for more integrated environmental assessments.</i>	New	Ongoing	4,508	4,593
<b>No. 2</b> <i>Assume a more active leadership role in federal environmental assessment.</i>	New	Met	9,017	9,186
<b>No. 3</b> <i>Build the capacity to deliver on existing and new responsibilities.</i>	Ongoing	Partially Met	4,508	4,593
<b>Total</b>			<b>18,033</b>	<b>18,372</b>

**Note:** 2006–2007 is a transition year to implementation of the November 2005 *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*.



### **Priority No. 1: Build a framework for more integrated environmental assessments**

Since its introduction in the early 1970s, the federal environmental assessment process has evolved in response to continuous changes in policy, law and increasing public expectations that the environment will be considered when the Government of Canada makes decisions. An ongoing challenge has been to ensure that federal environmental assessments are well integrated with other federal regulatory requirements as well as provincial reviews of proposed projects. Successful integration can reduce costly delays for proponents and improve the quality and effectiveness of environmental assessments.

Throughout the past year, the Agency worked on measures to improve integration within the context of the current legislative framework. For example, delays sometimes occur when several departments responsible for the assessment of the same project struggle with the question of what components of a project should be assessed. To facilitate these “scoping” decisions, the Agency developed the *Interim Approach for Determining Scope of Project for Major Development Proposals with Specific Regulatory Triggers under the Canadian Environmental Assessment Act*. The Agency has also worked with Natural Resources Canada and other federal authorities on the creation of the Major Projects Management Office and other measures to improve the overall environmental regulatory system for major resource projects (e.g., large metal mines).

Provinces and territories are important partners in environmental assessment. Bilateral agreements and project-specific arrangements prevent duplication by allowing a single environmental assessment to meet the legal requirements of both jurisdictions. To build on these arrangements, the Agency, along with its counterparts in Manitoba and British Columbia, is leading an initiative of the Canadian Council of Ministers of the Environment to identify options for improving the timeliness and predictability of the delivery of environmental assessment.

Over the longer term, this priority may result in new or revised legislation. To this end, the Agency initiated discussions with the Minister of the Environment’s multi-stakeholder Regulatory Advisory Committee on issues, such as the adequacy of the current self-assessment approach. The results of these discussions and the ongoing Quality Assurance Program will help to ensure that the Agency is well positioned to support the 2010 review of the Act by Parliamentary Committee.

### **Priority No. 2: Assume a more active leadership role in federal environmental assessment**

In early 2006, the Agency focused its work on the activities that have maximum influence on effective and efficient environmental assessment. This was done through an action plan based on the aforementioned three priorities. Through the action plan, the majority of the Agency’s efforts centred on coordinating federal environmental assessment of projects on a priority basis, based on the significance of their potential environmental effects and level of public concern.

One focus of the Agency’s efforts has been the need for coordination of federal government departments in the context of Aboriginal consultation. The Agency has developed an internal policy that sets out the conditions which must be met for the Agency to take on this coordination role.

The Agency formed and chairs an interdepartmental committee that established the Environmental Assessment Recruitment and Development Program. The goal is to address the workforce shortage of environmental assessment practitioners by recruiting and training post-secondary graduates. The Agency recognizes the need for specialized knowledge and skills, and



the requirement for trained and experienced staff to deliver its own leadership role in ensuring high-quality environmental assessments.

In support of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*, the Environmental Assessment Projects Committee introduced the *Interim Approach for Determining Scope of Project for Major Development Proposals with Specific Regulatory Triggers under the Canadian Environmental Assessment Act* in December 2006. The Interim Approach provides guidance for a specific category of development proposals. It aims at fostering consistency and timeliness in decision making regarding the scope of project that, historically, has tended to be difficult and time consuming. The Interim Approach includes structured processes for identifying components of a development proposal for inclusion in the project scope, obtaining the information required to support federal environmental assessment decisions, and ensuring implementation of mitigation measures and follow-up programs.

To ensure that the Interim Approach was well understood and implemented, the Agency hosted a national workshop on December 13, 2006 for representatives from the key federal departments that conduct environmental assessments. The Agency then conducted similar workshops across the country to ensure that regional staff members in key departments were provided with the same understanding of the Interim Approach.

In pursuit of the goal of assuming a more active leadership role in federal environmental assessment, the Agency undertook a pilot project in the evaluation of the Galore Creek Mine comprehensive study in British Columbia (Galore Pilot). For this pilot, the Agency took on an enhanced leadership role by, for example, developing process documents and facilitating public and First Nations participation during the environmental assessment. The comprehensive study report of the Galore Pilot was completed on January 23, 2007. Currently, the Agency is leading negotiations on behalf of the Government of Canada with the proponent on a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of mitigation measures. The Agency envisages this level of involvement as its role in the future for major natural resource development proposals.

### **Priority No. 3: Build the capacity to deliver on existing and new responsibilities**

To move ahead on the first two priorities while meeting existing responsibilities for coordination, guidance and support for environmental assessments, the Agency has worked actively to develop its internal capacity and manage its talent. In keeping with its Human Resources Plan, this means supporting current staff through learning and career development. It also means recruiting and integrating new people with needed skills into the Agency.

With the implementation of the *Public Service Modernization Act* (PSMA) — a far-reaching renewal of Government of Canada human resources management — the Agency created new internal policies. Implementing these policies enabled the Agency to make effective and efficient staffing decisions and take advantage of the flexibilities available under the new regime.

The Agency invested in building a sustainable workforce by improving skills and knowledge, which increases capacity among existing employees and supports retention and recruitment of new employees. Despite its relatively small size, the Agency delivered two orientation sessions in 2006–2007 to integrate new employees into the organization. The new Treasury Board *Policy on Learning, Training and Development* was also successfully implemented to support employees, managers and the Agency as a whole. The Agency recognizes that learning and career development are valuable incentives and that commitment and productivity are enhanced when

employee and Agency objectives are aligned. The Agency worked to achieve this alignment through the implementation of Human Resources Plan elements including an effective performance management program, personal learning plans, mentoring, succession planning and knowledge transfer. As a result of its efforts to retain a skilled workforce, the overall staff turnover rate at the Agency decreased by 2.4 percent from the previous reporting period.

The Agency recruited three executives to its leadership team during the 2006–2007 fiscal year. Candidates were assessed against the Leadership Competencies as developed by the Canada Public Service Agency. Through these recruitment efforts, the Agency increased the representation of women in the executive group, addressing an employment equity gap identified in its Human Resources Plan.

The Environmental Assessment Recruitment and Development Program, established during this reporting period, created a pool of 30 candidates, 11 of whom were appointed to positions. This initiative contributed to building overall capacity among federal government departments responsible for environmental assessment.

The Agency's culture of bilingualism is well established and it has a proven record of support to individuals who must meet the linguistic requirements of their jobs. It boasts one of the most comprehensive second language support programs to be found in any small agency. Specifically, the Agency's objectives are to actively promote and support official languages, provide internal language training to staff and give special attention to the inclusion of language training in individual learning plans. A pilot project provided many staff members with access to a full-time language teacher for a three month period, allowing them to meet the requirements of their positions or improve their language skills while remaining involved in their jobs. As well, an Official Languages Framework was developed and approved to identify and promote official languages support to staff in two categories: statutory requirements, and second language maintenance and improvement. Employees enjoy a comprehensive list of options on the Agency's Intranet site as well as the support of Human Resources Advisors and an Official Languages Champion and Co-Champion.

The Agency continues to invest in building the capacity to deliver on its priorities and develop and maintain a skilled workforce. The efforts made in 2006–2007 form a solid foundation to meet existing and new responsibilities going forward.

## AGENCY OPERATING ENVIRONMENT AND CHALLENGES

Protecting the environment, while building a strong economy and improving the quality of life for Canadians, is a daily challenge. Environmental assessment responds to this challenge by ensuring that environmental effects are considered before decisions are taken that allow projects to proceed.

Under the *Canadian Environmental Assessment Act* (the Act), federal departments and agencies must undertake an environmental assessment (EA) before they carry out a project; provide financial assistance to enable a project to be carried out; sell, lease or otherwise transfer control or administration of land to enable a project to be undertaken; or issue certain permits or authorizations to enable a project to go forward. Historically, each year between 6,000 and 7,000 environmental assessments are initiated under the Act. In June 2006, lending Crown corporations also came under the requirements of the Act, which added 1,950 screenings during the reporting period. Since 1995 (the year the Act came into effect), over 70,000 projects have been assessed.

Projects subject to environmental assessment or policies subject to strategic environmental assessment often raise important issues associated with socio-economic development, environmental protection, Aboriginal interests and federal–provincial/territorial relations. Environmental assessment must continually adapt to emerging trends, new scientific methods and insights, and evolving public expectations.

The following provides a sense of the issues and challenges the Agency faces in delivering its key programs.

### Shared Environmental Management Responsibility

Under the Constitution of Canada, responsibility for environmental management is an area of shared jurisdiction among various orders of government. To minimize duplication and delays, the Agency works with its provincial and territorial counterparts to bring about greater cooperation in environmental assessment, and promote the consistent and predictable application of environmental assessment across Canada. This shared environmental management responsibility is realized by implementing or renewing bilateral agreements, and working with other jurisdictions on initiatives that serve to improve the coordinated delivery of environmental assessment processes. This cooperation is intended to ensure that a single environmental assessment of a proposed project is able to meet the needs of both the federal and a provincial or territorial government.

### Integrating Competing Interests

Projects subject to environmental assessment often give rise to many sensitive issues related to development, environmental protection, Aboriginal interests and federal–provincial/territorial relations. Projects being assessed can often be complex, with competing stakeholder interests. Integrating these interests while maintaining productive relationships and delivering high-quality assessments that meet the expectations of Canadians is an ongoing challenge.



## Aboriginal Peoples

Environmental assessment provisions are negotiated under comprehensive land claims and self-government agreements, including sectoral arrangements. The Agency continues to work with Aboriginal groups and Indian and Northern Affairs Canada to ensure that environmental assessment regimes developed under these agreements and arrangements meet key environmental assessment requirements and take into account specific Aboriginal interests. The Agency also continues to participate in senior-level interdepartmental working groups in support of an action plan to assist departments and agencies in fulfilling Canada's legal duty to consult and, where appropriate, accommodate Aboriginal peoples.

The Agency has recognized that it is well-positioned to assist with building linkages between the environmental assessment and the Aboriginal Crown consultation processes to enhance overall effectiveness, efficiency and lead to more informed federal decision making.

## Improved Federal Policy Development

The Agency is a strong advocate for the application of strategic environmental assessment (SEA) as a tool to support improved decision making. Since the implementation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, federal departments have increasingly recognized the role of this valuable tool in helping to promote sustainable development.

Over the last year, the Agency continued to support the work of a multi-stakeholder subcommittee of the Minister's Regulatory Advisory Committee (RAC) established in March 2006 to make recommendations on how to improve SEA. The Committee is undertaking work to define the broader context for SEA, explore the linkages between SEA and project environmental assessment, and examine the role of the public and Aboriginal groups in SEA.

In terms of broad policy directions, the Agency has been involved in the conceptualization of regional (strategic) environmental assessment (RSEA) in Canada, a useful construct to help bridge the higher-order, often conceptual-level assessment of broad policy and program initiatives with the more detailed and technically oriented assessment of individual projects on a local scale. A number of important RSEA-like initiatives are emerging across Canada, including regional environmental studies or assessments associated with major resource planning and management exercises, offshore renewable power generation and integrated management in the marine environment. These initiatives will significantly inform thinking about environmental assessment on a regional scale and the evolution of SEA policy. The Agency is engaged in many of these RSEA discussions, and in facilitating collaboration and the establishment of common tools and principles and will continue to monitor, participate in or lead these initiatives as they develop.

## International Community

As a party to the United Nations *Economic Commission for Europe (UNECE) Convention on Environmental Impact Assessment in a Transboundary Context* (Espoo Convention), Canada is required to meet the obligations that it subscribed to under the Espoo Convention. To this end, the Agency represented Canada at the UNECE for the Espoo Convention and provided funding in support of activities under the Convention. The Agency also sponsored and participated in environmental assessment and strategic environmental assessment conferences, such as the

International Association of Impact Assessment (IAIA) held in Seoul, South Korea and the Secrétariat international francophone pour l'évaluation environnementale (SIFEE) held in Geneva, Switzerland.

In addition, the Agency continued informal discussions for negotiating a transboundary environmental impact agreement with Mexico and the United States.

## STAKEHOLDERS AND PARTNERS

The Agency works with a wide range of stakeholders and develops partnerships to promote sound environmental assessment practices in Canada and abroad. In support of this work, the Agency maintains and supports several mechanisms for receiving advice and consulting with stakeholders and partners, notably the Minister's multi-stakeholder Regulatory Advisory Committee, the federal Senior Management Committee on Environmental Assessment and the federal-provincial/territorial Environmental Assessment Administrators Committee. As well, it is developing consultation approaches for engaging Aboriginal peoples.

Central to the Agency's mandate is providing all proponents with a timely and predictable process, and access to both the tools and the information they need to comply with the Act. In accordance with the general thrust of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*, the Agency, with the help of federal departments and agencies, will ensure that adequate guidance is available to proponents on the preparation of project descriptions that contain sufficient information to determine the need for a federal environmental assessment and, when required, to initiate efficient conduct of the assessment.

The Agency includes the following among its stakeholders and partners.

### Federal Departments, Agencies and Crown Corporations

The Agency assisted federal departments, agencies and Crown corporations in meeting their obligations under the Act and relevant regulations, as well as the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. In particular, a three-year effort of analysis, support and guidance culminated on June 11, 2006 when federal parent Crown corporations became subject to the Act. Through its operational policies, guidance and training, the Agency improved the way in which environmental assessment is conducted at the federal level. In addition, the Agency worked closely with federal departments and agencies on comprehensive studies and in providing administrative and technical support to review panels.

### Provincial and Territorial Governments

Constitutionally, environmental management is an area of jurisdiction shared between various levels of government. The Agency worked cooperatively with provincial, territorial and Aboriginal governments to minimize duplication and delays by bringing about greater cooperation in EAs of major projects. It also negotiated federal-provincial EA cooperation agreements, and worked with provincial and territorial governments on a broad range of EA issues.

### Industry/Proponents

Central to the Agency's mandate is providing all proponents, including the federal government, with access to the tools and the guidance they need to provide complete information on their projects and the potential adverse environmental effects in order to support the timely and predictable administration of the Act. The Agency's core training courses were attended by 726



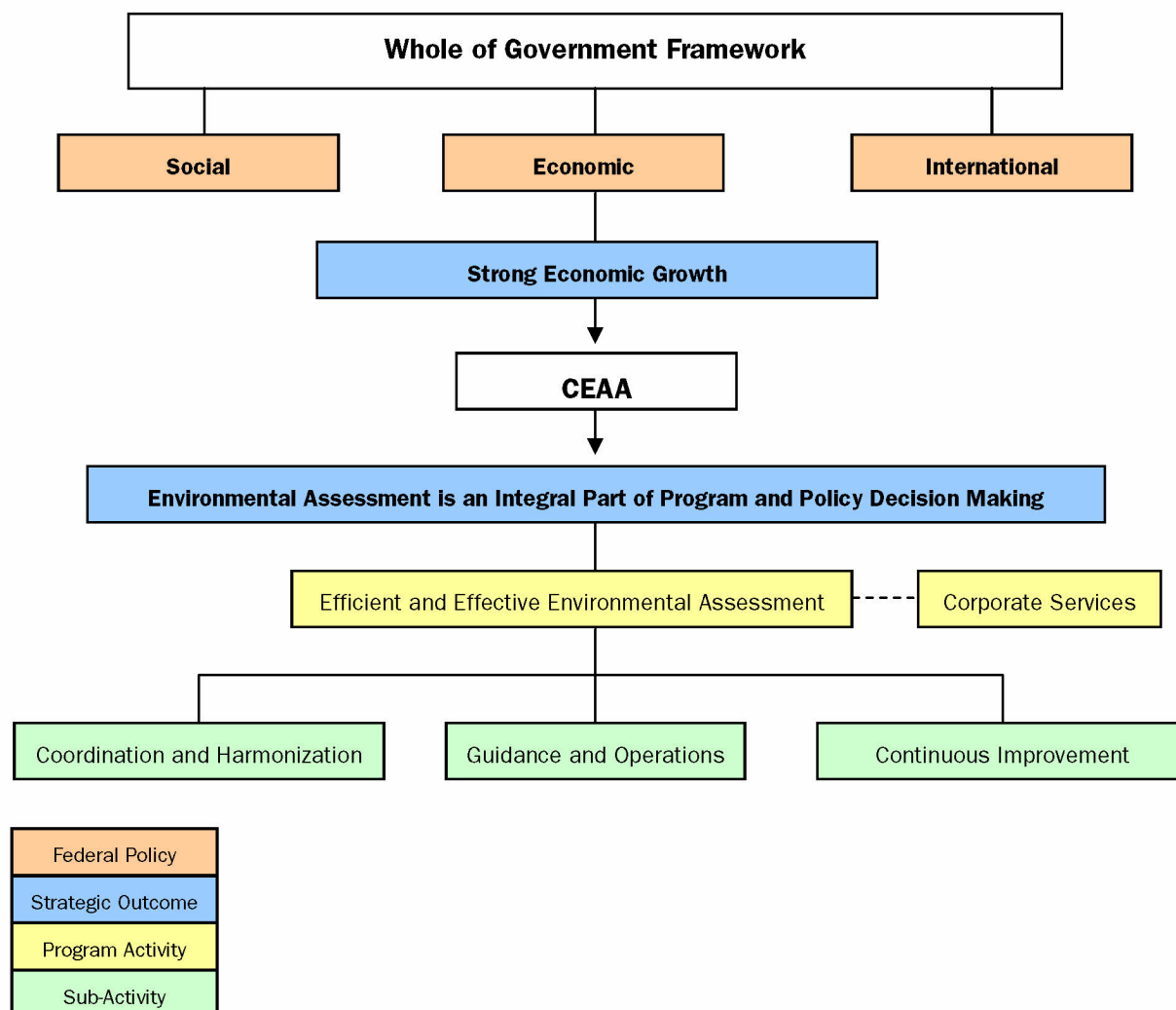
participants of whom 147 were EA consultants or industry representatives, and 395 were from federal departments.

## **Public and Non-Governmental Organizations**

The Agency encouraged public participation and worked with stakeholders to reconcile these interests while maintaining productive relationships and promoting high-quality environmental assessments to meet the expectations of Canadians. The Agency provided participant funding to individuals and non-profit organizations, including Aboriginal peoples and groups, which enabled them to take part in the public consultation process associated with review panels and comprehensive studies. The Agency also worked with multi-stakeholder groups, including non-governmental organizations, to further develop guidance on meaningful public participation in the federal environmental assessment process.

## LINK TO THE GOVERNMENT OF CANADA OUTCOME AREAS

The whole of government framework provides a structured logic model for the Agency to map its contribution to a set of high-level Government of Canada strategic outcomes. These outcomes promote long-term benefits to Canadians and are grouped in three broad policy areas (see chart below).



The central role for the Government of Canada is to improve the well-being of its citizens, and a sustainable economy is essential in attaining that outcome. Success depends on the reconciliation of environmental considerations with economic growth. The Agency has played a pivotal role in providing Canadians with high-quality environmental assessments, which have contributed to informed decision making in support of the Government of Canada's role in promoting and fostering sustainable economic growth.



## **SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME**



### ***In this section:***

- ◆ Analysis by Program Activity
- ◆ Key Program: Coordination and Cooperation
- ◆ Key Program: Guidance and Operations
- ◆ Key Program: Continuous Improvement

## ANALYSIS BY PROGRAM ACTIVITY

The Agency has one strategic outcome: “Environmental assessment is an integral part of program and policy decision making.” This strategic outcome is accomplished through one program activity: efficient and effective environmental assessment.

### Financial Resources (\$000s)

Planned Spending	Authorities	Actual Spending
18,033	19,525	18,372

### Human Resources (FTEs)

Planned	Actual	Difference
149	148	1

The Agency plays an important role in providing leadership, guidance, training and recommendations to federal departments and agencies. This helps ensure that environmental assessment decisions comply with the Act, reflect effective and efficient practices, and consider public values. Promoting high-quality environmental assessments contributes to better decisions that protect the environment and support sustainable development. The Agency also promotes consistent approaches to environmental assessments across Canada and with its international partners. The Agency works with provincial, territorial and local partners to develop cooperative approaches wherever possible. It also fosters engagement with Aboriginal communities.

This section provides details on the Agency’s program activity and its three key programs: coordination and cooperation, guidance and operations, and continuous improvement.

<b>Key Program: Coordination and Cooperation</b>	
<p><b>Description:</b> Achieving timely, streamlined, effective environmental assessments through strong coordination and cooperation within the federal government, with provinces and territories and in the context of land claims agreements.</p>	
<p><b>Expected Results:</b> Environmental assessment processes are well coordinated across the federal government and with other jurisdictions.</p>	
<b>Plan</b>	<b>Results</b>
<p>Reduce costs and delays in the federal environmental assessment process for individual projects by avoiding duplication, increasing certainty and resolving issues.</p> <p><b>Supports Priorities 1 and 2</b></p>	<ul style="list-style-type: none"> <li>▪ The Agency undertook the role of Federal Environmental Assessment Coordinator (FEAC) for 139 multi-jurisdictional screenings and 37 comprehensive studies. Establishing a FEAC for each EA undertaken assists departments and agencies in working together and with other jurisdictions to improve the coordination and harmonization of EA processes.</li> <li>▪ The Agency chairs the Environmental Assessment Projects Committee, which produced and implemented the <i>Interim Approach for Determining Scope of Project for Major Development Proposals with Specific Regulatory Triggers</i> under the <i>Canadian Environmental Assessment Act</i>. This Interim Approach aims at facilitating consistency and timeliness for a type of scoping decision that, historically, has tended to be difficult and time consuming.</li> </ul>
<p>Maximize predictability, increase efficiency and minimize conflicts, while strengthening effectiveness and accountability by establishing a cooperative policy framework for environmental assessment processes across jurisdictions.</p> <p><b>Supports Priority 1</b></p>	<ul style="list-style-type: none"> <li>▪ Framework bilateral agreements are in place and are being implemented with seven provinces/territories. An agreement with Manitoba was renewed in March 2007.</li> </ul>
<p>Establish, as part of land claims and self-government agreements, environmental assessment regimes that meet or exceed the requirements of the Act.</p> <p><b>Supports Priorities 2 and 3</b></p>	<p><b>Land Claim and Self-Government</b></p> <p>Agency participated and provided advice to Indian and Northern Affairs Canada for the development of EA regimes under 18 land claim and self-government agreements.</p> <ul style="list-style-type: none"> <li>▪ Quebec: Attikamek, Innu du Québec</li> <li>▪ Newfoundland and Labrador: Innu of Labrador</li> <li>▪ British Columbia Treaty Process: participation in 15 negotiating tables. Three agreements in principle concluded: Yale, Yekooche and in-Shuck-ch</li> </ul> <p><b>First Nations Oil and Gas and Moneys Management Act</b></p> <ul style="list-style-type: none"> <li>▪ Development of a regulatory EA regime for oil and gas projects on reserve lands</li> </ul> <p><b>First Nation Commercial and Industrial Development Act</b></p> <ul style="list-style-type: none"> <li>▪ Advice and support provided to INAC on the EA requirements for the <i>Fort McKay First Nation Oil Sands Regulations</i></li> </ul>



Key Program: Coordination and Cooperation			
Financial Resources (\$000s)	Planned Spending	Authorities	Actual
	6,164	7,412	7,202
Human Resources (FTEs)	Planned	Actual	Difference
	60	58	2

The activities identified in the above table support stakeholders and decision makers by providing informed advice, guidance and support for the environmental assessment of projects and policies. Establishment of bilateral agreements strengthens jurisdictional relationships through coordinated assessment processes. Providing guidance on environmental assessment provisions in self-government and land claim agreements engages Aboriginal stakeholders and supports federal negotiators.

<b>Key Program: Guidance and Operations</b>	
<b>Description:</b> The development of environmental assessment operations, advice, guidance and support for public participation.	
<b>Expected Results:</b> Environmental assessment expertise and operational capacity is maintained and enhanced, and the role of stakeholders and decision makers is supported.	
<b>Plan</b>	<b>Results</b>
<p>Ensure integration of environmental factors into the decision-making process for a specific project or class of projects through the review panel, comprehensive study and class screening processes.</p> <p><b>Supports Priority 2</b></p>	<ul style="list-style-type: none"> <li>During the planning period, the Agency supported 13 active review panels. The review panels for the Sydney Tar Ponds Remediation, Albion Oil Sands, Kearl Oil Sands, Cacauna Energy, and Eastmain-1-A and Rupert Diversion projects issued their reports in this period.</li> <li>The Agency declared five model class screening reports and five replacement class screening reports, and worked on the development of 20 reports. These class screening reports will enable responsible authorities to use resources more efficiently while ensuring that environmental considerations are taken into account during project planning and implementation.</li> <li>The Agency supported the development of class screenings by providing procedural and technical advice to federal departments. Through the Class Screening Funding Program, the Agency provided financial assistance to federal departments for the development of three new class screening reports.</li> <li>In addition, the Agency also played an important role in 37 comprehensive studies. During the reporting period, three comprehensive studies were completed, two were terminated and 32 others are at various stages of development.</li> </ul>
<p>Promote the integration of environmental considerations at the earliest stage of the decision-making process using strategic environmental assessments.</p> <p><b>Supports Priority 2</b></p>	<ul style="list-style-type: none"> <li>The Agency reviewed over 300 Cabinet documents, advising sponsoring departments and agencies accordingly on the implementation of the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i> and/or application of the <i>Canadian Environmental Assessment Act</i>.</li> <li>The Agency also held three general training sessions in the 2006–2007 period which a total of 55 participants attended. In addition, special tailored sessions were delivered to federal departments such as Finance, Fisheries and Oceans, Justice and Parks Canada. A total of 110 governmental officials attended these sessions.</li> </ul>
<p>Encourage and improve public participation in the conduct of comprehensive study and panel review processes.</p> <p><b>Supports Priority 2</b></p>	<ul style="list-style-type: none"> <li>The Agency administers the Participant Funding Program, which supports individuals and non-profit organizations interested in participating in EAs.</li> <li>In the 2006–2007 fiscal year, the Agency received 41 funding application requests to support public participation in the EAs of 10 projects. The Agency awarded funding to 36 applicants to support their effective participation in the EAs being conducted (six review panels and four comprehensive studies).</li> </ul>

Key Program: Guidance and Operations			
<p>Provide tools and mechanisms that support an improved environmental assessment process.</p> <p><b>Supports Priorities 1, 2 and 3</b></p>	<ul style="list-style-type: none"> <li>▪ In 2006–2007, the Agency worked in partnership with both federal and non-federal stakeholders on the development of new and updated guidance documents including a procedural guide for comprehensive studies, updates to the basic guide on how to determine if the Act applies, a new introductory guide for class screenings and a public participation guide series. Draft documents were circulated for review and are now moving to final approval for publication in 2007. This guidance material was developed to address changes in programs and expressed needs of EA practitioners and administrators.</li> <li>▪ In 2006–2007, the Agency delivered 65 formal training courses to a total of 982 participants. In response to the evaluation form question “Has this Agency training session met your needs?”, 96 percent of participants positively indicated that Agency training did meet their needs. In addition, 99 percent responded that they “would recommend this training session to others.”</li> </ul>		
<p>Provide timely, reliable and meaningful information about environmental assessments to facilitate public involvement in the environmental assessment process.</p> <p><b>Supports Priorities 1, 2 and 3</b></p>	<ul style="list-style-type: none"> <li>▪ This year, over 5,000 EAs were entered into the Canadian Environmental Assessment Registry Internet Site (CEARIS), and 10,000 users visited the CEARIS.</li> <li>▪ The Agency responded to over 500 public requests for information and EA records.</li> <li>▪ Several additional initiatives were undertaken this year to facilitate meaningful public participation in the EA process and encourage public access to reliable EA information.</li> <li>▪ The Interdepartmental Registry Team was established to increase collaboration and participation among responsible authorities.</li> <li>▪ Several improvements were made to the CEARIS such as better presentation of information about review panels, class screenings, public participation and participant funding.</li> <li>▪ Training and ongoing guidance were provided to system users to assist them in fulfilling their legal obligations in providing meaningful, high quality and timely information to the public via the CEARIS.</li> </ul>		
Financial Resources (\$000s)	Planned Spending	Authorities	Actual
	7,590	8,239	7,406
Human Resources (FTEs)	Planned	Actual	Difference
	52	56	-4

By providing guidance on the environmental assessment process, assisting federal government departments in meeting their obligations under the Act, and maintaining the CEAR Internet site, the Agency has strengthened its role as a centre of expertise on environmental assessment. Through the development and use of a more timely and efficient environmental process (in accordance with the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*) the Agency demonstrated continued effective leadership in the environmental assessment process.

<b>Key Program: Continuous Improvement</b>	
<b>Description:</b> Activities that support improved environmental assessment practices and/or outcomes.	
<b>Expected Results:</b> Environmental assessment practices are improved, and increasingly effective mitigation measures are implemented.	
<b>Plan</b>	<b>Action Item Indicators</b>
<p>Maintain an ongoing quality assurance program.</p> <p><b>Supports Priority 1 and 2</b></p>	<ul style="list-style-type: none"> <li>▪ The first draft of a report providing an overview of the nature of projects screened under the Act; the nature of the screening process; and the quality of service provided by the Canadian Environmental Assessment Registry Internet Site (CEARIS) was completed by the Agency and reviewed by the SMCEA Subcommittee on Quality Assurance.</li> <li>▪ Concurrently, work continued on documenting the history of projects whose assessments commenced as comprehensive studies since the October 30, 2003 proclamation of the amended Act. A major focus of this analysis is documentation of the time taken to complete the various steps in the comprehensive study process and the reasons for variation from one project to another.</li> </ul>
<p>Promote, develop and improve environmental assessment practices.</p> <p><b>Supports Priority 2</b></p>	<ul style="list-style-type: none"> <li>▪ In the fall of 2006, the Agency supported research projects under the newly revised Research and Development program. These projects respond to two identified research priority areas: Strategic Environmental Assessment (SEA) and Meaningful Involvement. The timeline for these research projects extends until 2008. As such, utilization of the reports will not be available until next year. The Agency hopes to use this research in relation to its strategic priorities, particularly with a view to informing how the Agency can build a more integrated framework for EA.</li> <li>▪ Further activity on developing a follow-up repository was deferred pending availability of additional results of follow-up programs.</li> </ul>
<p>Development and review of, and consultation and communication on, the legislative and policy basis for the federal practice of environmental assessment.</p> <p><b>Supports Priorities 1 and 2</b></p>	<ul style="list-style-type: none"> <li>▪ On June 11, 2006, amendments to the Act came into force whereby parent Crown corporations became subject to the Act. This culminated a three-year process of analysis, support and guidance by the Agency to familiarize Crown corporations with their responsibilities under the Act. As well, regulations were developed and implemented to provide a modified CEARIS process for those Crown corporations involved in providing commercial loans.</li> <li>▪ A new version of the <i>Exclusion List Regulations</i> was prepared for final approvals prior to coming into force, with a target date of late spring 2007. The Agency has also conducted consultations for two proposed amendments to the <i>Exclusion List Regulations</i> to address the business activities of Canada Post Corporation (CPC).</li> <li>▪ Projects were undertaken toward amendments to the other key regulations. A discussion paper was made available to the public on proposed amendments which would add the <i>International Boundary Waters Treaty Act</i> to the <i>Law List Regulations</i> and the <i>Inclusion List Regulations</i>. A review of section 10 of the</li> </ul>



Key Program: Continuous Improvement			
	<p><i>Comprehensive Study List Regulations</i> was initiated with Infrastructure Canada.</p> <ul style="list-style-type: none"> <li>▪ A new approach to amending the <i>Federal Coordination Regulations</i> was developed in response to comments received on the previous year's proposed revisions to the regulations. Federal departments and agencies were consulted on the approach and a plain language version of the proposed regulations was prepared.</li> <li>▪ Port authorities, federal departments and the Regulatory Advisory Committee were consulted on a final unofficial draft of a new version of the <i>Canada Port Authority Environmental Assessment Regulations</i>. Drafting of the final new regulation is in progress.</li> <li>▪ Consultation and discussions with the airport authorities and Transport Canada have been ongoing, and new draft airport authority regulations are expected to follow shortly after completion of the new port authority regulations.</li> </ul>		
Financial Resources (\$000s)	Planned Spending	Authorities	Actual
	4,279	3,874	3,764
Human Resources (FTEs)	Planned	Actual	Difference
	37	34	3



## SECTION III: FINANCIAL TABLES

### ***In this section:***

- ◆ Table 1: Comparison of Planned to Actual Spending (including FTEs)
- ◆ Table 2: Resources by Program Activity
- ◆ Table 3: Voted and Statutory Items
- ◆ Table 4: Services Received Without Charge
- ◆ Table 5: Sources of Respendable and Non-Respendable Revenue
- ◆ Table 6-A: *User Fees Act*
- ◆ Table 6-B: Policy on Service Standards for External Fees
- ◆ Table 7: Progress against the Agency's Regulatory Plan
- ◆ Table 8: Response to Parliamentary Committees, and Audits and Evaluations
- ◆ Table 9: Sustainable Development Strategy
- ◆ Table 10: Financial Statements



**Table 1: Comparison of Planned to Actual Spending (including FTEs)**

(\$000s)	2004–2005 Actual	2005–2006 Actual	2006–2007			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
<b>Effective and Efficient Environmental Assessment</b>	18,272.6	17,578.5	17,383.0	18,033.0	19,524.8	18,372.1
Less: Non-respendable revenue	3.8	18.4	—	—	261.8	261.8
Plus: Cost of services received without charge	3,464.4	2,886.7	3,276.0	3,276.0	3,179.5	3,179.5
<b>Total Agency Spending</b>	<b>21,733.2</b>	<b>20,446.8</b>	<b>20,659.0</b>	<b>21,309.0</b>	<b>22,442.5</b>	<b>21,289.8</b>
<b>Full-Time Equivalents</b>	<b>135.0</b>	<b>135.0</b>	<b>149.0</b>	<b>149.0</b>	<b>148.0</b>	<b>148.0</b>

This table provides a summary of resource levels for the last three years, as well as the evolution of the 2006–2007 resources. The fluctuation in total resources over the years is the result of funding changes in various initiatives, such as the *Canadian Environmental Assessment Act*, the Northern Gas Pipeline Project, collective bargaining and cost of services received without charge. The variance between the Total Authorities and the Actual Spending mainly consists of an approved reprofile of \$500K to 2007–2008 for the Participant Funding Program and resources to cover legal services of \$535K received from the Department of Justice.

**Table 2: Resources by Program Activity**

2006–2007					
Program Activity	Budgetary (\$000s)				
	Operating	Contributions	Total: Gross Budgetary Expenditures	Less: Respendable Revenue	Total
<b>Effective and Efficient Environmental Assessment</b>					
Main Estimates	18,941.0	1,943.0	20,884.0	-3,501.0	17,383.0
Planned Spending	18,941.0	2,593.0	21,534.0	-3,501.0	18,033.0
Total Authorities	25,879.1	2,646.7	28,525.8	-9,001.0	19,524.8
Actual Spending	22,915.1	2,049.4	24,964.5	-6,592.4	18,372.1

**Table 3: Voted and Statutory Items**

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–2007 (\$000s)			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
20	Program expenditures	15,609.0	16,259.0	17,614.7	16,462.1
(S)	Contributions to employee benefit plans	1,774.0	1,774.0	1,909.9	1,909.9
(S)	Spending of proceeds from the disposal of surplus Crown assets	—	—	0.2	—
	<b>Total</b>	<b>17,383.0</b>	<b>18,033.0</b>	<b>19,524.8</b>	<b>18,372.1</b>

This table presents resources that have been voted to the Agency by Parliament. It should be noted that Parliament approves the voted funding whereas the statutory information is provided for information purposes. Explanation of variance in resource levels can be found in tables 1 and 2.

**Table 4: Services Received Without Charge**

	2006–2007 (\$000s)
Accommodation provided by Public Works and Government Services Canada	1,554.3
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds)	824.4
Salary and associated expenditures of legal services provided by the Department of Justice Canada	800.8
<b>Total 2006–2007 Services Received Without Charge</b>	<b>3,179.5</b>

This table reflects the services received without charge from other government departments. For 2006–2007, the actual expenditures were slightly lower than the planned spending reflected in the 2006–2007 *Report on Plans and Priorities*, mostly because of lower costs than expected for legal services provided by Justice Canada.

**Table 5: Sources of Respendable and Non-Respendable Revenue**

<b>Respendable Revenue</b>						
<b>( \$000s)</b>	<b>Actual 2004– 2005</b>	<b>Actual 2005– 2006</b>	<b>2006–2007</b>			
			<b>Main Estimates</b>	<b>Planned Revenue</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Effective and Efficient Environmental Assessment</b>						
Cost recovery for environmental assessment services	877.9	4,167.7	3,351.0	3,351.0	8,851.0	6,305.1
Cost recovery for publications, training and education materials (federal)	105.2	85.8	75.0	75.0	90.0	120.6
Cost recovery for publications, training and education materials (external)	108.0	153.3	75.0	75.0	60.0	166.7
<b>Total Respendable Revenue</b>	<b>1,091.1</b>	<b>4,406.8</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>9,001.0</b>	<b>6,592.4</b>

<b>Non-Respendable Revenue</b>						
<b>( \$000s)</b>	<b>Actual 2004– 2005</b>	<b>Actual 2005– 2006</b>	<b>2006–2007</b>			
			<b>Main Estimates</b>	<b>Planned Revenue</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Effective and Efficient Environmental Assessment</b>						
	3.8	18.4	–	–	261.8	261.8
<b>Total Non-Respendable Revenue</b>	<b>3.8</b>	<b>18.4</b>	<b>–</b>	<b>–</b>	<b>261.8</b>	<b>261.8</b>

<b>Total Revenues</b>	<b>1,094.9</b>	<b>4,425.2</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>9,262.8</b>	<b>6,854.2</b>
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The Agency has authority to recover costs for environmental assessment services, publications, training and education materials. However, it should be noted that the use of this authority depends on the level of review panel activity that is eligible for cost recovery. As such, the level of revenue tends to fluctuate from year to year.

**Table 6-A: User Fees Act**

User Fee	Fee Type	Fee-Setting Authority	Date Last Modified	2006-2007 (\$000s)					Planning Years		
				Forecast Revenue (\$000s)	Actual Revenue (\$000s)	Full Cost (\$000s)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000s)	Estimated Full Cost (\$000s)
Environmental assessment services	R	Environmental Assessment Review Panel Services Charges Order	2002	3,351.0	6,305.1	9,129.8	The Agency has identified shortcomings with the existing performance standards, specifically with regards to the sufficiency of the Cost Recovery Order. The Agency has developed and is piloting a Participant Satisfaction Survey to establish indicators (such as fairness, accessibility, timeliness, efficiency and value for investment) to allow for qualitative performance evaluation.	The Agency will use these measures in the 2007–2008 DPR.	2007–2008	3,351.0	4,926.0
									2008–2009	3,351.0	4,926.0
									2009–2010	3,351.0	4,926.0
Fees charged for the processing of access requests filed under the Access to Information Act	O	Access to Information Act	1992	—	0.1	122.5	Service standards are in the Access to Information Act, section 7: <a href="http://laws.justice.gc.ca/en/a-1/218072.html">http://laws.justice.gc.ca/en/a-1/218072.html</a>	Statutory deadlines were met 83% of the time	2007–2008	0.3	129.7
									2008–2009	0.3	147.3
									2009–2010	0.3	164.9
			<b>Sub-total (R)</b>	<b>3,351.0</b>	<b>6,305.1</b>	<b>9,129.8</b>			<b>Total 2007–2008</b>	<b>3,351.3</b>	<b>5,055.7</b>
			<b>Sub-total (O)</b>	<b>—</b>	<b>0.1</b>	<b>122.5</b>			<b>Total 2008–2009</b>	<b>3,351.3</b>	<b>5,073.3</b>
			<b>Total</b>	<b>3,351.0</b>	<b>6,305.2</b>	<b>9,252.3</b>			<b>Total 2009–2010</b>	<b>3,351.3</b>	<b>5,090.9</b>

For 2006–2007, environmental assessment services constitute the main source of revenues of the Agency. This amount is subject to variation depending on the level of review panel activity that is eligible for cost recovery. Reflected forecasted revenues of \$3,351K are based on authorities. As review panel activity increases additional authorities will be sought. Full costs of environmental assessment services are based on actual revenues for 2006–2007 and forecasted revenues for 2007–2008, 2008–2009 and 2009–2010 adjusted for an estimated portion of the cost provided without charge\* and other costs that can not be recovered under the current authorities.

Actual and forecasted revenues for Access to Information and Privacy ( ATIP ) are based on a set fee per request as prescribed in the *Access to Information Act*. Full costs are based on actual costs related to generating the required information adjusted by an estimated portion of the cost provided without charge.

### **Table 6-B: Policy on Service Standards for External Fees**

Supplementary information on Service Standards for External Fees can be found at:

[http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index\\_e.asp](http://www.tbs-sct.gc.ca/rma/dpr3/06-07/index_e.asp)

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\* Accommodation provided by Public Works and Government Services Canada. Contributions covering employer's share of employees' insurance premiums and expenditures paid by the Treasury Board Secretariat. Salary and associated expenditures of legal services provided by Justice Canada.



**Table 7: Progress against the Agency's Regulatory Plan**

Regulatory Initiatives	Expected Results	Results Achieved
<p><b>Development of Crown Corporation Regulations</b></p> <p>Crown corporations will come under the Act in June 2006. The Agency will help these organizations meet their new obligations. New regulations will vary the assessment process for Crown corporations involved in the provision of commercial loans. The <i>Exclusion List Regulations</i> will be reviewed and amended to ensure that it takes into account the needs of Crown corporations.</p>	<ul style="list-style-type: none"> <li>▪ The Agency will assist Crown corporations in implementing their new obligations under the Act. Regulations will be developed to address the unique business activities of Crown corporations involved in the provision of commercial loans. Changes to the <i>Exclusion List Regulations</i> will allow for more efficient use of environmental assessment resources.</li> </ul>	<p>39 of 41 parent Crown Corporations came under the Act in June 2006 with no need for a regulatory variation modifying the environmental assessment process.</p> <p>A regulation varying the environmental assessment process for two Crown corporations that provide commercial loans came into force on June 11, 2006. The regulation allows them to implement their new responsibilities under the Act while maintaining their ability to deliver their services in a competitive environment.</p> <p>Proposed changes to the <i>Exclusion List Regulations</i> were developed by interested Crown corporations in collaboration with the Agency. The Minister's multi-stakeholder Regulatory Advisory Committee, the federal Senior Management Committee on Environmental Assessment, and other Crown corporations were consulted on the proposed changes.</p>
<p><b>Amendments to the <i>Exclusion List Regulations</i></b></p> <p>New entries will be added to these regulations to prescribe new classes of projects to be excluded from environmental assessment and to modify thresholds of certain existing entries.</p>	<ul style="list-style-type: none"> <li>▪ Reductions in the number of environmental assessments of projects having insignificant effects conducted by federal responsible authorities, particularly with regard to screening assessments.</li> <li>▪ More efficient and effective use of environmental assessment resources.</li> </ul>	<p>A new version of the regulations was prepared for final approvals, with a target date for coming into force in the late spring of 2007.</p>



Regulatory Initiatives	Expected Results	Results Achieved
<p><b>Amendments to <i>Federal Coordination Regulations</i></b></p> <p><i>Federal Coordination Regulations</i> will be amended to take into account changes brought about in 2003 by the renewed Act.</p>	<ul style="list-style-type: none"> <li>▪ Increased coordination among federal departments in fulfilling environmental assessment requirements and improved coordination with other participants in the environmental assessment process, including provinces, industry, environmental organizations and others.</li> <li>▪ A more timely and predictable environmental assessment process.</li> <li>▪ Increased transparency in the environmental assessment process.</li> </ul>	<p>In response to comments received on the previous proposals, and in light of the new <i>Cabinet Directive on Implementing the Canadian Environmental Assessment Act</i>, a new approach to amending the <i>Federal Coordination Regulations</i> was developed. Federal departments and agencies were consulted on the approach and a draft plain language version of the proposed regulations was prepared.</p>
<p><b>Amendments to <i>Canada Port Authority Environmental Assessment Regulations</i></b></p> <p>In accordance with changes brought about by the renewed Act in 2003, amendments to these regulations are needed to ensure the comprehensiveness, consistency, transparency and overall quality of port authorities' environmental assessment processes.</p>	<ul style="list-style-type: none"> <li>▪ Environmental assessment procedures for port authorities will be consistent with provisions of the amended Act, particularly with regard to comprehensive studies and the Registry.</li> </ul>	<p>Port authorities, federal departments and the Regulatory Advisory Committee were consulted on a final unofficial draft of a new version of the <i>Canada Port Authority Environmental Assessment Regulations</i>. Drafting the final new regulation is in progress.</p>
<p><b>Airport Authority Regulations</b></p> <p>In accordance with changes brought about by the renewed Act, these regulations will close a gap in the Act by requiring airport authorities to conduct an assessment of the environmental effects of projects located on the federal land over which those authorities have administration, management or other specified rights or interests.</p>	<ul style="list-style-type: none"> <li>▪ An environmental assessment process that captures all appropriate airport authority activities for assessment.</li> </ul>	<p>Consultation and discussions with the airport authorities and Transport Canada have been ongoing, and new draft airport authority regulations are expected to follow shortly after completion of the new port authority regulations.</p>

Regulatory Initiatives	Expected Results	Results Achieved
<p><b>Review of Four Key Regulations Under the Act</b></p> <p>In accordance with changes brought about in 2003 by the renewed Act, the <i>Inclusion List Regulations</i>, <i>Law List Regulations</i>, <i>Comprehensive Study List Regulations</i> and <i>Exclusion List Regulations</i> will be reviewed to ensure they remain relevant to government programs and priorities.</p>	<ul style="list-style-type: none"> <li>Regulations kept current, reflecting latest approaches and experience with environmental assessment.</li> </ul>	<p>A major revision of the <i>Exclusion List Regulations</i> was prepared with a target date for coming into force by the late spring of 2007. Projects were undertaken toward amendments of the other four key regulations. A discussion paper was made available to the public on proposed amendments that would add the <i>International Boundary Waters Treaty Act</i> to the <i>Law List Regulations</i> and the <i>Inclusion List Regulations</i>. A review of section 10 of the <i>Comprehensive Study List Regulations</i> was initiated with Infrastructure Canada.</p> <p>A Crown corporation-focused review of the <i>Exclusion List Regulations</i> was initiated.</p>

**Table 8: Response to Parliamentary Committees, and Audits and Evaluations**

<b>Response to Parliamentary Committees</b>
During the reporting period, the Agency did not table any responses to Parliamentary Committee reports.
<b>Response to the Auditor General including to the Commissioner of the Environment and Sustainable Development (CESD)</b>
During the reporting period, no recommendation of the Auditor General was addressed specifically to the Agency.
<b>External Audits (Note: These refer to other external audits conducted by the Public Service Commission of Canada (PSC) or the Office of the Commissioner of Official Languages.)</b>
During 2006–2007, two audits (Hospitality and Travel Claims) were conducted by a central agency (Treasury Board Secretariat). The results of these audits will be reported in the next Departmental Performance Report.
<b>Internal Audits or Evaluations</b>
During the reporting period, the Agency did not undertake any audits or evaluations.

**Table 9: Sustainable Development Strategy**

Points to Address	Input
1. What are the key goals, objectives, and/or long-term targets of the Sustainable Development Strategy?	<p>The 2007–2009 Sustainable Development Strategy (SDS) 20-year vision frames the goals, objectives and long-term targets for the Agency. The long-term vision of the SDS is to take into account environmental considerations, alongside economic and social ones, in all federal government decisions respecting policies, plans, programs and projects in a way that supports balanced, integrated decision making and progress toward sustainable development.</p> <p>The Agency recognizes that to achieve its vision, it must shift from leading a process-oriented federal environmental assessment framework to a results-oriented one, viewing the success of its initiatives through improvement in process as well as through improvements in the results it influences. The long-term goal of the 2007–2009 Sustainable Development Strategy is therefore to promote the full and meaningful application of a results-oriented federal environmental assessment framework. As such, the following three main objectives have been identified:</p> <ul style="list-style-type: none"> <li>▪ development of effective, efficient and mutually supportive environmental analysis tools;</li> <li>▪ early, full and meaningful application of environmental analysis tools; and</li> <li>▪ continuous learning and improvement.</li> </ul> <p>The SDS states that the Agency will begin the research phase of its long-term plan, which includes specific targets, to ensure that it can achieve this broad goal. The goals and objectives of the SDS are supported by 14 specific commitments.</p>
2. How do your key goals, objectives, and/or long-term targets help achieve your department's strategic outcomes?	<p>The vision and goal of the 2007–2009 SDS directly supports the Agency's identified strategic outcomes to build the framework for more integrated environmental assessment, assume a more active leadership role in federal environmental assessment and build capacity to deliver existing and new responsibilities by striving to acquire the knowledge needed to strengthen the role of environmental assessment in advancing sustainable development in Canada.</p>
3. What were your targets for the reporting period?	<p>Of the 46 commitments identified in the previous 2004–2006 SDS, the Agency fulfilled 25 commitments. Several initiatives were put on hold or were no longer considered priority items for the Agency.</p> <p>The 2007–2009 SDS is a new strategy for the Agency, introduced recently as of January 2007, and includes revised targets that differ from the previous 2004–2006 SDS. Specific targets that support long-term outcomes or objectives for the SDS include supporting research and development, and fostering open dialogue, with a view to advancing the science and practice of environmental assessment, and sharing these findings with our stakeholders. It includes learning by doing: putting theory into practice and taking on new roles and responsibilities. Most importantly, it is about increasing our knowledge of the outcomes influenced by our federal environmental assessment framework, so that within the opportunities that lie ahead, the Agency is positioned to provide sound and forward-looking advice to Parliament regarding the role of the</p>

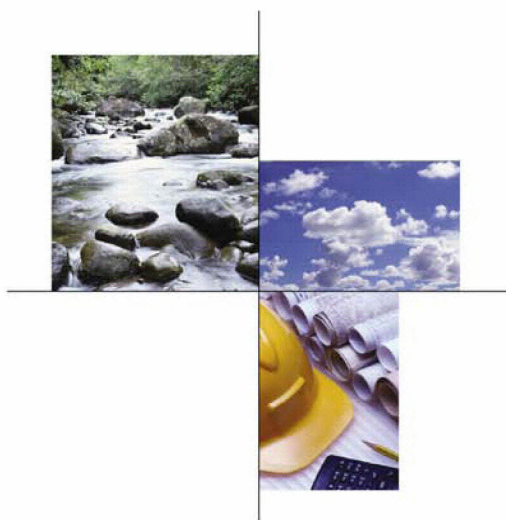
Points to Address	Input
	Agency, and the future of the federal environmental assessment framework.
4. What is your progress to date?	The 2007–2009 SDS Action Framework sets out to address the main challenges the Agency faces in leading an environmental assessment framework that supports Canadians achieving and maintaining sustainable development. Progress to date has not yet been measured as the strategy was only recently implemented, however the SDS will shortly undergo its first evaluation of progress using the Agency's Monitoring and Tracking System (MATS).
5. What adjustments have you made, if any?	The need to make adjustments to the 2007–2009 SDS has not yet been identified. Should adjustments be required following the first evaluation of progress, these will be documented and reported in the next Departmental Performance Report.

**Table 10: Financial Statements**



**Canadian Environmental  
Assessment Agency**

**Agence canadienne  
d'évaluation environnementale**



## **Financial Statements**

For the Year Ended March 31, 2007

(Unaudited)



**Canada**





## Canadian Environmental Assessment Agency

### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Canadian Environmental Assessment Agency for the year ended March 31, 2007 and all information contained in this report rests with the Agency's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Agency's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the Agency have not been audited.

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Jean-Claude Bouchard  
President

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Daniel Nadeau  
Acting Senior Financial Officer

Ottawa, Canada  
August 10, 2007



**Canadian Environmental Assessment Agency**  
**Statement of Financial Position (Unaudited)**  
**At March 31**  
(in dollars)

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>Financial assets</b>		
Accounts receivable and advances (Note 4)	<u>1,685,469</u>	<u>1,036,663</u>
<b>Total financial assets</b>	1,685,469	1,036,663
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	<u>11,247</u>	<u>12,653</u>
<b>Total non-financial assets</b>	11,247	12,653
<b>TOTAL</b>	<u><b>1,696,716</b></u>	<u><b>1,049,316</b></u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,838,598	2,984,157
Vacation pay and compensatory leave	616,707	412,076
Employee severance benefits (Note 7)	<u>2,335,215</u>	<u>2,087,903</u>
<b>Total liabilities</b>	<u>5,790,520</u>	<u>5,484,136</u>
<b>Equity of Canada</b>	<u>(4,093,804)</u>	<u>(4,434,820)</u>
<b>TOTAL</b>	<u><b>1,696,716</b></u>	<u><b>1,049,316</b></u>

Contingent liabilities (Note 8)  
Contracted obligations (Note 9)

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**  
**Statement of Operations (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<u>2007</u>	<u>2006</u>
Transfer payments		
First Nations	814,192	549,916
Non-profit organizations	729,694	398,530
Other levels of government	195,500	245,500
Industry	70,000	13,500
Other countries and international organizations	5,000	5,000
Individuals	<u>407</u>	<u>5,000</u>
Total transfer payments	<u>1,814,793</u>	<u>1,217,446</u>
Operating Expenses		
Salaries and employee benefits	14,763,557	13,794,906
Professional and special services	6,191,270	6,191,397
Rentals	2,418,018	1,901,967
Travel and relocation	2,332,312	1,680,726
Information	339,476	333,472
Telecommunications	287,906	199,302
Utilities, materials and supplies	188,832	171,864
Furniture and equipment	142,478	413,335
Postage	51,869	58,339
Repairs and maintenance	11,330	9,649
Other	6,258	3,659
Amortization	<u>1,406</u>	<u>1,406</u>
Total operating expenses	<u>26,734,712</u>	<u>24,760,022</u>
<b>Total Expenses</b>	<u><b>28,549,505</b></u>	<u><b>25,977,468</b></u>
Revenues		
Environmental assessment and training services	7,230,419	5,343,257
Miscellaneous revenues	<u>345</u>	<u>207</u>
<b>Total Revenues</b>	<u><b>7,230,764</b></u>	<u><b>5,343,464</b></u>
<b>Net Cost of Operations</b>	<u><b>21,318,741</b></u>	<u><b>20,634,004</b></u>

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**  
**Statement of Cash Flow (Unaudited)**  
**For the Year Ended March 31**  
(in dollars)

	<u>2007</u>	<u>2006</u>
<b>Operating Activities</b>		
Net cost of operations	21,318,741	20,634,004
Non-cash items:		
Services provided without charge (Note 10)	(3,179,502)	(3,106,219)
Amortization of tangible capital assets (Note 5)	(1,406)	(1,406)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances (Note 4)	648,806	982,218
Decrease (increase) in liabilities	<u>(306,384)</u>	<u>(828,556)</u>
Cash used by Operating Activities	18,480,255	17,680,041
<b>Financing Activities</b>		
Net cash provided by Government of Canada	<u><b>18,480,255</b></u>	<u><b>17,680,041</b></u>

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**  
**Statement of Equity of Canada (Unaudited)**  
**At March 31**  
(in dollars)

	<u>2007</u>	<u>2006</u>
<b>Equity of Canada, beginning of year</b>	(4,434,820)	(4,587,076)
Net cost of operations	(21,318,741)	(20,634,004)
Current year appropriations used (Note 3)	18,372,079	17,578,452
Revenue not available for spending	(924,311)	(948,750)
Change in net position in the Consolidated Revenue Fund (Note 3)	1,032,487	1,050,339
Services received without charge (Note 10)	<u>3,179,502</u>	<u>3,106,219</u>
<b>Equity of Canada, end of year</b>	<u><b>(4,093,804)</b></u>	<u><b>(4,434,820)</b></u>

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

**1. Authority and Objectives**

The Canadian Environmental Assessment Agency was established in 1995 under the *Canadian Environmental Assessment Act*. The Agency is mandated to provide high-quality federal environmental assessments that promote sustainable development. The Agency achieves this objective by:

- (a) providing administrative and advisory support for environmental assessment review panels;
- (b) promoting uniformity and harmonization of environmental assessment activities across Canada at all levels of government;
- (c) providing opportunities for meaningful public participation in the federal environmental assessment process.

The Agency has one core program activity which is "effective and efficient environmental assessment" which serves as the basis for its mission. This core program activity is supported by Corporate Services which provides modern, timely and responsive services.

In addition, the Agency has obligations under the *Canada-Wide Accord on Environmental Harmonization* and bilateral agreements with the provincial governments as well as international agreements covering environmental assessments.

The Agency is listed in Schedule I.1 of the *Financial Administration Act* and reports to Parliament through the Minister of the Environment.

**2. Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector

(a) Parliamentary appropriations - The Canadian Environmental Assessment Agency is primarily financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high level reconciliation between the bases of reporting.

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

(b) Net Cash Provided by Government - The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between the Agency and other federal government departments.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses - Expenses are recorded on an accrual basis:

- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total Agency obligation to the Plan. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.



**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

(g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Contingent liabilities - Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(i) Foreign currency transactions - Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the rate of exchange in effect on March 31.

(j) Tangible capital assets - All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the capital asset as follows:

<b>Asset class</b>	<b>Sub-asset class</b>	<b>Amortization period</b>
Machinery and equipment	Furniture and fixtures	10 years

(k) Measurement uncertainty - The preparation of financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that could affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable. The most significant estimated items are employee severance benefits, allowances for employee vacation and compensatory benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

**3. Parliamentary Appropriations**

The Agency receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

**a) Reconciliation of net cost of operations to current year appropriations used:**

	<b>2007</b>	<b>2006</b>
	(in dollars)	
<b>Net cost of operations</b>	<b>21,318,741</b>	<b>20,634,004</b>
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge (Note 10)	(3,179,502)	(3,106,219)
Amortization of tangible capital assets (Note 5)	(1,406)	(1,406)
Revenue not available for spending	924,311	948,750
Vacation pay and compensatory leave	(154,663)	(248,096)
Legal expenses charged by Justice Canada	(535,402)	(655,841)
Other	0	7,260
<b>Current year appropriations used</b>	<b>18,372,079</b>	<b>17,578,452</b>

**(b) Appropriations provided and used**

	<b>Appropriations Provided</b>	
	<b>2007</b>	<b>2006</b>
	(in dollars)	
Vote 20 – Program expenditures	17,614,665	17,466,946
Statutory amounts	1,909,930	1,991,890
Less:		
Lapsed appropriations	(1,152,516)	(1,880,384)
<b>Current year appropriations used</b>	<b>18,372,079</b>	<b>17,578,452</b>

**Canadian Environmental Assessment Agency**  
**Notes to the Financial Statements (Unaudited)**  
**For the Year Ended March 31, 2007**

**(c) Reconciliation of net cash provided by Government to current year appropriations used**

	<b>2007</b>	<b>2006</b>
	(in dollars)	
Net cash provided by Government	18,480,255	17,680,041
Revenue not available for spending	924,311	948,750
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	(648,806)	(982,218)
Variation in accounts payable and accrued liabilities	(145,559)	679,771
Variation in employee severance benefits	247,312	0
Legal expenses charged by Justice Canada	(535,402)	(655,841)
Other adjustments	49,968	(92,051)
	<u>(1,032,487)</u>	<u>(1,050,339)</u>
<b>Current year appropriations used</b>	<b>18,372,079</b>	<b>17,578,452</b>

**4. Accounts Receivable and Advances**

The following table presents details of accounts receivable and advances:

	<b>2007</b>	<b>2006</b>
	(in dollars)	
Receivables from other Federal Government departments and agencies	39,482	81,497
Receivables from external parties	1,643,187	952,366
Employee advances	2,800	2,800
<b>Total</b>	<b>1,685,469</b>	<b>1,036,663</b>

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

**5. Tangible Capital Assets**

(in dollars)

Capital asset class	Cost				Accumulated amortization				2007 Net book value	2006 Net book value
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance		
Machinery and equipment	14,059	-	-	14,059	1,406	1,406	-	2,812	11,247	12,653
<b>Total</b>	<b>14,059</b>	<b>-</b>	<b>-</b>	<b>14,059</b>	<b>1,406</b>	<b>1,406</b>	<b>-</b>	<b>2,812</b>	<b>11,247</b>	<b>12,653</b>

Amortization estimated expense for the year ended March 31, 2007 is \$1,406 (2006 – \$1,406).

**6. Accounts Payable and Accrued Liabilities**

The following table presents details of accounts payable and accrued liabilities:

	<b>2007</b>	<b>2006</b>
	(in dollars)	
Payables to other Federal Government departments and agencies	341,249	352,181
Payables to external parties	2,003,023	2,259,583
Accrued salaries	494,326	372,393
<b>Total</b>	<b>2,838,598</b>	<b>2,984,157</b>

**7. Employee Benefits**

(a) Pension benefits: The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

Both the employees and the Agency contribute to the cost of the Plan. The 2006-07 expense amounts to \$1,407,619 (\$1,473,276 in 2005-06), which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	<b>2007</b>	<b>2006</b>
	(in dollars)	
Accrued benefit obligation, beginning of year	2,087,903	1,767,148
Expense for the year	364,768	399,576
Benefits paid during the year	(117,456)	(78,821)
<b>Accrued benefit obligation, end of year</b>	<b>2,335,215</b>	<b>2,087,903</b>

## **8. Contingent Liabilities - Claims and Litigation**

In the normal course of its operations, the Agency becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the Government's consolidated financial statements<sup>(c1)</sup>. These estimated liabilities are not recognized on the Agency's financial statement as a liability until the amount of the liability is firmly established. At March 31, 2007, no actual liabilities exist and insufficient information is available to determine if any of the potential liabilities will become actual liabilities.

**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

**9. Contractual Obligations**

The nature of the Agency's activities can result in some multi-year contracts and obligations whereby the Agency will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in dollars)	2008	2009	2010	2011	2012	Total
Transfer payments	514,220	-	-	-	-	514,220
Professional services	333,603	42,538	27,987	12,300	-	416,428
Operating leases	166,645	73,298	7,474	7,474	7,474	262,365
<b>Total</b>	<b>1,014,468</b>	<b>115,836</b>	<b>35,461</b>	<b>19,774</b>	<b>7,474</b>	<b>1,193,013</b>

**10. Related Party Transactions**

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Agency received services which were obtained without charge from other Government departments as presented below.

During the year the Agency received without charge from other departments, accommodation, legal fees and employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's Statement of Operations as follows:

	2007	2006
	(in dollars)	
Accommodation	1,554,311	1,539,563
Employer's contribution to the health and dental insurance plans	824,373	802,296
Legal services provided by the Department of Justice	800,818	764,360
<b>Total</b>	<b>3,179,502</b>	<b>3,106,219</b>



**Canadian Environmental Assessment Agency  
Notes to the Financial Statements (Unaudited)  
For the Year Ended March 31, 2007**

The Agency also obtains selected financial services, materiel management, informatics and compensation and benefits services under a shared services agreement<sup>(c2)</sup> with Environment Canada. A portion of the cost of these services is paid annually and is reflected in the net cost of the program while a further portion is non-reimbursing and represents the commitment to shared services which was made at the time of the Agency's creation.

In addition, the Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General, are not included as an expense in the Agency's Statement of Operations.



## **SECTION IV: OTHER ITEMS OF INTEREST**

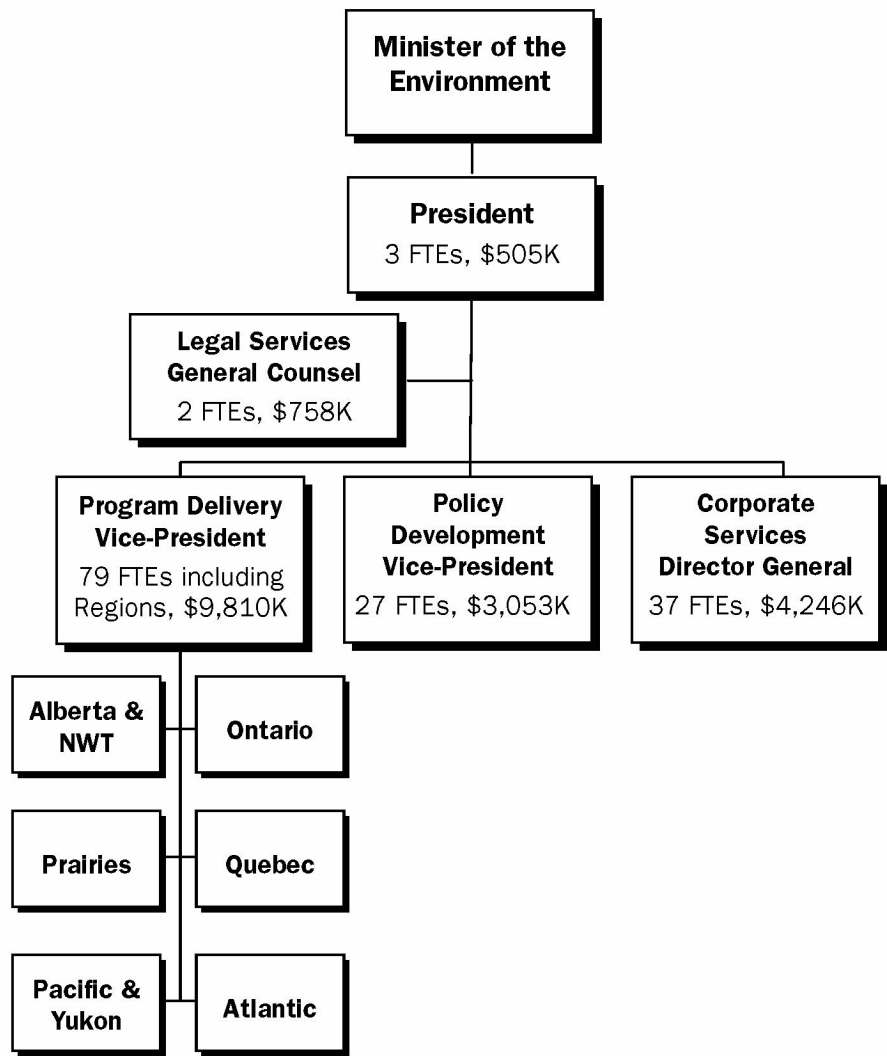
### ***In this section:***

- ◆ Agency Organization
- ◆ Statistical Summaries of Environmental Assessments
- ◆ Contacts for Further Information

# AGENCY ORGANIZATION

The reporting structure to the Minister of the Environment is shown in the figure below.

Actual Spending: \$18,372K with 148 FTEs.



## STATISTICAL SUMMARIES OF ENVIRONMENTAL ASSESSMENTS

The table below provides a statistical summary of environmental assessments conducted by responsible and regulated authorities. It outlines the total number of projects that underwent an environmental assessment under the *Canadian Environmental Assessment Act* during the 2006–2007 reporting period.

Fiscal Year 2006–2007			EA Decisions Taken this Fiscal Year			Follow-up Program		
EA Type	On-going on April 1, 2006	Initiated this fiscal year	Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Terminated	On-going follow-up program on April 1, 2006	Follow-up program initiated this fiscal year	Follow-up program completed this fiscal year
Screening	2,543	5,352	4,227	0	303	128	75	73
Class Screening	n/a	n/a	946	n/a	n/a	n/a	n/a	n/a
Comprehensive Study	29	12	4	0	3	13	1	0
Review Panel	11	4	1	0	0	0	0	0
Panel Substitution	0	1	0	0	0	0	0	0

**Note:** In addition, within the 2006–2007 reporting period, a total of 1,950 screenings were completed by the Business Development Bank of Canada and Farm Credit Canada. Effective June 11, 2006 these Crown corporations were required to conduct environmental assessments of their projects subject to the requirements of the *Canadian Environmental Assessment Act*, but with a modified process with respect to reporting on the Registry Internet site.

### Screenings

A screening is the most common type of environmental assessment. It is a systematic approach to identifying and documenting the environmental effects of a proposed project and determining the need to eliminate or minimize (mitigate) the adverse effects, to modify the project plan or to recommend further assessment through mediation or an assessment by a review panel.

Screenings are used to assess a wide range of projects. Screenings will vary in time, length and depth of analysis, depending on the circumstances of the proposed project, the existing environment and the likely environmental effects. Some screenings may require only a brief analysis of the available information and a brief report while others may need new background studies and will be more thorough and rigorous.

The responsible authority must ensure that the screening of the project is carried out and must prepare or ensure the preparation of a report which summarizes the findings of the screening.

For a summary of environmental assessments undertaken by each responsible or regulated authority consult the Canadian Environmental Assessment Agency's website at [www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca).

## Comprehensive Studies

Certain projects, by their very nature and size, may have the potential to cause significant adverse environmental effects. These types of projects have been identified and listed in the *Comprehensive Study List Regulations*.

As a result of revisions to the *Canadian Environmental Assessment Act* (the Act), proclaimed through Bill C-9 on October 30, 2003, the responsible authority must consult the public on its proposed approach and recommend to the Minister of the Environment whether the project should continue by means of a comprehensive study environmental assessment or be referred to a mediator or a review panel. At the end of the comprehensive study process, the Minister is required to issue a decision statement as to whether the project is likely to cause significant adverse environmental effects.

The Agency's role in the comprehensive study process is to provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment in support of the Minister's track decision on the environmental assessment and the determination of potential adverse environmental effects. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

The Minister concluded that the comprehensive studies described below were not likely to cause significant adverse environmental effects and referred them back to the responsible authority:

- Deltaport Third Berth Project  
([www.ceaa.gc.ca/050/viewer\\_e.cfm?cear\\_id=3734](http://www.ceaa.gc.ca/050/viewer_e.cfm?cear_id=3734))
- Kitimat Liquefied Natural Gas Terminal  
([www.ceaa.gc.ca/050/viewer\\_e.cfm?cear\\_id=10430](http://www.ceaa.gc.ca/050/viewer_e.cfm?cear_id=10430))
- Project to Implement a Processing Plant for Spent Potlining  
([www.ceaa.gc.ca/050/viewer\\_e.cfm?cear\\_id=9911](http://www.ceaa.gc.ca/050/viewer_e.cfm?cear_id=9911))
- Wuskwatim Hydro Generating Station  
([www.ceaa.gc.ca/010/0003/0016/index\\_e.htm](http://www.ceaa.gc.ca/010/0003/0016/index_e.htm))

## Review Panels

Distinguished by extensive public participation, review panels and joint review panels with other jurisdictions are the most visible and public type of environmental assessment. Review panels are independent from government, with members appointed by the Minister of the Environment.

The review panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public comment periods and public hearings. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

At the completion of the review process, the review panel's report, including conclusions and recommendations, is submitted to the Minister of the Environment. The recommendations are advisory, and the responsible authority, with the approval of the federal Cabinet considers and responds publicly to all recommendations.

The Agency's primary roles in a review panel process are to provide advice and coordination to federal expert authorities and responsible authorities; maintain the public registry; manage the review process and provide technical and administrative support to the review panel; administer the Participant Funding Program; and design and implement a public information program with the review panel.

During this reporting period, the Agency provided support and advice to the following panel reviews. To locate these environmental assessments on the Canadian Environmental Assessment Registry website:

- Go to: [http://www.ceaa.gc.ca/050/index\\_e.cfm](http://www.ceaa.gc.ca/050/index_e.cfm)
- Select **All** in the Status drop-down menu
- Type the **Reference Number** in the Keyword(s) / Reference Number box
- Press **Enter**

Projects Being Assessed	Reference Number
Cacouna Energy	04-07-7440
Construction of 4 Hydroelectric Dams, Romaine River	04-05-2613
Deep Geologic Repository for Low and Intermediate Level Radioactive Wastes	06-05-17520
Emera Brunswick Pipeline Company Ltd. Brunswick Pipeline	06-08-17667
EnCana Shallow Gas Infill Development Project in the Suffield National Wildlife Area	05-07-15620
Kearl Oil Sands - Mine Development	05-07-16237
Kemess North Gold-Copper Mine	04-07-3394
Lower Churchill Hydroelectric Generation	07-05-26178
Muskeg River Mine Expansion (MRME) – Albian Oil Sand Project	05-07-16259

Two other environmental assessments are available only on the CEAA web site:

- Eastmain-1-A and Rupert Diversion:  
[www.ceaa-acee.gc.ca/010/0001/0001/0017/index\\_e.htm](http://www.ceaa-acee.gc.ca/010/0001/0001/0017/index_e.htm)
- Mackenzie Gas Pipeline:  
[www.ceaa-acee.gc.ca/010/0001/0001/0020/index\\_e.htm](http://www.ceaa-acee.gc.ca/010/0001/0001/0020/index_e.htm)



## CONTACTS FOR FURTHER INFORMATION

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### The Canadian Environmental Assessment Agency's Web Site

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

### Treasury Board Secretariat's Web Site

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)



**CANADIAN ENVIRONMENTAL  
ASSESSMENT AGENCY**

**DEPARTMENTAL PERFORMANCE REPORT**

**For the period ending  
March 31, 2008**

**The Honourable Jim Prentice  
Canada's Environment Minister and  
Minister for the  
Canadian Environmental Assessment Agency**

**026030**



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## SECTION I: OVERVIEW

### *In this section:*

- ◆ Minister's Message
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- ◆ Agency Operating Environment and Challenges
- ◆ Stakeholders and Partners
- ◆ Link to the Government of Canada Outcome Areas





## MINISTER'S MESSAGE

I am pleased to present the Performance Report of the Canadian Environmental Assessment Agency for the period ending March 31, 2008. This report describes the Agency's key accomplishments for the 2007–2008 fiscal year.

The Agency's mandate is to support high-quality environmental assessments that contribute to informed decision making. In delivering this mandate, the Agency has three overarching priorities: improving integration of the environmental assessment process; assuming a more active leadership role in federal environmental assessment; and building the capacity to deliver on its responsibilities.

During the reporting period, the Agency continued to promote more effective and efficient environmental assessments, and better coordination with other departments and jurisdictions. As a result of commitments in Budget 2007 and the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, the Agency was given additional funding to undertake new roles and responsibilities. During 2007–2008, the Agency, therefore, devoted significant attention to activities necessary to fulfill its part in this multi-departmental initiative.

The Canadian Environmental Assessment Agency will continue to provide leadership to support and promote high-quality environmental assessments that safeguard our environment, while allowing for strong economic growth in Canada.

It gives me great pleasure, therefore, to submit the 2007–2008 Performance Report for the Agency.

---

Jim Prentice, P.C., M.P.

Canada's Environment Minister and

Minister for the Canadian Environmental Assessment Agency

# MANAGEMENT REPRESENTATION STATEMENT

I submit for tabling in Parliament, the 2007–2008 Departmental Performance Report for the Canadian Environmental Assessment Agency.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

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**Peter Sylvester**

**President**

# SUMMARY INFORMATION

## Reason for Existence

The Canadian Environmental Assessment Agency (the Agency) provides leadership and serves as the centre of expertise for the federal environmental assessment (EA) process. The Agency's mandate is to provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.

One strategic outcome defines the work of the Agency: "Environmental assessment is an integral part of program and policy decision making." The Agency's program activity is "efficient and effective environmental assessment." This work is achieved through two key programs:

- providing leadership and expert advice in support of environmental assessment; and
- developing, maintaining and improving the federal environmental assessment framework while building and clarifying linkages with other environmental assessment and regulatory frameworks, such as provincial review processes.

Led by the President, who reports directly to the Minister of the Environment, the Agency delivers its mandate within the framework of the following instruments:

- the *Canadian Environmental Assessment Act* (the Act) and its accompanying regulations;
- the *Canada-wide Accord on Environmental Harmonization* and bilateral agreements with provincial governments that establish arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, principally the United Nations Economic Commission for Europe *Convention on Environmental Impact Assessment in a Transboundary Context*.

The *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* reinforces the key facilitation role of the Agency in the administration of the Act and in encouraging the application of federal environmental assessments in a manner that supports the timely, predictable and efficient preparation of high-quality environmental assessments.

Through the federal Regulatory Improvement Initiative, and consistent with the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, the Agency assumed new responsibilities for managing EAs and coordinating Crown consultation with Aboriginal groups for major resource projects.

The Agency also promotes strategic environmental assessment by providing training and guidance to federal authorities on the application of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.

The President of the Agency has been designated by order-in-council as the federal administrator of the environmental and social protection regimes set out in chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*.

## Financial Resources (\$000s)

Planned Spending	Total Authorities	Actual Spending
16,540	25,133	18,277

## Human Resources (FTEs)

Planned	Actual	Difference
155	141	14

## Status on Performance

<b>Strategic Outcome</b> Environmental assessment is an integral part of program and policy decision making.				
<b>Program Activity</b> Efficient and effective environmental assessment.				
<b>Expected Results</b> Environmental assessment: <ul style="list-style-type: none"> <li>a) Processes are well coordinated across the federal government and with other jurisdictions;</li> <li>b) Expertise and operational capacity is maintained and enhanced, and the role of stakeholders and decision makers is supported; and</li> <li>c) Practices are improved, and increasingly effective mitigation measures are implemented.</li> </ul>				
Priority	Type	Performance Status	Planned Spending (\$000s)	Actual Spending (\$000s)
<b>No. 1</b> <i>Build a framework for more integrated environmental assessments.</i>	Ongoing	Ongoing	4,135	4,569
<b>No. 2</b> <i>Assume a more active leadership role in federal environmental assessment.</i>	Ongoing	Partially Met	9,097	10,052
<b>No. 3</b> <i>Build the capacity to deliver on existing and new responsibilities.</i>	Ongoing	Partially Met	3,308	3,656
<b>Total</b>			<b>16,540</b>	<b>18,277</b>



## Priority No. 1: Build a framework for more integrated environmental assessments

One of the Agency's priorities is to develop, maintain and improve the federal environmental assessment framework, while building new and strengthening existing linkages with other environmental assessment and regulatory frameworks. This priority was addressed through such tools and approaches as legislative and regulatory development, policy instruments and processes, class screenings, EA cooperation mechanisms, research and development, and quality assurance.

The Agency provided funding, advice and administrative support to federal departments for the development of class screening reports to promote and streamline the EA process for routine projects. It also continued to fund research and development aimed at helping the federal government improve the practice of environmental assessment in a relevant, credible and efficient manner, and encourage innovation and excellence. The first quality assurance report, on the subject of federal screenings under the *Canadian Environmental Assessment Act*, was published in December 2007.

Working in close collaboration with the Major Projects Management Office, recently established within Natural Resources Canada, the Agency contributed to efforts to strengthen coordination of EAs federally, to integrate EA into the federal regulatory process more effectively and, in support of a "one-window" approach, to integrate Aboriginal consultation into the EA process for major resource projects.

The Agency continued to provide advice to Indian and Northern Affairs Canada on the development of EA regimes under comprehensive land claims and self-government agreements. The Agency also participated actively in the development of EA provisions for legislation governing economic sector activities on First Nations lands.

During the reporting period, the Agency also pursued the following regulatory improvements:

- The new *Exclusion List Regulations, 2007*, which exempt certain projects with insignificant environmental effects, came into force in May 2007.
- New *Port Authority Environmental Assessment Regulations* that will replace the existing *Canada Port Authority Environmental Assessment Regulations* were drafted. The new Regulations are needed to reflect changes made to the *Canadian Environmental Assessment Act* in 2003. The draft Regulations are expected to be submitted for publication in the *Canada Gazette*, Part I, in fall 2008.
- Regulatory initiatives were pursued to add provisions of the *International Boundary Waters Treaty Act* and the *International Bridges and Tunnels Act* as triggers for environmental assessment. Public consultations were held, and legal drafting was started. The proposed amendments are expected to be submitted for publication in the *Canada Gazette*, Part I, in fall 2008.
- A proposal was developed for public consultation to update the order for cost recovery for management of review panels.

In addition, the Agency developed a framework for review of the four key regulations under the Act. They are the *Law List Regulations*, the *Inclusion List Regulations*, the *Exclusion List Regulations, 2007*, and the *Comprehensive Study List Regulations*. The framework will guide the ongoing review of the four key regulations within the current legislative structure. To this end, the framework provides guidance on how to identify a specific element of a regulation (e.g.



a particular type of project listed in the *Comprehensive Study List Regulations*) as a candidate for regulatory review and possible amendment, the criteria for consideration and the factors that will be used to prioritize candidates.

In Canada, responsibility for the environment is shared between the federal, provincial and territorial governments. Building a framework for more integrated environmental assessment depends on effective coordination between the different levels of government. The Agency has been working closely with its counterpart provincial and territorial organizations through the Canadian Council of Ministers of the Environment (CCME) to explore ways of strengthening EA coordination. The Agency co-chairs a task group under the CCME that, by the end of 2008, is to identify and recommend options to coordinate provincial/territorial and federal EA processes more effectively.

A multi-stakeholder advisory committee, chaired by the Agency and composed of representatives from industry, environmental groups, Aboriginal organizations, provinces and federal departments, continued to provide advice on various policy and regulatory initiatives, including preparations for the 2010 review of the *Canadian Environmental Assessment Act*.

## **Priority No. 2: Assume a more active leadership role in federal environmental assessment**

The Agency exercises a leadership role by providing support to review panels and, in its capacity as Federal Environmental Assessment Coordinator (FEAC), by helping to coordinate activities for comprehensive studies and multi-jurisdictional screenings. Throughout 2007-2008, the Agency worked in conjunction with other federal departments and agencies to develop and implement a more streamlined, predictable and efficient EA process within the overall regulatory regime. Under the resulting *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, the Agency assumed new responsibilities for managing the EA process for major resource projects and integrating Crown consultations with Aboriginal groups and peoples into these processes. In support of this initiative, the Agency has been administering a fund, allocated pursuant to a recent Federal Court of Appeal decision, to allow for meaningful consultation and engagement of Aboriginal interests. As well, the Agency has been working closely with the Major Projects Management Office, recently established within Natural Resources Canada to oversee the regulatory process for major resource projects.

Building on the internal policy for Aboriginal consultation developed last year, the Agency continued to establish operational frameworks within which the Aboriginal consultation policy can be delivered. These frameworks are the cornerstone for future engagement with Aboriginal peoples throughout the EA process. The Cabinet Directive formalizes the Agency's enhanced responsibility for Aboriginal consultation. In anticipation of this new role, the Agency has been developing training packages and best practices for EA consultation with Aboriginal communities.

The *Interim Approach for Determining Scope of Project for Major Development Proposals with Specific Regulatory Triggers under the Canadian Environmental Assessment Act*, December 2006 (Interim Approach to Scoping), introduced in the previous year, aims to reduce the potential for delay and provide clarity for participants in the EA process. The Interim Approach to Scoping aims to facilitate consistency and timeliness for a type of scoping decision that, historically, has tended to be difficult and time-consuming. Establishing a set of criteria and standards for a common approach to scoping promotes the consistent interpretation and application of the principles. The Agency continued to promote and communicate the Interim

Approach during the reporting period. Senior management of Environmental Assessment Project Committee member departments have signalled their continued support of the Interim Approach to Scoping.

During the 2007-2008 fiscal year, the Agency also continued to deliver training courses to assist federal partners and other stakeholders in complying with the *Canadian Environmental Assessment Act*, to encourage the application of tools and skills, and ultimately to enhance implementation of best practices in the delivery of high-quality environmental assessments. Over the past fiscal year, the Agency delivered 47 formal training sessions to 780 participants across Canada.

The Agency recognizes the need for specialized knowledge and skills, and its own leadership role in ensuring high-quality environmental assessments. The Environmental Assessment Recruitment and Development Program pilot, launched as a collaborative Agency/interdepartmental initiative in 2007, entered its second year in the spring of 2008.

### **Priority No. 3: Build the capacity to deliver on existing and new responsibilities**

To move ahead on the first two priorities, while meeting existing responsibilities for coordination, guidance and support for environmental assessments, the Agency has worked actively to develop its internal capacity and manage its talent.

During the review period, the Agency worked with other departments to fulfill the Budget 2007 commitment to streamline the regulatory regime for large natural resource projects, including the EA process and Aboriginal consultation. Budget 2007 provided funding to add staff in key regulatory departments and agencies to increase the predictability and timeliness of project review.

The Agency reviewed and updated its Human Resources (HR) Plan, which sets out a strategy for an organizational design for a transformed Agency, as well as capacity building for the period 2007-2009, to accommodate the influx of new financial and human resources. Given its anticipated growth, the Agency established a new organizational structure in February 2008. This was an important step toward building the Agency's capacity to deliver on new responsibilities, while fostering excellence and maximizing efficiency and effectiveness.

The Agency recognizes that learning and career development are valuable incentives and that commitment and productivity are enhanced when employee and Agency objectives are aligned. The Agency worked to achieve this alignment through the implementation of elements of the revised HR Plan, including an effective performance management program, personal learning plans, mentoring and succession planning programs. By investing in building a sustainable workforce, developing employees' skills and knowledge, the Agency will increase capacity among existing and new employees and enhance its retention rate. In January 2008, the Agency approved a comprehensive learning and development strategy to address short-term needs in support of the organizational transformation.



# AGENCY OPERATING ENVIRONMENT AND CHALLENGES

Protecting the environment, while building a strong economy and improving the quality of life for Canadians, is a daily challenge. Environmental assessment responds to this challenge by ensuring that environmental effects are considered before decisions are taken that allow projects to proceed.

Under the *Canadian Environmental Assessment Act*, federal departments and agencies must undertake an environmental assessment before they begin a project; provide financial assistance to enable a project to be carried out; sell, lease or otherwise transfer control or administration of land to enable a project to be undertaken; or issue certain permits or authorizations to allow a project to proceed. During the reporting period, nearly 7,000 EAs were initiated under the Act. Since 1995 (the year the Act came into effect), almost 80,000 assessments have been initiated.

Projects subject to environmental assessment or policies, plans or programs subject to strategic environmental assessment often raise important issues associated with socio-economic development, environmental protection, Aboriginal interests and federal-provincial/territorial relations. Environmental assessment must continually adapt to emerging trends, new scientific methods and insights, and evolving public expectations.

The following provides an overview of the issues and challenges the Agency faces in delivering its key programs.

## Shared Environmental Management Responsibility

Under the Canadian Constitution, responsibility for environmental management is an area of shared jurisdiction among various levels of government. To minimize duplication and delays, the Agency works with provinces and territories to foster greater cooperation in environmental assessment and promote the consistent, predictable and timely application of environmental assessment across Canada. This shared environmental management responsibility is realized by implementing or renewing bilateral agreements, and by working with provinces and territories to improve the coordinated delivery of environmental assessment.

The Agency is a co-chair of an EA task group under the Canadian Council of Ministers of the Environment that focuses on improved EA management. This group is to identify and recommend options to streamline EAs for projects subject to provincial/territorial and federal EA legislation.

## Integrating Competing Interests

Projects subject to environmental assessment often give rise to many sensitive issues related to development, community and public expectations, environmental protection, Aboriginal interests and federal-provincial relations. Projects can often be complex and those involved can have competing interests. It is an ongoing challenge to integrate these interests, maintain productive relationships, meet the expectations of Canadians and deliver high-quality assessments in a timely and predictable manner.

## Strength of the Canadian Economy

The number of environmental assessments required pursuant to the Act is, in large part, a function of the strength of our economy. In the last year, the expansion of the Canadian economy has led to an increase in major projects subject to review under the Act. The delivery of timely and effective environmental assessments in the face of this increased activity is an ongoing challenge.

## Meaningful Involvement of Aboriginal Peoples

The recognition of Aboriginal self-government and the development of land claim agreements are reshaping environmental assessment across Canada. The Agency has worked with Aboriginal groups and Indian and Northern Affairs Canada to ensure that EA regimes developed under these comprehensive land claims, self-government agreements and economic sector arrangements meet key environmental assessment requirements and take specific Aboriginal interests into account.

The Supreme Court of Canada has established that the Crown — at the federal and provincial levels — may have a legal duty to consult, and possibly accommodate, Aboriginal peoples where it contemplates conduct that may adversely impact potential or established Aboriginal or treaty rights.

The Agency worked with other departments to develop new policies, processes, procedures and guidance materials to integrate Aboriginal Crown consultations into the process of environmental assessment and regulatory approval for major resource projects. The Agency also provided participant funding to Aboriginal peoples and groups, which enabled them to take part in public consultations associated with review panels and comprehensive studies.

## Improved Federal Policy Development

The Agency is a strong advocate for the application of strategic environmental assessment (SEA) as a tool to support integrated decision making. Since the implementation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, federal departments have increasingly recognized the value of this tool in helping to promote sustainable development.

## International Community

International partnerships give Canada the opportunity to share environmental assessment expertise and, at the same time, access current research in other countries. Keeping in step with the environmental initiatives of international organizations also helps to ensure the competitive position of Canadian exporters.

Canada's international environmental assessment responsibilities must respect foreign policy and trade practices, and ensure consistency with the processes of other countries and organizations. As a party to the United Nations Economic Commission for Europe *Convention on Environmental Impact Assessment in a Transboundary Context*, Canada is required to meet its obligations under the Convention.

# STAKEHOLDERS AND PARTNERS

The Agency works with a wide range of stakeholders and develops partnerships to promote sound EA practices in Canada and abroad. In support of this work, the Agency maintains and supports several mechanisms for receiving advice and consulting stakeholders and partners, notably the Minister's multi-stakeholder Regulatory Advisory Committee, the federal Senior Management Committee on Environmental Assessment and the federal-provincial/territorial Environmental Assessment Administrators Committee. As well, the Agency is developing new approaches to engage Aboriginal peoples.

Central to the Agency's mandate is providing all proponents with a timely and predictable process, and access to both the tools and the necessary information to understand their role in supporting compliance with the Act. In accordance with the general thrust of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*, the Agency, with the help of federal departments and agencies, will ensure that proponents have sufficient information to help them prepare project descriptions that contain sufficient information to determine the need for a federal environmental assessment and, when required, to initiate its efficient conduct.

The Agency includes the following among its stakeholders and partners.

## Federal Departments, Agencies and Crown Corporations

The Agency assisted federal departments, agencies and Crown corporations in meeting their obligations under the *Canadian Environmental Assessment Act* and relevant regulations, as well as the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. One of the major initiatives this year was assisting in the development of the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and the subsequent Memorandum of Understanding. These instruments assign to the Agency the lead role in integrating consultation and engagement with Aboriginal peoples in the environmental assessments that the Agency leads.

Through its operational policies, guidance and training, the Agency improves the way environmental assessment is conducted at the federal level. In addition, the Agency works closely with federal departments and agencies on comprehensive studies, and provides administrative and technical support to review panels.

## Provincial and Territorial Governments

Constitutionally, environmental management is an area of jurisdiction shared by various levels of government. The Agency worked with provincial and territorial governments to minimize duplication and delays by bringing about greater cooperation in EAs of major projects. It continued to implement existing federal-provincial EA cooperation agreements, and worked with provincial and territorial governments on a broad range of EA issues.



## Aboriginal Peoples

The Agency has provided advice to Indian and Northern Affairs Canada to ensure that the EA regimes developed and implemented pursuant to comprehensive land claims agreements, self-government agreements and devolution initiatives are consistent with the requirements of the Act and can be coordinated with existing EA regimes.

The Agency actively participated in a senior level, interdepartmental, policy working group, which was tasked with developing interim guidance and policy for federal departments on the legal duty to consult with Aboriginal peoples.

The Agency also worked with other departments to develop new interim policies, processes, procedures and guidance materials to integrate Crown consultations with Aboriginal peoples into the process of environmental assessment and regulatory approval for major resource projects.

In particular, the Agency contributed significantly to the development of: documents that outlined the roles and responsibilities of the federal departments and agencies and how they will work together to satisfy consultation objectives to integrate Aboriginal consultation into the regulatory process; procedures for carrying out these objectives, including the creation of a records-management approach; and the development of milestones for tracking and reporting on Aboriginal consultation activities.

## Industry/Proponents

Central to the Agency's mandate is giving all proponents, including the federal government, access to the tools and guidance needed to provide complete information on projects and their potential adverse environmental effects, to support the timely and predictable administration of the Act. With the new responsibilities established for the Agency under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, proponents from both the private and public sectors will benefit from a more certain and timely environmental assessment process.

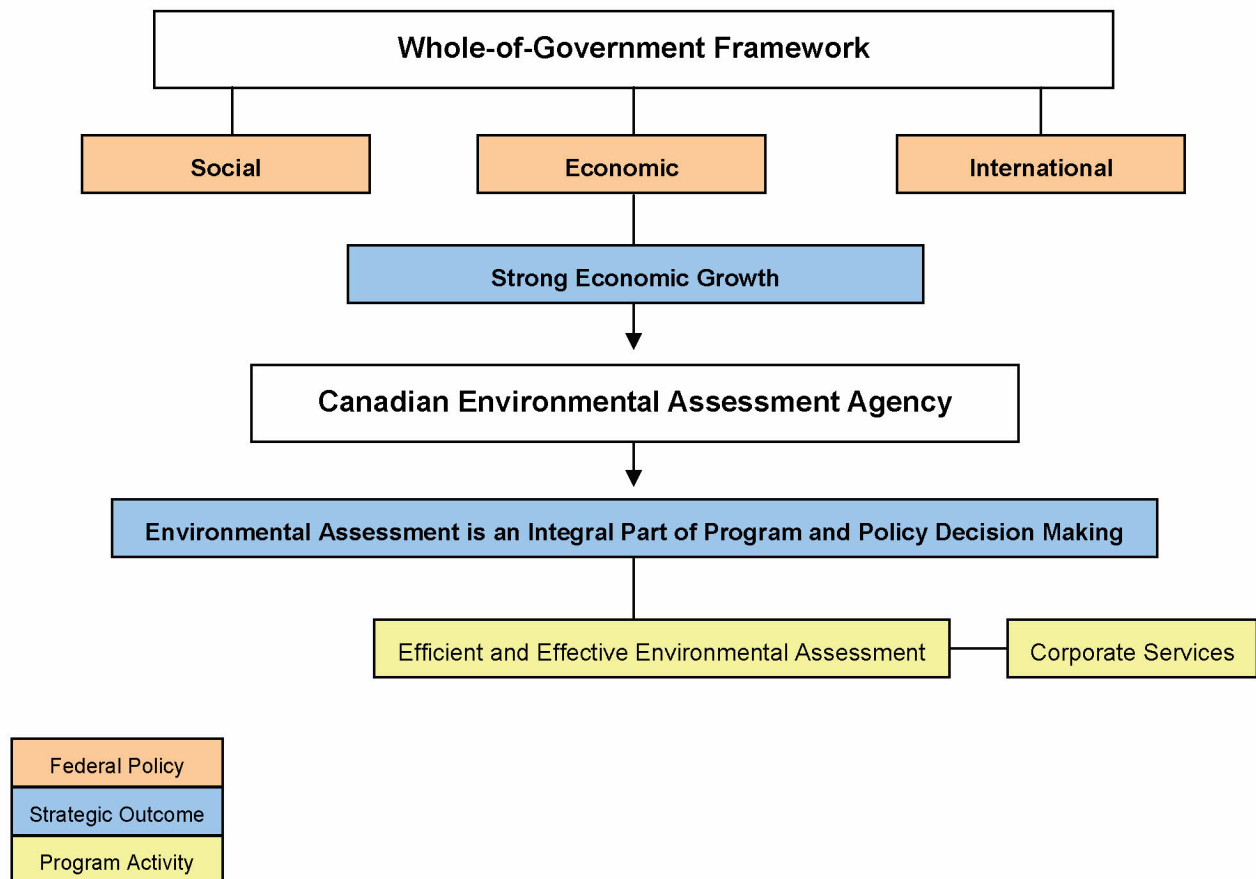
## Public and Non-governmental Organizations

The Agency encouraged public participation and worked with stakeholders to reconcile diverging interests, while maintaining productive relationships and promoting high-quality environmental assessments to meet the expectations of Canadians. The Agency provided participant funding to individuals and non-profit organizations, including Aboriginal peoples and groups, which enabled them to take part in the public consultations associated with review panels and comprehensive studies. With the new responsibilities established under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, the Agency will assume a larger role in funding participation by Aboriginal peoples in environmental assessments, while continuing to provide funding to individuals and non-profit organizations. The Agency also worked with multi-stakeholder groups, including NGOs, to develop further guidance on meaningful public participation in the federal EA process.



## LINK TO THE GOVERNMENT OF CANADA OUTCOME AREAS

The whole-of-government framework provides a structured logic model for the Agency to map its contribution to a set of high-level Government of Canada strategic outcomes. These outcomes promote long-term benefits to Canadians and are grouped in three broad policy areas (see chart below).



The central role of the Government of Canada is to improve the well-being of its citizens, and a sustainable economy is essential to attain that outcome. Success depends on the reconciliation of environmental considerations with economic growth. The Agency has played a pivotal role in providing Canadians with high-quality environmental assessments, which have contributed to informed decision making in support of the Government of Canada's role in promoting and fostering sustainable economic growth.

## SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME



### *In this section:*

- ◆ Analysis by Program Activity
- ◆ Key Program: Providing leadership and expert advice in support of environmental assessment
- ◆ Key Program: Developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks

## ANALYSIS BY PROGRAM ACTIVITY

The Agency has one strategic outcome: “Environmental assessment is an integral part of program and policy decision making.” This strategic outcome is accomplished through one program activity: efficient and effective environmental assessment.

### Financial Resources (\$000s)

Planned Spending	Authorities	Actual Spending
16,540	25,133	18,277

### Human Resources (FTEs)

Planned	Actual	Difference
155	141	14

The Agency played an important role in providing leadership, guidance, training and recommendations to federal departments and agencies. This helped ensure that environmental assessments complied with the *Canadian Environmental Assessment Act*, reflected effective and efficient practices, and considered public values. Promoting high-quality environmental assessments contributed to better decisions that protected the environment and supported sustainable development. An effective and efficient federal EA framework is an important component of integrated decision making, a cornerstone of sustainable development that provides net ecological, economic and social benefits to society. The Agency also promoted consistent approaches to environmental assessments across Canada and with its international partners. The Agency worked with provincial, territorial and local partners to develop cooperative approaches wherever possible. It also fostered engagement with Aboriginal communities.

This section provides details of the results of the Agency’s program activity and its two key programs:

- providing leadership and expert advice in support of environmental assessment; and
- developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks.

## Program Activity: Efficient and Effective Environmental Assessment

<b>Key Program:</b> Providing leadership and expert advice in support of environmental assessment	
<b>Description:</b> Stronger Agency leadership will support more timely and effective environmental assessment, enhance the Agency's credibility among its stakeholders, enable it to test innovative operational approaches that reduce fragmentation and lay the groundwork for possible legislative improvements.	
Plan	Results
<p>Reduce costs and delays in the federal environmental assessment process by avoiding duplication; increasing the certainty of the process and resolving issues.</p> <p><b>Supports Priorities 1 and 2</b></p>	<ul style="list-style-type: none"> <li>▪ In 2007-2008, the Agency was the Federal Environmental Assessment Coordinator (FEAC) for 358 projects, including multi-jurisdictional screenings, comprehensive studies and review panels. These efforts were not limited to federal permitting responsibilities, but, where possible, were harmonized with the provincial and territorial jurisdictions. These projects include newly announced projects as well as pre-existing responsibilities that carry over from year to year. During the 2007-2008 fiscal year, the Agency played the FEAC role for 134 newly announced projects, including 10 comprehensive studies, 2 review panels and 120 screenings.</li> <li>▪ The Agency provided ongoing support to 13 environmental assessment review panels. To reduce costs, delays and duplication, these panel reviews were either conducted jointly with another jurisdiction, regulatory body or by way of a substituted process.</li> <li>▪ As part of the implementation package for the Interim Approach to Scoping, the Environmental Assessment Projects Committee (EAPC) member departments applied the Interim Approach to Scoping on a total of 16 projects. The implementation of the Interim Approach to Scoping provides a framework to ensure a consistent approach to scoping decisions across the federal government, providing citizens, proponents and federal authorities with more predictability on the scope of proposed projects.</li> <li>▪ Five class screenings were initiated this fiscal year and four were declared. A total of 18 other class screenings were also in development. A class screening involves a complete environmental assessment for a well-defined class of projects, making future assessments of projects within that class more efficient. It supports improved coordination among federal authorities and allows departments to focus resources on projects more likely to have significant environmental effects.</li> </ul>
<p>Encourage and improve public participation in the conduct of comprehensive studies and panels, which will help ensure the integration of environmental factors in the decision-making process.</p> <p><b>Supports Priorities 1 and 2</b></p>	<ul style="list-style-type: none"> <li>▪ The Agency provided financial support to encourage public participation in 12 environmental assessments — six comprehensive studies and six review panels — during the 2007-2008 fiscal year. Forty-seven successful applicants received a total of \$680,086 during the reporting period, with the average recipient being awarded approximately \$14,500 in participant funding.</li> </ul>



<b>Key Program:</b> Providing leadership and expert advice in support of environmental assessment			
Provide tools and mechanisms that support improved implementation of the federal EA process.  <b>Supports Priorities 1 and 2</b>	<ul style="list-style-type: none"> <li>■ As chair of the Environmental Assessment Project Committee (EAPC), which includes key departments responsible for environmental assessment, the Agency demonstrated leadership in coordinating the development of tools for implementing the <i>Cabinet Directive on Implementing the Canadian Environmental Assessment Act</i>.</li> <li>■ These tools assisted the members of the EAPC in interpreting and applying the <i>Cabinet Directive on Implementing the Canadian Environmental Assessment Act</i> in a consistent and predictable fashion, thereby ensuring a more transparent and accountable process.</li> </ul>		
Provide training and guidance instruments that support high-quality environmental assessment.  <b>Supports Priorities 2 and 3</b>	<p>The Agency delivered 47 formal training events to 780 participants. There were 116,902 visits to the Agency website for guidance products.</p> <p>Seven new guidance products were released:</p> <ul style="list-style-type: none"> <li>■ An updated version of the guide, <i>How to Determine if the Act Applies</i>, was posted on the Agency Internet site in May 2007.</li> <li>■ Updated versions of the following Operational Policy Statements were posted on the Agency's Internet site in November 2007: <ul style="list-style-type: none"> <li>■ <i>Addressing Cumulative Environmental Effects under the Canadian Environmental Assessment Act</i>;</li> <li>■ <i>Addressing "Need for", "Purpose of", "Alternatives to" and "Alternative Means" under the Canadian Environmental Assessment Act</i>;</li> <li>■ <i>Preparing Project Descriptions under the Canadian Environmental Assessment Act</i>; and</li> <li>■ <i>Follow-up Programs under the Canadian Environmental Assessment Act</i>.</li> </ul> </li> <li>■ The Agency published the <i>Introduction to Class Screenings</i> guide and posted it on the Internet site in January 2008.</li> <li>■ A Class Screenings Procedures Guide was also completed within the reporting period and is made available to federal authorities during the development of class screenings.</li> </ul>		
Financial Resources (\$000s)	Planned Spending	Authorities	Actual
	11,927	19,965	14,024
Human Resources (FTEs)	Planned	Actual	Difference
	113	112	1

The activities identified in the above table support stakeholders and decision makers by providing informed advice, guidance and support for the environmental assessment of projects and policies.

By providing guidance on the EA process and helping federal government departments to meet their obligations under the Act, the Agency has strengthened its role as a centre of expertise on environmental assessment. Through the development and use of a more timely and efficient EA process (in accordance with the *Cabinet Directive on Implementing the Canadian Environmental*

*Assessment Act*) the Agency demonstrated continued effective leadership in federal environmental assessment.



**Key Program:** Developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks.

**Description:** Agency evaluation of operational experiences and development of policy and regulatory positions will enable it to meet the challenges it faces in leading an efficient and effective federal EA process and contribute to sustainable development more effectively.

Plan	Results
<p>Build a sound and comprehensive federal environmental assessment framework that fosters coordination and cooperation across government and with other jurisdictions and contributes to sustainability outcomes.</p> <p><b>Supports Priority 1</b></p>	<ul style="list-style-type: none"> <li>▪ The new <i>Exclusion List Regulations, 2007</i>, which exempt certain projects with insignificant environmental effects, came into force in May 2007. Amendments to the new Regulations were also developed, to capture certain projects undertaken by the Canada Post Corporation, which are known to have insignificant environmental effects and to improve the overall clarity of the Regulations. The amendments are expected to come into force in fall 2008.</li> <li>▪ The new <i>Port Authority Environmental Assessment Regulations</i> were drafted. These Regulations will replace the existing <i>Canada Port Authority Environmental Assessment Regulations</i>. They are needed to reflect changes made to the <i>Canadian Environmental Assessment Act</i> in 2003. The new Regulations are expected to be submitted for publication in <i>Canada Gazette</i>, Part I, in fall 2008.</li> <li>▪ The Agency completed a review and analysis of the current system for recovery of costs for review panel management and determined that the system needed to be updated to reflect the current range and cost of services. A proposed new fee schedule was developed and a consultation paper was completed and released in April 2008.</li> <li>▪ Amendments to the <i>Law List Regulations</i> and <i>Inclusion List Regulations</i> were drafted to add provisions of the <i>International Boundary Waters Treaty Act</i> as triggers for environmental assessment. Federal departments, the Regulatory Advisory Committee, key stakeholders and the public were consulted on the initiative. The proposed amendments are expected to be submitted for publication in <i>Canada Gazette</i>, Part I, in fall 2008.</li> <li>▪ Federal departments, the Regulatory Advisory Committee and key stakeholders were consulted on a regulatory initiative that would add the <i>International Bridges and Tunnels Act</i> as a statutory trigger for environmental assessment under the <i>Law List Regulations</i>. As well, a discussion paper outlining the proposed initiative was posted on the Agency's website for 60 days, for public comment. The Agency is currently moving forward with drafting the proposed regulatory amendment.</li> <li>▪ A framework for review of the four key regulations under the Act was developed. The regulations are the <i>Law List Regulations</i>, the <i>Inclusion List Regulations</i>, the <i>Exclusion List Regulations, 2007</i>, and the <i>Comprehensive Study List Regulations</i>.</li> <li>▪ In partnership with Infrastructure Canada, the Agency completed a review of past municipal/community drinking-water projects to determine whether a comprehensive study was the</li> </ul>

**Key Program:** Developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks.

	<p>most appropriate type of environmental assessment for these projects. Based on their experience, many stakeholders asserted that a screening type assessment would be more appropriate because these projects are not likely to result in significant adverse environmental effects. A consultation paper was developed and released in spring 2008.</p> <ul style="list-style-type: none"> <li>▪ L Preparations continued for the upcoming 2010 review of the <i>Canadian Environmental Assessment Act</i>, including developing a strategic approach and priority list of issues, and consulting with departments involved in federal EA.</li> <li>▪ L The Agency worked with other departments to develop new interim policies, processes, procedures and guidance materials to integrate Aboriginal/Crown consultations in the process of environmental assessment and regulatory approval for major resource projects. In particular, the Agency contributed significantly to clarifying roles and responsibilities by outlining: <ul style="list-style-type: none"> <li>▪ how federal authorities will work together to integrate Aboriginal consultation into the regulatory process;</li> <li>▪ records-management procedures for Aboriginal consultation activities throughout the regulatory process;</li> <li>▪ milestones for tracking and reporting on Aboriginal consultation activities throughout the regulatory process; and</li> <li>▪ an operational reference guide for Agency staff responsible for the implementation of commitments to streamline the process for major resource projects.</li> </ul> </li> <li>▪ L The Agency co-chaired an EA task group under the Canadian Council of Ministers of the Environment to work with provinces and territories to research and make recommendations for changes to federal, provincial and territorial policies and/or legislation. The ongoing objective is to enable a one-project/one-assessment or one-window approach for projects subject to both federal and provincial/territorial environmental assessments.</li> </ul>
<p>Build the knowledge base and provide and solicit advice to support environmental assessment framework development, while advancing the Agency's interests at home and abroad.</p> <p><b>Supports Priorities 1 and 3</b></p>	<ul style="list-style-type: none"> <li>▪ L The first report of the Quality Assurance Program dealing with screenings, which constitute more than 99 percent of all federal environmental assessments, was published on the Agency's website.</li> <li>▪ L In fall 2007, the Agency supported research projects that responded to two priority areas: Meaningful Involvement and Strategic Environmental Assessment (SEA). The timelines for these research projects extend into 2009. Research projects supported by the Agency that were initiated in 2006 will be available in 2008. The Agency also provided financial support for activities related to EA promotion and research and development, such as the British Columbia First Nations EA Technical Working Group capacity training.</li> </ul>

**Key Program:** Developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks.

- L More than 200 Cabinet submissions were reviewed during the 2007-2008 fiscal year. The Agency intervened in a number of instances to advise departments and agencies on their obligations under the Act and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.
- L The Agency continued to provide training, develop guidance and give advice and support to departments and agencies on SEA as needed, through courses, tailored briefing sessions and other advisory services.
- L The Agency, on behalf of the Privy Council Office, is leading a government-wide evaluation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. Terms of reference and planning for this initiative were completed during the reporting period. The evaluation is to be completed in 2009.
- L The Agency continued to support a multi-stakeholder subcommittee of the Minister's Regulatory Advisory Committee, established to make recommendations on ways to improve SEA.
- L The Agency contributed to the conceptualization and further development of regional approaches to environmental assessment through its active participation in a subcommittee of the Canadian Council of Ministers of the Environment. In collaboration with Fisheries and Oceans Canada, the Agency also led a two-day federal workshop on regional environmental assessment and worked with other partners to explore the role of knowledge management in regional assessment.
- L The Agency monitored or participated in a number of regional environmental planning and assessment exercises currently underway in Canada. In addition, the Agency worked with other organizations and stakeholders to consider the potential for regionally-based approaches to environmental assessment in the Beaufort Sea and offshore Nova Scotia.
- L The Agency provided technical advice to Indian and Northern Affairs Canada (INAC) in support of negotiations towards the establishment of land claims and/or self-government agreements with 22 Aboriginal groups in British Columbia, Quebec and Newfoundland and Labrador. The Agency's advice to INAC was focused on federal interests during the negotiation of the EA components of these agreements, in particular, definitions of participation rights in the federal EA process and the EA law-making authority of Aboriginal groups. As a result of the Agency's involvement, INAC was better able to represent federal interests in ongoing negotiations with Aboriginal groups.



**Key Program:** Developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks.

- Regular meetings of the interdepartmental Senior Management Committee on Environmental Assessment and the multi-stakeholder Regulatory Advisory Committee were held. These committees discussed and provided advice on various policy initiatives, notably preparations for the 2010 review of the *Canadian Environmental Assessment Act*. There were other meetings with representatives of environmental groups, a university, federal-provincial working groups and international delegations.
- Under the United Nations Economic Commission for Europe *Convention on Environmental Impact Assessment in a Transboundary Context*, the Agency participated in the Working Group on Environmental Impact Assessment meeting held in Geneva in November 2007 and participated in the fourth meeting of the parties in Romania in May 2008.
- The Agency participated in the International Association for Impact Assessment (IAIA) conference, held in Seoul, South Korea in June 2007, initiating and chairing a panel session, *Challenges and Opportunities in Impact Assessment: Oil Sands Development in Alberta, Canada*. Representatives from industry, the Alberta provincial government, and an environmental NGO discussed their roles and challenges when addressing environmental and socio-economic impacts of the oil sands development. The IAIA is an independent international network of EA professionals, academics and policy makers.
- The Agency participated in the 12<sup>th</sup> International Symposium of the Secrétariat international francophone pour l'évaluation environnementale (SIFÉE) in Geneva, Switzerland, to discuss environmental assessment and transport concepts, tools and methods. The SIFÉE is an international NGO that aims to strengthen the competence of specialists and policy makers working in the fields of environmental assessment, public participation and sustainable development by promoting their trade and establishing links with international bodies.
- Canada-US Environmental Protection Agency Exchange on Environmental Assessments meetings were held in June 2007 in Ottawa and in February 2008 in Washington. The objectives of the meetings were the promotion of information sharing, the exchange of best practices, the discussion of emerging issues in EA, and the exploration of potential collaborative work and mechanisms for consultation on key projects.
- Under the Canada-Costa Rica Competitiveness Development Fund, the Agency completed the Canada-Costa Rica Environmental Assessment Capacity Development Project. This was a joint endeavour among the Agency, the Canadian International Development Agency, the government of Quebec and the Secretaría Técnica Nacional Ambiental of Costa Rica. Through a project and contribution agreement, the Agency contributed to a capacity-building project to improve the effectiveness and quality of environmental assessment in Costa Rica.

**Key Program:** Developing, maintaining and improving the federal environmental assessment framework and building and clarifying linkages with other environmental assessment regulatory frameworks.

Financial Resources (\$000s)	Planned Spending	Authorities	Actual
	4,613	5,168	4,253
Human Resources (FTEs)	Planned	Actual	Difference
	42	29	13

The establishment of bilateral agreements strengthens inter-jurisdictional relationships through coordinated assessment processes. Providing guidance on EA provisions in self-government and land claim agreements engages Aboriginal stakeholders and supports federal negotiators.

## SECTION III: SUPPLEMENTARY INFORMATION



### *In this section:*

- ◆ Table 1: Comparison of Planned to Actual Spending (including FTEs)
- ◆ Table 2: Voted and Statutory Items
- ◆ Table 3: Sources of Respendable and Non-Respendable Revenue
- ◆ Table 4-A: *User Fees Act*
- ◆ Table 4-B: Policy on Service Standards for External Fees
- ◆ Table 5: Sustainable Development Strategy
- ◆ Table 6: Response to Parliamentary Committees and External Audits
- ◆ Table 7: Internal Audits and Evaluations
- ◆ Table 8: Financial Statements



**Table 1: Comparison of Planned to Actual Spending (including FTEs)**

(\$000s)	2005– 2006 Actual	2006– 2007 Actual	2007–2008			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
<b>Effective and Efficient Environmental Assessment</b>	17,578.5	18,372.1	16,540.0	16,540.0	25,132.4	18,276.8
Less: Non-respendable revenue	18.4	261.8	—	—	168.0	168.0
Plus: Cost of services received without charge	2,886.7	3,179.5	3,316.0	3,316.0	3,054.4	3,054.4
<b>Total Agency Spending</b>	<b>20,446.8</b>	<b>21,289.8</b>	<b>19,856.0</b>	<b>19,856.0</b>	<b>28,354.8</b>	<b>21,499.2</b>
<b>Full-time Equivalents</b>	<b>135.0</b>	<b>148.0</b>	<b>155.0</b>	<b>155.0</b>	<b>177.0</b>	<b>141.0</b>

This table provides a summary of resource levels for the last three years, as well as the evolution of the 2007-2008 resources. The fluctuation in total resources over the years is the result of funding changes in various initiatives, such as the *Canadian Environmental Assessment Act*, the Northern Gas Pipeline Project, collective bargaining and cost of services received without charge. The increase in authorities for 2007-2008 is mainly a result of the Budget 2007 announcement establishing an initiative to improve Canada's regulatory framework for major natural resource projects. The Agency also received funding to address Aboriginal consultation in environmental assessment processes and for review panel support and evaluation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. The variance between authorities and actuals is mainly the result of funding for initiatives released late in the fiscal year; therefore actual expenditures reflect only a partial year's worth of activities and costs.

**Table 2: Voted and Statutory Items**

Vote or Statutory Item	Truncated Vote or Statutory Wording	2007–2008 (\$000s)			
		Main Estimates	Planned Spending	Total Authorities	Total Actuals
15	Program expenditures	14,844.0	14,844.0	23,403.3	16,548.0
(S)	Contributions to employee benefit plans	1,696.0	1,696.0	1,728.8	1,728.8
(S)	Spending of proceeds from the disposal of surplus Crown assets	—	—	0.3	—
	<b>Total</b>	<b>16,540.0</b>	<b>16,540.0</b>	<b>25,132.4</b>	<b>18,276.8</b>

This table presents resources that have been voted to the Agency by Parliament. It should be noted that Parliament approves the voted funding whereas the statutory information is provided for information purposes. Explanation of variance in resource levels can be found in Table 1.

**Table 3: Sources of Respendable and Non-Respendable Revenue**

<b>Respendable Revenue</b>						
(\$000s)	2005–2006 Actual	2006–2007 Actual	2007–2008			
			Main Estimates	Planned Revenue	Total Authoritie s	Total Actuals
<b>Effective and Efficient Environmental Assessment</b>						
Cost recovery for environmental assessment services	4,167.7	6,305.1	3,351.0	3,351.0	7,751.0	6,027.9
Cost recovery for publications, training and education materials (federal)	85.8	120.6	75.0	75.0	100.0	109.8
Cost recovery for publications, training and education materials (external)	153.3	166.7	75.0	75.0	150.0	147.9
<b>Total Respendable Revenue</b>	<b>4,406.8</b>	<b>6,592.4</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>8,001.0</b>	<b>6,285.6</b>

<b>Non-Respendable Revenue</b>						
(\$000s)	2005–2006 Actual	2006–2007 Actual	2007–2008			
			Main Estimates	Planned Revenue	Total Authoritie s	Total Actuals
<b>Effective and Efficient Environmental Assessment</b>	18.4	261.8	—	—	168.0	168.0
<b>Total Non-Respendable Revenue</b>	<b>18.4</b>	<b>261.8</b>	<b>—</b>	<b>—</b>	<b>168.0</b>	<b>168.0</b>

<b>Total Revenues</b>	<b>4,425.2</b>	<b>6,854.2</b>	<b>3,501.0</b>	<b>3,501.0</b>	<b>8,169.0</b>	<b>6,453.6</b>
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The Agency has authority to recover costs for environmental assessment services, publications, training and education material. However, it should be noted that the use of this authority is dependent on the level of review panel activity that is eligible for cost recovery. As such, the level of revenue tends to fluctuate from year to year. The Agency has received additional authority in 2007-2008.

For supplementary information on the Agency's sources of respendable and non-respendable revenue, please visit: [www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp](http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp).

#### **Table 4-A: *User Fees Act***

For supplementary information on the Agency's User Fees, please visit: [www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp](http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp).

#### **Table 4-B: Policy on Service Standards for External Fees**

For supplementary information on the Agency's Service Standards for External Fees please visit: [www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp](http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp).

**Table 5: Sustainable Development Strategy**

SDS Departmental Goal:		
<b>Federal SD Goal(s) including GGO goals, if applicable:</b> To promote the full and meaningful application of a results-oriented federal environmental assessment framework.		
Department's Expected Results for 2007-2008	Supporting Performance Measure(s)	Achieved SDS Departmental Results for 2007-2008
Governance for Sustainable Development: Federal SD Goal VI	Improved understanding of how the various components of an effective and efficient environmental assessment framework should work together, and of the strengths and weaknesses of the current framework in supporting integrated decision making.	<p><b>Advancing the science and practice of strategic environmental assessment:</b></p> <ul style="list-style-type: none"> <li>▪ The Agency supported the work of the Minister's Regulatory Advisory Committee Subcommittee on SEA as it undertook its mandate to define the broader context for SEA, to explore meaningful linkages between strategic and project-level EA, and to examine the role of the public and Aboriginal groups in SEA.</li> <li>▪ The Agency funded a research project through the Research and Development Program, which advances the science and practice of SEA, entitled <i>Atikamekw Nation Territorial Planning: The Role of Strategic Environmental Assessment in Sustainable and Adaptive Joint Management of Forest Area</i>. The project is underway and the report is expected in 2009. The Agency continued to support the research project, funded in 2006, entitled <i>Extending Models and Practice of Strategic Environmental Assessment in the Regional Municipality of York, Ontario, Canada</i>, which is expected to be finalized in 2008.</li> </ul> <p><b>Advancing the science and practice of regional-scale environmental assessment:</b></p> <ul style="list-style-type: none"> <li>▪ The Agency has been working with its partners to foster a better understanding and to help generate consensus on common principles for regional-scale environmental assessment. In March, the Agency and Fisheries and Oceans Canada jointly organized a federal workshop on regional environmental assessment (REA). The Agency also actively participated in work underway through the CCME to develop a common national understanding and conceptual framework for regional strategic environmental assessment. Efforts were also made to explore possibilities for pilot REAs offshore Nova Scotia and in the Beaufort Basin.</li> </ul>

SDS Departmental Goal:		
<b>Federal SD Goal(s) including GGO goals, if applicable:</b> To promote the full and meaningful application of a results-oriented federal environmental assessment framework.		
Department's Expected Results for 2007-2008	Supporting Performance Measure(s)	Achieved SDS Departmental Results for 2007-2008
	A timelier, coordinated, and consistent approach to the environmental assessment process of major projects is applied.	<p><b>Promoting and ensuring the implementation of initiatives, which improve the coordination among stakeholders in federal project environmental assessments:</b></p> <ul style="list-style-type: none"> <li>Under Agency leadership, a Memorandum of Understanding pursuant to the 2005 <i>Cabinet Directive on Implementing the Canadian Environmental Assessment Act</i> was completed and ratified by five key departments.</li> <li>The Agency continued to chair and support the work of the Environmental Assessment Project Committee (EAPC), which aims to facilitate a whole-of-government approach to the preparation of high-quality environmental assessments in a predictable, certain and timely manner.</li> </ul> <p><b>Gaining a greater understanding of the effectiveness of the Agency and its supporting legislative and policy tools in achieving coordination among stakeholders:</b></p> <ul style="list-style-type: none"> <li>The Agency has learned from its experiences as Federal Environmental Assessment Coordinator for a number of projects and has gathered data to track improvements in coordination.</li> </ul>
	Improved knowledge across government of how to engage the public, including Aboriginal peoples, in high-quality environmental assessments.	<p><b>Building knowledge and capacity internally and throughout the federal government in the area of engaging the public and Aboriginal peoples in environmental assessment:</b></p> <ul style="list-style-type: none"> <li>The Agency developed guidance on meaningful public participation, and policy and skill-building training for engagement of Aboriginal peoples in the federal EA process. Specific examples of this include: the development of a <i>Guide for Meaningful Public Participation in Environmental Assessments under the Canadian Environmental Assessment Act</i>; the development of a course entitled <i>Engaging the Aboriginal Peoples in Environmental Assessment</i>; and the delivery of a number of other training sessions and workshops for both internal and external audiences, dealing with public or Aboriginal groups' engagement in federal environmental assessment.</li> <li>The Agency worked with other federal departments to develop the <i>Aboriginal Consultation and Accommodation: Interim Guidelines for Federal</i></li> </ul>



SDS Departmental Goal:		
<b>Federal SD Goal(s) including GGO goals, if applicable:</b> To promote the full and meaningful application of a results-oriented federal environmental assessment framework.		
Department's Expected Results for 2007-2008	Supporting Performance Measure(s)	Achieved SDS Departmental Results for 2007-2008
		<p><i>Officials to Fulfill the Legal Duty to Consult</i>, released in February 2008. The Agency has been a key player in the development of policy and corresponding operational guidance for the engagement of Aboriginal peoples in the EA process for projects under the Major Project Management Office initiative.</p> <ul style="list-style-type: none"> <li>Through its Research and Development Program, the Agency funded two proposals aimed at providing new understanding and approaches for the meaningful involvement of Aboriginal peoples in environmental assessment. The projects, <i>Effective Engagement of Aboriginal Peoples in Environmental Assessment: A Case Study of Treaty 8 Nations</i> and <i>Atikamekw Nation Territorial Planning: The Role of Strategic Environmental Assessment in Sustainable and Adaptive Joint Management of Forest Area</i>, are underway and are expected to be finalized in 2009.</li> </ul>
	Regular and consistent training in sustainable development tools for planners and analysts across the government of Canada.	<p><b>Collaborating with other federal departments and agencies to increase awareness and application of the principles of sustainable development and the sustainable development tools:</b></p> <ul style="list-style-type: none"> <li>The Agency has joined other government departments and the Canada School of Public Service to design and support the delivery of a new Government of Canada Sustainable Development course (#727). The first French and English sessions, held in February and March respectively, were very well attended.</li> <li>The Agency is also a member of the interdepartmental Awareness, Communication and Training Working Group of the Interdepartmental Network on Sustainable Development Strategies.</li> </ul>



SDS Departmental Goal:		
<b>Federal SD Goal(s) including GGO goals, if applicable:</b> To promote the full and meaningful application of a results-oriented federal environmental assessment framework.		
Department's Expected Results for 2007-2008	Supporting Performance Measure(s)	Achieved SDS Departmental Results for 2007-2008
	Identification of areas requiring improvement in the application of the Cabinet Directive and the Act.	<b>Evaluating the effectiveness of the SEA and project EA processes:</b> <ul style="list-style-type: none"> <li>The Agency, in collaboration with the Privy Council Office, is leading a government-wide evaluation of the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>. Terms of reference were finalized and a process was established to secure an independent, third-party evaluator.</li> <li>The Agency's quality assurance unit has been working to identify and to analyze aspects of the current EA process that are most likely to lead to favourable environmental outcomes.</li> </ul>
	Identification of opportunities to integrate the project-review process across jurisdictions.	<b>Examining how the Agency can move toward better integration of project review at the national level:</b> <ul style="list-style-type: none"> <li>Through the Canadian Council of Ministers of the Environment, the Agency has worked with other jurisdictions to identify opportunities to improve the coordination of assessments for projects subject to both provincial/territorial and federal environmental assessment.</li> </ul>
	Themes of research and development reflect issues and needs addressed in the Agency's sustainable development strategies.	<b>Ensuring that the research areas promoted and encouraged by the Agency are consistent with, and supportive of, the goal and objectives set out in the Agency's sustainable development strategies:</b> <ul style="list-style-type: none"> <li>The Agency has used the sustainable development strategy to guide the selection of future research priority areas for the Research and Development Program. Proposed priority areas were assessed against a number of criteria, including the degree of congruence and relevance to program objectives and the Agency's priorities, as well as their ability to contribute to the development and promotion of sound environmental assessments.</li> </ul>

For supplementary information on the Agency's Sustainable Development Strategy, please visit:  
[www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp](http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp).

**Table 6: Response to Parliamentary Committees and External Audits**

<b>Response to Parliamentary Committees</b>
<ul style="list-style-type: none"> <li>During the reporting period, the Agency did not table any responses to Parliamentary Committee reports.</li> </ul>
<b>Response to the Auditor General</b> (including to the Commissioner of the Environment and Sustainable Development)
<ul style="list-style-type: none"> <li>The Agency participated in a follow-up audit of the government's performance in implementing the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>, completed by the Commissioner of the Environment and Sustainable Development (CESD) during the reporting period.</li> <li>The Agency also participated in a CESD audit initiated during the reporting period of selected commitments contained in its 2007-2009 <i>Sustainable Development Strategy</i>.</li> <li>No recommendations of the Auditor General or the CESD were addressed specifically to the Agency.</li> </ul>
<b>External Audits</b> (Note: These refer to other external audits conducted by the Public Service Commission of Canada (PSC) or the Office of the Commissioner of Official Languages)
<b>Government-wide Audit of Executive (EX) Appointments by the Public Service Commission</b> <ul style="list-style-type: none"> <li>The objective of this government-wide audit is to determine whether EX appointment activities comply with the <i>Public Service Employment Act</i> and other applicable legislation and policies, and with the instrument of delegation signed with the Public Service Commission. The audit covers the period starting January 1, 2006 and ending December 31, 2006. The Public Service Commission plans to finalize this audit during the 2008-2009 fiscal year.</li> </ul> <a href="http://www.psc-cfp.gc.ca/adt-vrf/cntadt-vrfact-eng.htm">www.psc-cfp.gc.ca/adt-vrf/cntadt-vrfact-eng.htm</a>

For supplementary information on the Agency's response to Parliamentary Committees and External Audits, please visit: [www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp](http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp).

**Table 7: Internal Audits and Evaluations**

<b>Internal Audits (current reporting period)</b>
During the reporting period, the Agency did not undertake any audits.
<b>Evaluations (current reporting period)</b>
During the reporting period, the Agency did not complete any evaluations.

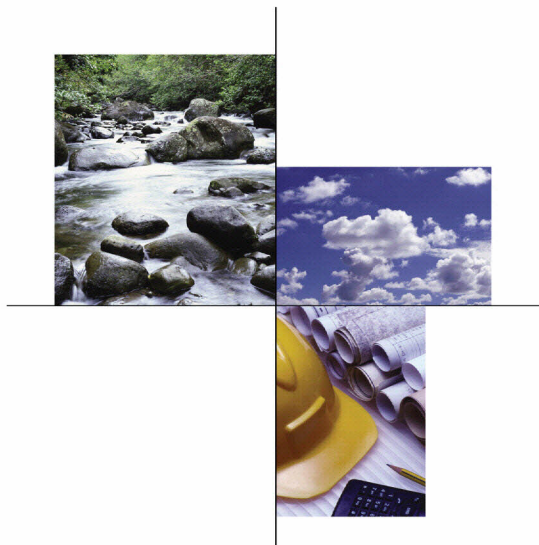
For supplementary information on the Agency's Internal Audits and Evaluations, please visit: [www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp](http://www.tbs-sct.gc.ca/dpr-rmr/2007-2008/index-eng.asp).

## Table 8: Financial Statements



**Canadian Environmental  
Assessment Agency**

**Agence canadienne  
d'évaluation environnementale**



## Financial Statements

For the Year Ended March 31, 2008

(Unaudited)



**Canada**



## Canadian Environmental Assessment Agency

### Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements of the Canadian Environmental Assessment Agency for the year ended March 31, 2008 and all information contained in this report rests with the Agency's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Agency's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the Agency have not been audited.

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**Peter Sylvester**

**President**

Ottawa, Canada

August 08, 2008

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**Richard Gagné**

**Senior Financial Officer**

Canadian Environmental Assessment Agency

Statement of Financial Position (Unaudited)

At March 31

(in dollars)

	2008	2007
<b>ASSETS</b>		
<b>Financial assets</b>		
Accounts receivable and advances (Note 4)	1,761,060	1,685,469
<b>Total financial assets</b>	1,761,060	1,685,469
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	216,686	11,247
<b>Total non-financial assets</b>	216,686	11,247
<b>TOTAL</b>	<b>1,977,746</b>	<b>1,696,716</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	2,639,196	2,838,598
Vacation pay and compensatory leave	606,586	616,707
Employee severance benefits (Note 7)	2,189,925	2,335,215
<b>Total liabilities</b>	5,435,707	5,790,520
<b>Equity of Canada</b>	(3,457,961)	(4,093,804)
<b>TOTAL</b>	<b>1,977,746</b>	<b>1,696,716</b>

Contingent liabilities (Note 8)

Contracted obligations (Note 9)

The accompanying notes and schedules form an integral part of these statements.



# Canadian Environmental Assessment Agency

## Statement of Operations (Unaudited)

For the Year Ended March 31

(in dollars)

	2008	2007
Transfer payments		
Non-profit organizations	630,111	729,694
Other levels of government	195,500	195,500
First Nations	144,105	814,192
Industry	50,000	70,000
Other countries and international organizations	10,269	5,000
Individuals	0	407
Total transfer payments	1,029,985	1,814,793
Operating Expenses		
Salaries and employee benefits	13,879,281	14,763,557
Professional and special services	6,460,089	6,191,270
Travel and relocation	2,187,503	2,332,312
Rentals	2,118,985	2,418,018
Information	565,274	339,476
Telecommunications	327,300	287,906
Furniture and equipment	312,782	142,478
Utilities, materials and supplies	107,288	188,832
Postage	62,105	51,869
Repairs and maintenance	22,888	11,330
Other	13,224	6,258
Amortization	1,406	1,406
Total operating expenses	26,058,125	26,734,712
<b>Total Expenses</b>	<b>27,088,110</b>	<b>28,549,505</b>
Revenues		
Environmental assessment and training services	6,350,151	7,230,419
Miscellaneous revenues	1,753	345
<b>Total Revenues</b>	<b>6,351,904</b>	<b>7,230,764</b>
<b>Net Cost of Operations</b>	<b>20,736,206</b>	<b>21,318,741</b>

The accompanying notes and schedules form an integral part of these statements.



Canadian Environmental Assessment Agency

Statement of Equity of Canada (Unaudited)

At March 31

(in dollars)

	2008	2007
<b>Equity of Canada, beginning of year</b>	(4,093,804)	(4,434,820)
Net cost of operations	(20,736,206)	(21,318,741)
Current year appropriations used (Note 3)	18,276,848	18,372,079
Revenue not available for spending	(234,181)	(924,311)
Change in net position in the Consolidated Revenue Fund (Note 3)	274,993	1,032,487
Services received without charge (Note 10)	3,054,389	3,179,502
<b>Equity of Canada, end of year</b>	<b>(3,457,961)</b>	<b>(4,093,804)</b>

The accompanying notes and schedules form an integral part of these statements.

**Canadian Environmental Assessment Agency**

**Statement of Cash Flow (Unaudited)**

**For the Year Ended March 31**

(in dollars)

	<b>2008</b>	<b>2007</b>
<b>Operating Activities</b>		
Net cost of operations	20,736,206	21,318,741
Non-cash items:		
Services provided without charge (Note 10)	(3,054,389)	(3,179,502)
Amortization of tangible capital assets (Note 5)	(1,406)	(1,406)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances (Note 4)	75,591	648,806
Decrease (increase) in liabilities	354,813	(306,384)
Cash used by Operating Activities	18,110,815	18,480,255
<b>Capital Investment Activities</b>		
Acquisition of tangible capital assets	206,845	0
Cash used by capital investment activities	206,845	0
<b>Financing Activities</b>		
Net cash provided by Government of Canada	<b>18,317,660</b>	<b>18,480,255</b>

The accompanying notes and schedules form an integral part of these statements.

## 1. Authority and Objectives

The Canadian Environmental Assessment Agency (the Agency) was established in 1995 under the *Canadian Environmental Assessment Act*. The Agency is mandated to provide high-quality federal environmental assessments that promote sustainable development. The Agency achieves this objective by:

- a) providing administrative and advisory support for environmental assessment review panels;
- b) promoting uniformity and harmonization of environmental assessment activities across Canada at all levels of government; and
- c) providing opportunities for meaningful public participation in the federal environmental assessment process.

The Agency has one core program activity which is “effective and efficient environmental assessment” which serves as the basis for its mission. This core program activity is supported by Corporate Services which provides modern, timely and responsive services.

In addition, the Agency has obligations under the *Canada-Wide Accord on Environmental Harmonization* and bilateral agreements with the provincial governments as well as international agreements covering environmental assessments.

The Agency is listed in Schedule I.1 of the *Financial Administration Act* and reports to Parliament through the Minister of the Environment.

## 2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector

- a) **Parliamentary appropriations** — The Agency is primarily financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high level reconciliation between the bases of reporting.
- b) **Net Cash Provided by Government** — The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between the Agency and other federal government departments.
- c) **Change in net position in the Consolidated Revenue Fund** is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Agency. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

- d) Revenues:
- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
  - Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
- e) Expenses — Expenses are recorded on an accrual basis:
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
  - Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
  - Services provided without charge by other government departments are recorded as operating expenses at their estimated cost.
- f) Employee future benefits
- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total Agency obligation to the Plan. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.
  - ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.
- g) Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.
- h) Contingent liabilities — Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.
- i) Foreign currency transactions — Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the rate of exchange in effect on March 31.
- j) Tangible capital assets — All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the capital asset as follows:

Asset class	Sub-asset class	Amortization period
Machinery and equipment	Videoconferencing equipment	10 years
Other equipment (including furniture)	Furniture and fixtures	10 years
Assets under construction	Machinery	Once in service, 10 years

- k) Measurement uncertainty - The preparation of financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that could affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable. The most significant estimated items are employee severance benefits, allowances for employee vacation and compensatory benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.



### 3. Parliamentary Appropriations

The Agency receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

#### a) Reconciliation of net cost of operations to current year appropriations used

	2008	2007
	(in dollars)	
<b>Net cost of operations</b>	20,736,206	21,318,741
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge (Note 10)	(3,054,389)	(3,179,502)
Amortization of tangible capital assets (Note 5)	(1,406)	(1,406)
Revenue not available for spending	234,181	924,311
Vacation pay and compensatory leave	10,121	(154,663)
Severance Pay	145,290	—
Legal expenses charged by Justice Canada	0	(535,402)
Other	0	0
	18,070,003	18,372,079
Adjustment for items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Acquisitions of tangible capital assets	206,845	0
<b>Current year appropriations used</b>	<b>18,276,848</b>	<b>18,372,079</b>



**b) Appropriations provided and used**

	<b>Appropriations Provided</b>	
	<b>2008</b>	<b>2007</b>
	(in dollars)	
Vote 15 — Program expenditures	23,403,326	17,614,665
Statutory amounts	1,728,818	1,909,930
Less:		
Lapsed appropriations	(6,855,296)	(1,152,516)
<b>Current year appropriations used</b>	<b>18,276,848</b>	<b>18,372,079</b>

**c) Reconciliation of net cash provided by Government to current year appropriations used**

	<b>2008</b>	<b>2007</b>
	(in dollars)	
Net cash provided by Government	18,317,660	18,480,255
Revenue not available for spending	234,181	924,311
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	(75,591)	(648,806)
Variation in accounts payable and accrued liabilities	(199,402)	(145,559)
Variation in employee severance benefits	0	247,312
Legal expenses charged by Justice Canada	0	(535,402)
Other adjustments	0	49,968
	(274,993)	(1,032,487)
<b>Current year appropriations used</b>	<b>18,276,848</b>	<b>18,372,079</b>

#### 4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances:

	2008	2007
	(in dollars)	
Receivables from other Federal Government departments and agencies	213,739	39,482
Receivables from external parties	1,545,521	1,643,187
Employee advances	1,800	2,800
<b>Total</b>	<b>1,761,060</b>	<b>1,685,469</b>

#### 5. Tangible Capital Assets

(in dollars)

Cost					Accumulated amortization					
Capital asset class	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2008 Net book value	2007 Net book value
Machinery and equipment		188,656		188,656	—	—	—	—	188,656	—
Other equipment (including furniture)	14,059	—	—	14,059	2,812	1,406	—	4,218	9,841	11,247
Assets under construction	—	18,189	—	18,189	—	—	—	—	18,189	—
<b>Total</b>	<b>14,059</b>	<b>206,845</b>	<b>—</b>	<b>220,904</b>	<b>2,812</b>	<b>1,406</b>	<b>—</b>	<b>4,218</b>	<b>216,686</b>	<b>11,247</b>

Amortization estimated expense for the year ended March 31, 2008 is \$1,406 (2006-2007 \$1,406).

## 6. Accounts Payable and Accrued Liabilities

The following table presents details of accounts payable and accrued liabilities:

	2008	2007
	(in dollars)	
Payables to other Federal Government departments and agencies	443,639	341,249
Payables to external parties	1,693,683	2,003,023
Accrued salaries	501,874	494,326
<b>Total</b>	<b>2,639,196</b>	<b>2,838,598</b>

## 7. Employee Benefits

- a) Pension benefits: The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2007-08 expense amounts to \$1,260,309 (\$1,407,619 in 2006-07), which represents approximately 2.1 times (2.2 times in 2006-07) the contributions by employees.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

- b) Severance benefits: The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2008	2007
	(in dollars)	
Accrued benefit obligation, beginning of year	2,335,215	2,087,903
Expense for the year	(63,137)	364,768
Benefits paid during the year	(82,153)	(117,456)
<b>Accrued benefit obligation, end of year</b>	<b>2,189,925</b>	<b>2,335,215</b>

## **8. Contingent Liabilities — Claims and Litigation**

In the normal course of its operations, the Agency becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the Government's consolidated financial statements. At this time, the Agency has no estimated liability to accrue and no expense to record in the Government's consolidated financial statements

## **9. Contractual Obligations**

The nature of the Agency's activities can result in some multi-year contracts and obligations whereby the Agency will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

<b>(in dollars)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
Transfer payments	660,146	30,000	—	—	—	690,146
Professional services	621,311	73,227	45,980	—	—	740,518
Operating leases	245,526	112,754	8,017	8,017	8,017	382,331
<b>Total</b>	<b>1,526,983</b>	<b>215,981</b>	<b>53,997</b>	<b>8,017</b>	<b>8,017</b>	<b>1,812,995</b>

## 10. Related Party Transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Agency received services which were obtained without charge from other Government departments as presented below.

During the year the Agency received without charge from other departments, accommodation, legal fees and employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Agency's Statement of Operations as follows:

	<b>2008</b>	<b>2007</b>
	(in dollars)	
Accommodation	1,665,887	1,554,311
Employer's contribution to the health and dental insurance plans	802,292	824,373
Legal services provided by the Department of Justice	586,210	800,818
<b>Total</b>	<b>3,054,389</b>	<b>3,179,502</b>

The Agency also obtains selected financial services, materiel management, informatics and compensation and benefits services under a shared services agreement with Environment Canada.

In addition, the Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General, are not included as an expense in the Agency's Statement of Operations.



## SECTION IV: OTHER ITEMS OF INTEREST

### *In this section:*

- ◆ Statistical Summaries of Environmental Assessments
- ◆ Contacts for Further Information



# STATISTICAL SUMMARIES OF ENVIRONMENTAL ASSESSMENTS

The table below provides a statistical summary of environmental assessments conducted by responsible and regulated authorities. It outlines the total number of projects that underwent an environmental assessment under the *Canadian Environmental Assessment Act* during the 2007-2008 reporting period.

Fiscal Year 2007–2008			EA Decisions Taken this Fiscal Year		
EA Type	Ongoing on April 1, 2007	Initiated this fiscal year	Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Terminated
Screening	2,962	3,916	3,570	3	331
Class Screening	n/a	n/a	2,475	n/a	n/a
Comprehensive Study	29	13	8	0	1
Review Panel	13	4	3	2	0
Panel Substitution	1*	0	1	0	0

\* The substituted panel was conducted as a pilot project and is currently being evaluated. The results of the evaluation are expected to be made available in 2008.

**Note:** In addition, within the 2007-2008 reporting period, a total of 2,867 screenings were completed by the Business Development Bank of Canada and Farm Credit Canada. Since June 11, 2006, these Crown corporations are required to conduct environmental assessments of their projects, subject to the requirements of the *Canadian Environmental Assessment Act*, but with a modified process with respect to reporting on the Registry Internet site.

## Screenings

A screening is the most common type of environmental assessment. It is a systematic approach to identifying and documenting the environmental effects of a proposed project and determining the need to eliminate or minimize (mitigate) the adverse effects, to modify the project plan or to recommend further assessment through mediation or an assessment by a review panel.

Screenings are used to assess a wide range of projects. Screenings will vary in time, length and depth of analysis, depending on the circumstances of the proposed project, the existing environment and the likely environmental effects. Some screenings may require only a brief analysis of the available information and a brief report while others may need new background studies and will be more thorough and rigorous.

The responsible authority must ensure that the screening of the project is carried out and must prepare or ensure the preparation of a report which summarizes the findings of the screening.

For a summary of environmental assessments undertaken by each responsible or regulated authority, consult the Canadian Environmental Assessment Agency's website at [www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca).

## Class Screenings

A class screening is a special type of screening that can streamline the environmental assessment process for certain types of projects, while ensuring high-quality assessments.

There are two types of federal class screenings:

- **Model class screenings** — Individual, location-specific reports are produced, based on a standard report for a defined class.
- **Replacement class screenings** — One report can be used for all future projects within a defined class.

Class screenings are ideal for a clear, well-defined class of recurring projects that are known to be unlikely to cause significant adverse environmental effects when appropriate design standards and proven mitigation measures are applied.

Class screenings enhance the integrity of environmental assessments. Each class screening undergoes a rigorous process of technical review and a mandatory public consultation period before the Agency's President can formally declare it for use as a model or replacement class screening.

Class screenings ensure the consistent consideration of environmental effects and the application of proven mitigation measures for a class of projects. They reduce administrative requirements, such as the number of entries in the Canadian Environmental Assessment Registry, which simplifies the environmental assessment process. Class screenings allow federal departments to deal with a large number of assessments in a single investment, saving time and money over the long term. They also improve coordination between the Agency, federal departments and other levels of government.

To support the development of class screenings, the Agency provides technical and procedural environmental assessment advice, coordinates the participation of federal/provincial departments in the process, and administers the public consultation process.

## Comprehensive Studies

Certain projects, by their very nature and size, may have the potential to cause significant adverse environmental effects. These types of projects have been identified and listed in the *Comprehensive Study List Regulations*.

As a result of revisions to the *Canadian Environmental Assessment Act*, proclaimed through Bill C-9 on October 30, 2003, the responsible authority must consult the public on its proposed approach and recommend to the Minister of the Environment whether the project should continue by means of a comprehensive study environmental assessment or be referred to a mediator or a review panel. At the end of the comprehensive study process, the Minister is required to issue a decision statement as to whether or not the project is likely to cause significant adverse environmental effects.

The Agency's role in the comprehensive study process is to provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment in support of the Minister's track decision on the environmental assessment and the determination of potential adverse environmental effects. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

In 2007-2008, the Minister concluded that the comprehensive studies described below were not likely to cause significant adverse environmental effects and referred them back to the responsible authority. Further information on these environmental assessments is available on the Agency's website at [www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca).

- Galore Creek Gold-Silver-Copper Mine
- Deep Panuke Offshore Gas Development Project
- Lennox Island Water Supply Upgrade
- Upgrading of the Clifford Water System
- Upgrading of the Mitchell Well Supply
- All Season Road to Wollaston Lake
- Crushed Granite Rock Quarry
- Keltic Petrochemical and Liquefied Natural Gas Facilities

## Review Panels

Distinguished by extensive public participation, review panels and joint review panels with other jurisdictions are the most visible and public type of environmental assessment. Review panels are independent of government. Its members are appointed by the Minister of the Environment.

The review panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public comment and public hearings. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

At the completion of the review process, the review panel's report, including conclusions and recommendations, is submitted to the Minister of the Environment. The recommendations are advisory, and the responsible authority, with the approval of the Governor in Council, considers and responds publicly to all recommendations.

The Agency's primary roles in a review panel process are to provide advice and coordination to federal expert authorities and responsible authorities; maintain the public registry; manage the review process and provide technical and administrative support to the review panel; administer the Participant Funding Program; and design and implement a public information program with the review panel.

During this reporting period, the Agency was actively involved in providing support and advice relating to the assessment by review panel of the following projects. Consult the Agency's website at [www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca) to obtain additional information regarding these environmental assessments.



- Bruce Power New Nuclear Power Plant Project
- Cacouna Energy Project
- Darlington New Nuclear Power Plant Project
- Deep Geologic Repository for Low and Intermediate Level Radioactive Wastes
- Emera Brunswick Pipeline Company Ltd. Brunswick Pipeline
- Enbridge Gateway Pipeline and Marine Infrastructure Project
- EnCana Shallow Gas Infill Development Project in the Suffield National Wildlife Area
- Kearl Oil Sands Project - Mine Development
- Kemess North Gold-Copper Mine
- Lake Kénogami Watershed Flood Control Project
- Lower Churchill Hydroelectric Generation Project
- Mackenzie Gas Pipeline
- Muskeg River Mine Expansion (MRME) - Albian Oil Sand Project
- Project Rabaska - Implementation of an LNG Terminal
- Romaine Hydroelectric Complex Project
- Whites Point Quarry and Marine Terminal Project

## CONTACTS FOR FURTHER INFORMATION

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### The Canadian Environmental Assessment Agency's website

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

### Treasury Board Secretariat's website

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)



**CANADIAN ENVIRONMENTAL  
ASSESSMENT AGENCY**

**2008-2009**

**DEPARTMENTAL PERFORMANCE REPORT**

**The Honourable Jim Prentice  
Minister of the Environment and  
Minister responsible for the  
Canadian Environmental Assessment Agency**

**026088**





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## MINISTER'S MESSAGE

I am pleased to present the Canadian Environmental Assessment Agency's 2008–2009 *Departmental Performance Report*. This report outlines the Agency's progress in ensuring environmental considerations are taken into account in federal government decisions respecting, policies, plans, programs and projects.

The Agency continued to focus on three key priorities first established in 2006-2007: building a framework for more integrated environmental assessment, playing an active leadership role in federal environmental assessment, and building the capacity and organization to deliver on existing and new responsibilities.

Through collaboration with its federal partners in the implementation of the *Canadian Environmental Assessment Act* and by embracing innovative ways to address new and existing challenges, the Agency has continued to lead efforts to ensure Canada has a progressive and robust federal environmental assessment regime.

I am pleased, therefore, to submit the Agency's 2008–2009 *Departmental Performance Report*.

---

**The Honourable Jim Prentice, P.C., Q.C., M.P.**

**Minister of the Environment and Minister responsible for the  
Canadian Environmental Assessment Agency**





## **SECTION 1: AGENCY OVERVIEW**

### ***In this section:***

- ◆ Raison d'être
- ◆ Responsibilities
- ◆ Strategic Outcome and Program Activity Architecture
- ◆ Summary of Performance
- ◆ Contribution of Priorities to Strategic Outcome
- ◆ Risk Analysis
- ◆ Expenditure Profile
- ◆ Voted and Statutory Items



## 1.1 RAISON D'ÊTRE

The Canadian Environmental Assessment Agency (the Agency) provides leadership and serves as the centre of expertise for federal environmental assessment. The Agency works to provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.

## 1.2 RESPONSIBILITIES

Led by the President, who reports directly to the Minister of the Environment, the Agency delivers its mandate under the authority of the *Canadian Environmental Assessment Act* (the Act) and its accompanying regulations and within the framework of the following instruments:

- the *Canada-Wide Accord on Environmental Harmonization*, including the *Sub-Agreement on Environmental Assessment*, and bilateral agreements with provincial governments that establish arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, principally the United Nations Economic Commission for Europe's *Convention on Environmental Impact Assessment in a Transboundary Context*.

The Agency works with federal authorities on the application of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* and its Memorandum of Understanding. The Agency provides advice and guidance on the Directive's expectations and leads interdepartmental efforts to advance the Directive's goal of delivering high-quality environmental assessments in a predictable, certain, and timely manner.

The Agency is responsible for managing the federal environmental assessment process for most major resource projects and for integrating the Government of Canada's Aboriginal engagement and consultation activities into the environmental assessment process for these projects as mandated under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its Memorandum of Understanding.

Consistent with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, the Agency also supports the Minister of the Environment in promoting the application of environmental assessment processes in strategic-level decision making by providing training and guidance to federal authorities.

The President of the Agency has been designated by Order in Council as the federal administrator of the environmental and social protection regimes set out in Chapters 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*.

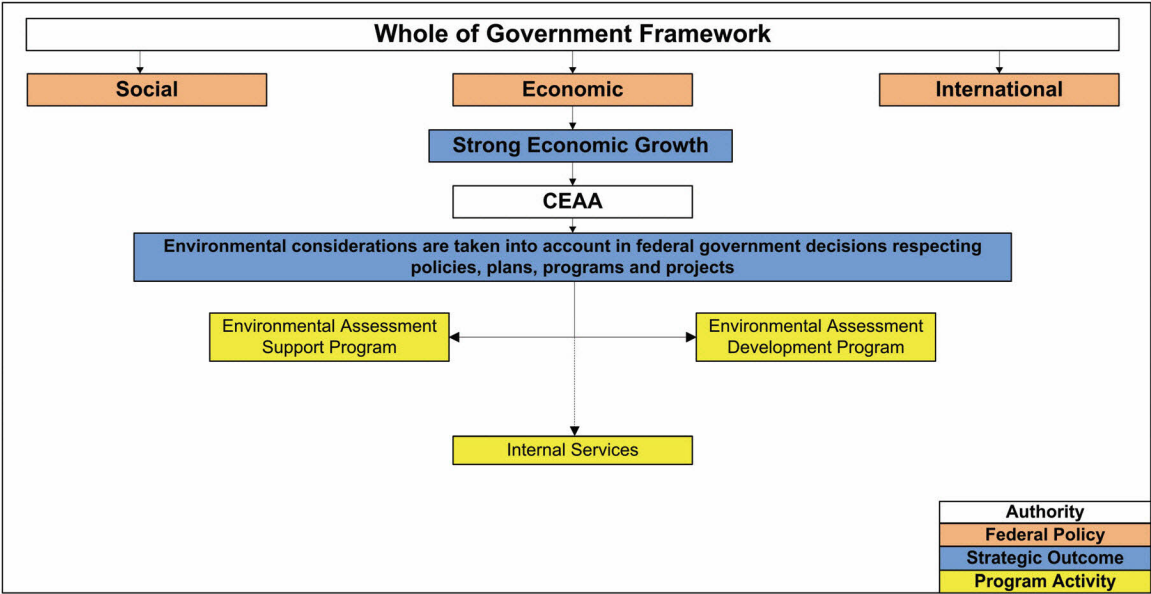
# 1.3 STRATEGIC OUTCOME AND PROGRAM ACTIVITY ARCHITECTURE

## Strategic Outcome

In order to effectively pursue its mandate, the Agency aims to achieve the following strategic outcome: Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

## Program Activity Architecture

The chart below illustrates the Agency’s framework of program activities that contribute to its strategic outcome.



## 1.4 SUMMARY OF PERFORMANCE

### 2008–2009 Financial Resources (\$000s)

Planned Spending	Total Authorities	Actual Spending
34,456	36,080	28,248

### 2008–2009 Human Resources (FTEs)

Planned	Actual	Difference
248	181	67

### Performance Summary

Strategic Outcome		
Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.		
Performance Indicators	Targets	2008–2009 Performance
Percentage of policy, plan and program proposals for consideration by Cabinet (which are subject to the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i> ) that include strategic environmental considerations.	90% of policy, plan and program proposals for consideration by Cabinet (that are subject to the Cabinet Directive and are reviewed by the Agency) include strategic environmental considerations.	Of the proposals reviewed by the Agency that were subject to the Cabinet Directive, 91% reported the conduct of at least a preliminary scan of strategic environmental considerations.
Percentage of environmental assessments (EAs), for which the Agency is the Federal Environmental Assessment Coordinator (FEAC) or the EA manager, for which an EA work plan is developed and implemented by the Agency.	For 100% of EAs for which the Agency is FEAC or EA manager, an EA work plan is developed and implemented.	Of 78 EAs for which the Agency was FEAC or EA manager, 66 (84.6%) had EA work plans which were developed and implemented.

(\$000s)

Program Activity	2007-2008 Actual Spending	2008-2009				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Environmental Assessment Development Program	4,252	5,956	5,956	6,518	6,605	Strong Economic Growth
Environmental Assessment Support Program	14,025	28,500	28,500	29,562	21,643	Strong Economic Growth
<b>Total</b>	<b>18,277</b>	<b>34,456</b>	<b>34,456</b>	<b>36,080</b>	<b>28,248</b>	

A significant increase in spending occurred from 2007-2008 to 2008-2009. This is mainly the result of new authorities related to a Budget 2007 announcement aimed at improving Canada's regulatory framework for major resource projects. However, actual spending for 2008-2009 was less than available authorities, as new funding was approved late in 2007-2008 which also had an impact on 2008-2009 planned longer-term activities, such as staffing and accommodations.

## 1.5 CONTRIBUTION OF PRIORITIES TO STRATEGIC OUTCOME

Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

Operational Priorities	Type*	Status	Linkages to Strategic Outcome(s)
Build a Framework for More Integrated Environmental Assessment.	Previously committed to	Mostly met	<ul style="list-style-type: none"> <li>▪ This priority is most closely linked to the EA Development Program Activity.</li> <li>▪ A framework that facilitates more integrated EA will lead to more effective consideration of environmental effects in federal decision making.</li> <li>▪ To this end, important progress was made through activities in support of the Government's major resource projects initiative, and regulatory initiatives in support of the Economic Action Plan. The Agency continued to work with provinces and territories through the Canadian Council of Ministers of the Environment to explore options for enhanced environmental assessment cooperation. As well, the Agency continued to support initiatives to advance the practice of strategic environmental assessment. The Agency initiated work to prepare for the review of the Act scheduled for 2010, which will provide an opportunity for more fundamental improvements to the legislation.</li> </ul>
Play an Active Leadership Role in Federal Environmental Assessment.	Previously committed to	Mostly met	<ul style="list-style-type: none"> <li>▪ This priority is most closely linked to the EA Support Program Activity.</li> <li>▪ Agency leadership in the field of EA promotes and facilitates consideration of environmental effects in federal decision making.</li> <li>▪ Accordingly, the Agency assumed new responsibilities for managing the EA of major resource projects and integrating Aboriginal</li> </ul>



Operational Priorities	Type*	Status	Linkages to Strategic Outcome(s)
			consultation into the EA process. The Agency continues to carry out its ongoing responsibilities with respect to roles of the FEAC and administration of the Participant Funding Program (PFP).
Build the Capacity and Organization to Deliver on Existing and New Responsibilities.	Previously committed to	Mostly met	<ul style="list-style-type: none"> <li>▪ This priority is linked to both the EA Development Program Activity and the EA Support Program Activity.</li> <li>▪ With greater capacity and a restructured organization, the Agency can better administer federal EA as a key tool for ensuring consideration of environmental effects in federal decision making.</li> <li>▪ To achieve this, the Agency has implemented a new organizational structure, and recruited and trained new staff to take on its expanded responsibilities. Challenges associated with a limited pool of qualified environmental assessment practitioners have prevented the Agency from achieving its full staffing level; strategies are in place to staff the remaining positions.</li> </ul>

\* *Type* is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR.

## 1.6 RISK ANALYSIS

### Agency Operating Environment and Challenges

Protecting the environment, while continuing to build a strong economy and improving quality of life for Canadians, is an important challenge. Environmental assessment responds to this challenge by ensuring environmental effects are considered *before* decisions are taken to allow policies, plans, programs or projects to proceed.

Under the Act, responsible authorities (federal departments, agencies, and parent Crown corporations) must undertake an environmental assessment before they carry out a project; provide financial assistance to enable a project to be carried out; sell, lease or otherwise transfer control or administration of land to enable a project to be undertaken; or issue certain authorizations to enable a project to go forward. During the reporting period, nearly 5,500 environmental assessments were initiated under the Act. Since 1995, the year the Act came into effect, approximately 85,000 environmental assessments have been initiated.

Projects subject to environmental assessment under the Act, and policies, plans and programs subject to strategic environmental assessment (SEA) under the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, often raise important issues associated with socio-economic development, environmental protection, Aboriginal concerns and federal-provincial/territorial cooperation. Environmental assessment must continually adapt to emerging trends, such as changing economic and environmental conditions, new technologies, developments in jurisprudence, and evolving public expectations.

The following provides an overview of the Agency's operating environment, and associated considerations and challenges during the reporting period.

### Shared Responsibility for Environmental Management

Under the Canadian Constitution, environmental management is an area of shared responsibility between the federal and provincial governments. To minimize duplication and delays in the conduct of environmental assessments, the Agency worked with provinces and territories to bring about greater cooperation and promote the consistent and predictable application of environmental assessment across Canada. These objectives were realized through the implementation of bilateral agreements and project-specific arrangements that seek to meet the environmental assessment requirements of both parties through a single environmental assessment.

### Competing Interests

Projects subject to environmental assessment often raise sensitive issues related to environmental protection, economic development, community and public expectations, Aboriginal concerns and federal-provincial relations. The projects being assessed are often complex, giving rise to competing interests. In this context, maintaining productive relationships and delivering high-quality assessments that meet the expectations of Canadians in a timely and predictable manner is an ongoing challenge.

## **Strength of the Canadian Economy—Supporting the Economic Action Plan**

The number of environmental assessments required pursuant to the Act is in large part a function of the strength of our economy. The contraction of the Canadian economy that began during the reporting period had an impact on the number of major resource projects subject to review under the Act. In response to the economic downturn, the Government of Canada sought to stimulate the economy through significant funding of public infrastructure projects. To support the Government's Economic Action Plan, a key priority became enabling a more timely approval process for federally-funded public infrastructure projects, focusing on those projects with a potential to cause significant adverse environmental effects.

## **Major Resource Projects Initiative**

The Government of Canada followed through on its commitment to improve the efficiency and effectiveness of the federal regulatory system as it applies to major resource projects. The Agency underwent an important restructuring and capacity-building process in order to deliver on its new responsibilities under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* (October 2007) and the associated Memorandum of Understanding. The Agency took on a greater leadership role in the delivery of environmental assessments for most major resource projects, and worked closely with the Major Projects Management Office (MPMO) and other federal departments and agencies to improve the performance of the federal regulatory system for major resource projects.

## **Aboriginal Consultation**

The Supreme Court of Canada has established that the Crown, both federal and provincial, has the duty to consult, and where appropriate accommodate, Aboriginal groups where it contemplates conduct that may adversely impact potential or established Aboriginal or treaty rights. Through the Memorandum of Understanding to the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, the Agency assumed responsibility for integrating Aboriginal-Crown consultations into the environmental assessments of major resource projects that it coordinates, as well as for review panel processes.

## **Improving Federal Policy Development**

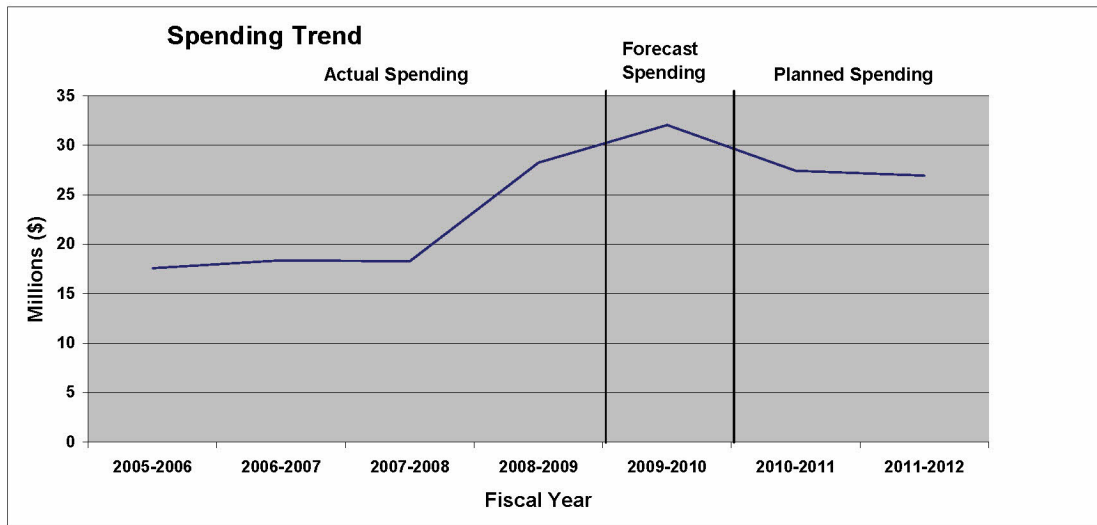
Governments around the world are beginning to recognize the potential of SEA to support integrated decision making and to advance sustainable decision making. In Canada, the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* sets out the Government's expectations of federal departments and agencies for SEA. The Agency continued to advocate for the application of SEA, deliver training, develop guidance, and provide advice and support to departments and agencies as needed.

## **International Community**

International partnerships give Canada the opportunity to share environmental assessment expertise and, at the same time, access the research being undertaken in other countries. Keeping in step with the environmental initiatives of international organizations and other

countries also helps to ensure Canada's competitiveness. In this regard, the Agency continued to develop relationships and maintain productive dialogue with other jurisdictions, such as Australia and the United States. In addition, as a party to the United Nations Economic Commission for Europe's *Convention on Environmental Impact Assessment in a Transboundary Context*, Canada is required to meet its obligations under the Convention. During the reporting period, no projects in Canada were subject to this Convention.

## 1.7 EXPENDITURE PROFILE



For the 2008-2009 fiscal year, the Agency spent \$28.2M to achieve the expected results of its program activities and contribute to its strategic outcome.

For the 2005-2006 to 2008-2009 periods, total spending includes all Parliamentary appropriation and revenue sources. It also includes carry forward adjustments. For the 2009-2010 to 2011-2012 periods, the total spending corresponds to planned spending and revenues. Supplementary funding and carry forward adjustments are unknown at this point and therefore are not reflected.

As a result of the Budget 2007 initiative to improve Canada's regulatory framework for major resources projects, the Agency has increased its spending trend. The Agency was also granted funding for review panel support as well as to address the Aboriginal consultations for environmental assessment programs, which are scheduled to sunset by 2009-2010 and 2010-2011 respectively.



## 1.8 VOTED AND STATUTORY ITEMS

(\$000s)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2006-2007 Actual Spending	2007-2008 Actual Spending	2008-2009 Main Estimates	2008-2009 Actual Spending
15	Program expenditures	16,462	16,548	31,514	25,392
(S)	Contributions to employee benefit plans	1,910	1,729	2,942	2,855
(S)	Refunds of amounts credited to revenues in previous years				1
<b>Total</b>		18,372	18,277	34,456	28,248

The increase in spending for 2008-2009 is mainly a result of the Budget 2007 announcement establishing an initiative to improve Canada's regulatory framework for major resource projects, as well as funding for Aboriginal consultations in environmental assessment processes, review panel support, and evaluation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.







## **SECTION 2: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME**

### ***In this section:***

- ◆ Strategic Outcome
- ◆ Program Activities by Strategic Outcome
- ◆ Issues and Challenges
- ◆ Lessons Learned

## 2.1 STRATEGIC OUTCOME

**Strategic Outcome:** Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

Ensuring environmental considerations are taken into account in federal government decision making supports Canada's environmental sustainability and economic competitiveness, thereby providing long-term, enduring benefits for Canadians.

## 2.2 PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

### Program Activity: Environmental Assessment Development Program

2008-2009 Financial Resources (\$000s)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
5,956	6,518	6,605	51	38	13
<b>Overall Anticipated Result:</b> An effective, efficient, and integrated environmental assessment process at the federal level.					

Expected Results	Performance Indicators	Performance Summary
Build and clarify linkages and strengthen inter-jurisdictional coordination among environmental assessment processes, and between environmental assessment and regulatory frameworks.	The instruments developed to support environmental assessment cooperation and coordination, such as formal arrangements/agreements finalized for implementation.	<ul style="list-style-type: none"> <li>Created a regulation to allow the substitution of a provincial EA process for the federal EA process under specified conditions for certain federally funded infrastructure projects.</li> <li>Collaborated with the MPMO to develop procedures, tools and arrangements for the regulatory process for major resource projects.</li> <li>Developed interim Aboriginal-Crown consultation records management procedures and tools for major resource projects managed by the Agency.</li> <li>Worked with the Canadian Council of Ministers of the Environment (CCME) to develop options for strengthening federal-provincial collaboration on EAs.</li> </ul>
Work with partners and stakeholders through various advisory committees and consultative mechanisms to develop, review and update the legislative, regulatory and policy basis for the practice of EA federally.	The tracking of legislative, regulatory and policy issues and associated responses (priority issues identified, described and addressed to provide a strong framework for more integrated environmental assessments).	<ul style="list-style-type: none"> <li>Undertook research and analysis to help inform ongoing improvements to the current process and assist in preparing for the review of the Act by a Parliamentary Committee in 2010.</li> <li>In support of the Government's Economic Action Plan, developed regulations to enable the acceleration of the approval process for public infrastructure projects funded by the federal government by ensuring federal EA is focussed on those projects with a potential to cause significant adverse environmental effects.</li> <li>Responded to regulatory gaps by developing regulations to make provisions of the <i>International</i></li> </ul>

Expected Results	Performance Indicators	Performance Summary
		<p><i>Boundary Waters Treaty Act</i> a legislative trigger for EA and by developing a proposal to make the <i>International Bridges and Tunnels Act</i> a legislative trigger for EA.</p> <ul style="list-style-type: none"> <li>Developed additions to the <i>Exclusion List Regulations, 2007</i> to eliminate the need for EAs of certain projects related to Canada Post activities that have insignificant adverse environmental effects.</li> <li>Developed a proposal to streamline requirements for certain drinking water projects, and published a discussion paper for public comment.</li> <li>Undertook work to update the EA regulations applicable to port authorities and conducted regulatory analysis of a proposal to develop EA regulations for airport authorities.</li> <li>Participated in CCME work to advance the science and practice of regional SEA by developing a common understanding of the concept.</li> </ul>
Promote early consideration of environmental factors in policy, plan and program development.	The proportion of government policy, plan and program proposals meeting expectations for strategic-level assessment.	<ul style="list-style-type: none"> <li>Reviewed proposals from various departments. Of those that required an SEA, 91% reported the conduct of at least a preliminary scan, including 24% that reported the conduct of a detailed SEA.</li> <li>Commenced an evaluation of the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i> to assess the contribution of SEAs to balanced decision making in support of sustainable development.</li> </ul>
Explore opportunities for building a more integrated federal EA process by bridging the practice of EA at the strategic and project levels.	No indicator identified.	<ul style="list-style-type: none"> <li>Participated in initiatives in the Beaufort Basin and offshore Nova Scotia to explore the potential contribution of regional-scale EA to development planning and to better-informed and more streamlined assessments of individual projects.</li> </ul>

## Benefits for Canadians

The Environmental Assessment Development Program activity sought to maintain and improve an effective, efficient and integrated environmental assessment process at the federal level, taking into account interactions with other environmental assessment, consultative and regulatory decision-making processes in Canada, as well as the transboundary context for

environmental assessment. A sound environmental assessment process is vital to ensuring that environmental considerations are integrated into federal government decision making, thereby supporting quality of life for Canadians, environmental sustainability, and economic competitiveness.

## **Performance Analysis**

This program activity aligned most closely with the Agency's priority to build a framework for more integrated environmental assessment. By establishing and maintaining the policy and legislative foundation for the practice of environmental assessment federally, the program activity also supported the Agency's priority to play an active leadership role in federal environmental assessment.

Throughout the year, the Agency monitored and evaluated emerging issues and challenges, and sought to develop appropriate options for legislative improvements, as well as regulatory and policy responses. In addition, the program activity contributed to strengthening environmental assessment coordination, in part through exploring linkages between different forms of assessment.

### **Consultation with partners and stakeholders**

The Agency continued to work with a wide range of stakeholders, and developed and maintained partnerships to promote sound environmental assessment practices in Canada and abroad. In support of this work, the Agency continued to maintain and support several mechanisms for receiving advice and consulting with stakeholders and partners, including the Minister's Regulatory Advisory Committee (multi-stakeholder), the Senior Management Committee on Environmental Assessment (federal departments and agencies), the Environmental Assessment Administrators Committee (provincial and territorial governments), and the Regional Environmental Assessment Committees (federal authorities, regulated authorities and provincial governments). The Agency also engaged in public consultations on several regulatory initiatives.

The Agency participated in a senior-level interdepartmental policy working group tasked with developing a national action plan for the federal government on the legal duty to consult with Aboriginal groups. The Agency's participation in this initiative helps to ensure that the federal government's duty to consult is appropriately fulfilled in part through the environmental process.

### **Strengthening environmental assessment coordination and cooperation**

Six bilateral agreements with provincial governments helped ensure each party's environmental assessment responsibilities were coordinated to the extent practicable. The Agency, with its provincial counterpart in Quebec, conducted a survey to assess the level of understanding of the application of the Canada-Quebec Agreement on Environmental Assessment Cooperation. This evaluation showed that no significant changes to the agreement would be required in the context of its renewal in 2009.

The Agency worked with Indian and Northern Affairs Canada (INAC) to ensure that environmental assessment regimes developed and implemented pursuant to comprehensive land claims agreements, self-government agreements and devolution initiatives are consistent with the Act and can be coordinated with existing environmental assessment regimes.



The Agency continued to work with provinces and territories through the CCME to explore options to improve cooperation in environmental assessment for projects subject to both provincial and federal legislation. A discussion paper on potential options for federal-provincial collaboration was produced and made available to the public for comment, with a final report to be presented in the fall of 2009.

The Agency also participated in CCME work to advance the science and practice of regional SEA by developing a Canada-wide understanding of the concept. Through pilot initiatives in the Beaufort Basin and offshore Nova Scotia, the Agency, working with a range of partners, began to explore the potential contribution of regional-scale environmental assessment to development planning and to better-informed and more streamlined assessments of individual projects.

The Agency continued to promote international dialogue and cooperation in environmental assessment. To this end, the Agency entered into a contribution agreement with the International Association for Impact Assessment to support the annual meeting of the association in Perth, Australia, and facilitated the networking of Canadian participants. The Agency played an active role in supporting the “Conférence internationale Québec 2008” in Quebec City, Quebec, hosted by the Secrétariat international francophone en évaluation environnementale and the Association québécoise en évaluation environnementale. The Agency also participated in the Fourth Meeting of the Parties to the United Nations Economic Commission for Europe’s (UNECE’s) “Convention on Environmental Impact Assessment (EIA) in a Transboundary Context” held in Bucharest, Romania.

In November 2008, the Agency hosted a delegation from Australia’s Department of Environment, Water, Heritage and the Arts. The Australian delegates were particularly interested in learning about Canada’s experience with review panel processes and participant funding. The visit also provided an opportunity to share information and experience on many aspects of environmental assessment in a federal context. The Agency gained insights regarding different approaches to similar issues faced by Canada, such as ensuring high-quality environmental assessment through a timely process, that will contribute to its work in preparing for the review of the Act in 2010.

## **Research and analysis**

The Agency undertook research and analysis to establish a solid understanding of how federal environmental assessment is being implemented, including identification of impediments to the efficient and effective conduct of environmental assessments. Of particular interest were the timeliness of assessments, the role of public participation, and the benefits derived from federal environmental assessments. This analysis is informing ongoing improvements to the current process and will also assist in preparing for the legislative review of the Act scheduled to begin in 2010.

The Agency funded research and development projects related to SEA, meaningful involvement in environmental assessments, climate change and adaptive management. The Agency also provided funding to stakeholders and professional organizations, notably in support of meetings and conferences aimed at promoting information sharing and increasing the awareness and understanding of environmental assessment. The program will be evaluated in 2009-2010 toward renewal of its terms and conditions in the spring of 2010.

On behalf of the Privy Council Office, the Agency began leading a government-wide evaluation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. The evaluation will assess the contribution of SEA to balanced decision making in

support of sustainable development. Of the policy documents for Cabinet consideration reviewed by the Agency during the fiscal year, 62% did not require consideration under the Cabinet Directive. Of those that did require consideration under the Cabinet Directive, 91% reported the conduct of at least a preliminary scan, with 24% also reporting the conduct of a detailed SEA.

The Agency provided input to the Commissioner of the Environment and Sustainable Development who began a performance audit of the application of the *Canadian Environmental Assessment Act*. The Commissioner's final report is expected in November 2009.

On behalf of the interdepartmental Environmental Assessment Programs Committee (EAPC), the Agency conducted an evaluation of the effectiveness of the Interim Approach to Scoping during its first year of implementation. The purpose of the evaluation was to determine if application of the Interim Approach was resulting in more timely and consistent scoping decisions. The evaluation will help the EAPC decide whether revisions or adjustments to the Interim Approach and supporting documents are required.

### **Legislative, regulatory and policy responses**

A major priority for the Agency was undertaking regulatory initiatives to support the Government's Economic Action Plan. The Agency led the development of new regulations and regulatory amendments to help accelerate the approval process for public infrastructure projects funded by the federal government. These targeted changes eliminated the need for environmental assessment of projects determined to have insignificant environmental effects. A mechanism was also introduced to allow for the substitution of a provincial environmental assessment process for the federal process under specific conditions. These initiatives were consistent with efforts over the last several years to focus federal environmental assessments on appropriate projects, and to identify better means of integrating federal and provincial assessments.

Proposed regulations were pre-published in the *Canada Gazette*, Part I to add provisions of the *International Boundary Waters Treaty Act* to the *Law List Regulations* and the *Inclusion List Regulations*. These changes would create a new legislative trigger for environmental assessment. In addition, a discussion paper was published seeking public comment on a proposal to make the *International Bridges and Tunnels Act* a legislative trigger for environmental assessment. The Agency undertook work to update the environmental assessment regulations applicable to port authorities and conducted regulatory analysis of a proposal to develop environmental assessment regulations for airport authorities.

In order to eliminate the need for assessment of low-risk projects, other additions were made to the *Exclusion List Regulations, 2007* to exclude certain projects related to Canada Post activities from the requirement for an environmental assessment. A proposal was also developed to adjust the requirements for certain municipal/community drinking water projects and a discussion paper was published for public comment. Regulatory options are being considered in light of the feedback received.

The 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its Memorandum of Understanding gave the Agency new responsibilities for integrating Aboriginal-Crown consultation into the environmental assessments it leads. The development of policies in relation to this role was an important priority.

## Program Activity: Environmental Assessment Support Program

2008-2009 Financial Resources (\$000s)			2008-2009 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
28,500	29,562	21,643	197	143	54
<b>Overall Anticipated Result:</b> A timely and predictable process that produces high-quality environmental assessments while engaging Canadians in the process by supporting them with tools, guidance and funding assistance to participate in certain environmental assessments.					

Expected Results	Performance Indicators	Performance Summary
Developing and disseminating tools and mechanisms that support an improved EA process.	The instruments developed to support EA cooperation and coordination, such as work plans.	<ul style="list-style-type: none"> <li>Initiated development of procedures for the EA of major resource projects that are subject to processes and timelines outlined in the <i>Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects</i>.</li> <li>Participated in the MPMO's working group and assisted in the development of tools, templates, and guidance documents, such as the "Guide to Preparing a Project Description for a Major Resource Project".</li> <li>Initiated development of a geographic-based information system (GIS) to assist in identifying potential environmental and policy issues in EA.</li> <li>Commissioned a review of existing SEA tools and best practices, and developed a "toolbox" of tools and techniques to assist federal departments and agencies conduct SEAs.</li> <li>Established an environmental assessment review panel roster comprised of 10 members to increase the efficiency of review panel member selection and produce higher quality EAs as roster members gain experience relevant to future review panels.</li> <li>Implemented Learning Logs, on a pilot basis, as a mechanism to record how EA benefits Canadians and supports continuous improvements in the delivery of the process.</li> <li>Implemented an archival system for</li> </ul>



Expected Results	Performance Indicators	Performance Summary
		<p>the Canadian Environmental Assessment Registry to facilitate information management on completed EAs, while maintaining public access to key information.</p> <ul style="list-style-type: none"> <li>Over 50 training sessions were offered, with 30% dedicated to Agency staff in support of new responsibilities related to major resource projects. Evaluations indicate general satisfaction with the training.</li> <li>Developed an Operational Policy Statement that provides guidance on best practices when applying adaptive management in federal EAs.</li> <li>Three class screenings were declared, one was re-declared and ten were initiated this fiscal year.</li> </ul>
Encouraging the participation of groups, communities and individuals in the EA process.	Year-to-year analysis of internal records, such as the Canadian Environmental Assessment Registry and Agency financial records.	<ul style="list-style-type: none"> <li>Provided a total of \$532,631 in participant funding to 32 individuals and non-profit organizations to take part in review panels and comprehensive studies.</li> </ul>
Playing a role in Aboriginal consultation and engagement in the context of EA, specifically with regard to major resource projects.	Comprehensive reflective analysis and evaluation of training and guidance records and surveys, and post-hearing surveys.	<ul style="list-style-type: none"> <li>Targeted funding for Aboriginal consultation and engagement was made available for the EA of eight projects. Twenty-one Aboriginal groups or persons received a total of \$484,821 in funding.</li> <li>Led Aboriginal consultation activities in relation to the EA of 16 projects under the Major Resource Projects Initiative.</li> <li>Made tailored training available to 20 Agency staff to gain a better understanding of Aboriginal issues and self-government.</li> </ul>

## Benefits for Canadians

The Environmental Assessment Support Program activity supports a transparent and rigorous environmental assessment process that encourages and enables meaningful public participation. By promoting a process that respects legislative requirements, is conducted in a cost-effective manner, avoids duplication and delays, and is clear and transparent to all participants, this program activity provides Canadians with a federal environmental assessment process that makes a value-added contribution to sustainable development.

## Performance Analysis

This program aligns most closely with the Agency's priority to play an active leadership role in federal environmental assessment. The Agency fulfils this priority through its role as the Federal Environmental Assessment Coordinator (FEAC), as set out in the Act. As well, under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, the Agency assumed a project manager role for most major resource projects.

Throughout the year, the Agency provided leadership in environmental assessment, including management of the environmental assessment and integration of Aboriginal consultation for most major resource projects. In consultation with partners and stakeholders, the Agency identified issues and challenges, and sought to develop appropriate responses.

The program activity provided meaningful and relevant opportunities for public participation, training courses, guidance, and up-to-date tools in support of the environmental assessment process.

Through delivery of training and guidance, the program also assisted in advancing the priority of building the capacity of the organization to deliver on existing and new responsibilities.

### Managing and coordinating environmental assessments

The Agency worked with federal and provincial authorities on multi-jurisdictional environmental assessments, providing process coordination and administrative and technical support. The Agency worked with other jurisdictions to develop joint work plans to avoid duplication, and to better coordinate federal and provincial environmental assessment activities.

During the reporting period, the Agency undertook a coordination role during the environmental assessment of 265 projects. These included 81 newly announced projects (5 comprehensive studies, 3 review panels and 73 screenings), as well as ongoing assessments that carried over from the previous year. A total of 7 comprehensive studies and 1 review panel (Kearl Oil Sands Project) were completed. These completed environmental assessments allowed responsible authorities to exercise their power, duty or function with respect to these projects.

The Agency provided support to 11 review panels. To reduce costs, delays and duplication, 9 of these review panels were conducted jointly with another jurisdiction or regulatory body. For example, the Agency played a key role in the environmental assessment process for 4 nuclear-related projects conducted jointly with the Canadian Nuclear Safety Commission and 2 oil sands projects conducted jointly with Alberta's Energy Resources Conservation Board.

The Agency contributed to the coordination of the work undertaken by the *James Bay and Northern Quebec Agreement* (JBNQA) committees and federal authorities in the context of the environmental assessments undertaken pursuant to the JBNQA. During the reporting period, a total of 19 projects were being assessed pursuant to the JBNQA of which 8 were completed.

The Agency implemented, on a pilot basis, Learning Logs for environmental assessments for which the Agency is the FEAC or Project Manager. Successes, challenges and overall project outcomes are recorded in the Learning Logs. By documenting the environmental outcomes and project design changes that occur as a result of the federal environmental assessment

process, the Learning Logs provide a formal mechanism to record benefits to Canadians and support continuous learning toward improved process management.

An environmental assessment review panel roster was established. The panel roster is comprised of 10 qualified individuals who may be considered as members of review panels established under the Act. The purpose of the panel roster is to increase the efficiency of review panel member selection and to lead to higher quality environmental assessments as roster members build experience for future review panels. The Agency also provided roster members with an orientation session to ensure a better understanding of the review panel process pursuant to the *Canadian Environmental Assessment Act*. During the reporting period five roster members were appointed to review panels.

Class screenings are a means of streamlining the environmental assessment process for certain routine projects. During the reporting period, three new class screenings were declared and one was re-declared. Since 2003, a total of 4,981 projects have been assessed using class screening reports (987 in 2008-2009). Fiscal year 2008-2009 marked the final year for the Class Screening Funding Program, which provided assistance to federal authorities in the development of class screening reports. Funding was used to develop five class screening reports, an analysis to broaden the use of an existing class screening, and a risk-based study for class screenings.

The Agency initiated the development of an intra-Agency geographic-based information system (GIS) to assist in identifying potential environmental and policy issues, and to provide support for planning project-level environmental assessment, Aboriginal consultation activities, and regional SEA.

### **Aboriginal engagement**

The 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its Memorandum of Understanding gave the Agency responsibilities to integrate, to the greatest extent possible, Aboriginal-Crown consultation into the environmental assessments it leads. The planning and coordination of consultation plans, and leading engagement activities in relation to major resource projects, was a major priority for the Agency.

The Agency led Aboriginal consultation activities on 16 projects under the Major Resource Projects Initiative. The Agency, through the Aboriginal Funding Envelope of the Participant Funding Program (PFP), provided a total of \$484,821 to 21 recipients. The funds assisted participants to prepare for and participate in Aboriginal consultation activities and public participation opportunities associated with eight review panel processes.

The Agency participated in an initiative with the Chiefs of Ontario to develop an Environmental Assessment Toolkit for member communities. This toolkit is intended to assist Ontario First Nations in understanding environmental assessment as it is practiced by their own communities and governed by Ontario and Canada, and to facilitate their participation in the environmental assessment of projects that may affect them.

### **Public participation**

The Agency sought to maximize public participation in the environmental assessment process, placing strong emphasis on transparency and information sharing. The Agency provided a total of \$532,631 in participant funding to 32 recipients, including individuals and non-profit organizations, to take part in review panels and comprehensive studies. The PFP



implemented a client satisfaction survey to collect quantitative and qualitative information on whether the objectives of the program are being met.

The Agency evaluated its PFP, including the program's relevance, impacts (success), and cost effectiveness. The evaluation resulted in recommendations that will inform renewal by the end of 2009 of the program's terms and conditions.

The Agency maintained the Canadian Environmental Assessment Registry Internet Site (CEARIS), which is accessible by the public through the [Agency's website](#)<sup>1</sup>. During 2008-2009, nearly 6,000 environmental assessments were entered into the online registry, and over 100,000 users visited CEARIS. Agency staff regularly responded to public requests for information and records. Several initiatives were undertaken to improve the quality of and accessibility to reliable information, and to promote opportunities for timely and meaningful public participation.

There were three public hearings associated with the review panel process of three projects during the reporting period. The Agency participated in two information sessions on the review panel process for the proposed Bruce Power New Nuclear Power Plant and Deep Geological Repository projects. Additionally, the Agency participated in a total of nine open houses hosted by other jurisdictions on the proposed Bute Inlet Hydroelectric and Prosperity Gold-Copper Mine projects in British Columbia, and the proposed Romaine Hydroelectric Complex Project in Quebec. For more information on review panels, see the Agency's Web page on [review panels](#)<sup>2</sup>.

During the reporting period the Agency provided the public with an opportunity to comment on six comprehensive study reports. The Agency also coordinated the public consultation on the proposed scope, factors to be considered, and the ability of the comprehensive study to address issues relating to three projects. For more information on comprehensive studies, see the Agency's Web page on [comprehensive studies](#)<sup>3</sup>.

To assist responsible authorities in fulfilling their responsibilities for public participation under the Act, the Agency published a Public Participation Guide in May 2008 and worked with federal authorities to assess the nature and extent of public participation in screenings.

### **Working with partners and stakeholders**

The Agency administered the federal environmental assessment process and assisted federal departments, agencies and Crown corporations in meeting their obligations under the Act.

The Agency chaired the Environmental Assessment Programs Committee (EAPC) which oversees the implementation of the Memorandum of Understanding in support of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act*. The EAPC continues to serve as a project issues resolution body, and as a vehicle to assist in the dissemination of information and tools in support of environmental assessment improvement.

The Agency actively participated in the Interdepartmental Working Group (IWG) established by the MPMO to support implementation of the *Cabinet Directive on Improving the Performance*

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<sup>1</sup> <http://www.ceaa-acee.gc.ca/>

<sup>2</sup> <http://www.ceaa-acee.gc.ca/010/type5index-eng.cfm>

<sup>3</sup> <http://www.ceaa-acee.gc.ca/010/type3index-eng.cfm>

of the Regulatory System for Major Resource Projects. The IWG developed various tools, such as procedures for the early stages of the regulatory process, guidance on what constitutes a major resource project, and preliminary design of the MPMO Tracker that monitors the progress of proposed major resource projects through the federal regulatory review system.

The Agency participated in analysis of the application and coordination of federal and provincial (Quebec and Ontario) environmental assessment processes in relation to the Ontario-Quebec Continental Gateway Initiative. The goal was to ensure that the environmental assessments of projects resulting from the initiative are conducted in an efficient, effective and timely manner.

The Agency continued to lead the Interdepartmental Registry Team, which was established to foster communication and participation among federal authorities on fulfilling the Act's requirements to provide convenient public access to records relating to environmental assessments. Implementation of an archival system for CEARIS has facilitated information management on completed environmental assessments while maintaining public access to key information. A study was conducted to assess the system that is used by responsible authorities to enter environmental assessment information in CEARIS against current and future business needs. The study highlighted the need for the Agency to develop an integrated information management strategy to increase business flexibility and efficiency.

The Agency continued to promote the implementation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* through reviewing proposals and communicating with sponsoring departments in relation to fulfilling the requirements of the Directive.

## **Training and guidance**

### ***Training***

The focus of Agency training efforts was the development and delivery of the Transformative Training and Learning Plan (TTLP), an important internal capacity-building curriculum for new and existing Agency employees. The TTLP was designed to support the Agency's transformation as it took on new responsibilities under the 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and associated Memorandum of Understanding. Development and delivery of the TTLP targeted filling the Agency's short-term needs and led to the development of four new specialized training packages: Orientation to the Act and Overview of New Roles and Responsibilities; Environmental Assessment Management; Engaging and Consulting Aboriginal Groups; and Comprehensive Studies.

The Agency also offered basic courses to external clients, notably the federal EA community, on the implementation of the Act and of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. The Agency also initiated advanced training events using its new videoconferencing equipment to highlight emerging operational policy and guidance products.

Participant responses in post-event evaluations suggest general satisfaction with the training and much interest in additional in-depth training and guidance. This interest was echoed by the federal Senior Management Committee on Environmental Assessment in the fall of 2008, which confirmed continued interest for Agency-led specialized training, expansion of its curriculum, and increased collaboration.

To inform regional office staff in other federal departments, the Agency delivered presentations on its role in coordinating Aboriginal-Crown consultations for major resource projects. Training and ongoing guidance were also provided to federal departments and agencies to assist them in fulfilling their legal obligations in providing meaningful, high-quality and timely information to the public via CEARIS.

### **Guidance**

A key priority was the development of procedures for the environmental assessment phase of projects subject to the new processes and timelines developed under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*. The procedures, which cover both comprehensive studies and multi-jurisdictional screenings, provide detailed information, procedural steps, and roles and responsibilities for federal authorities engaged in the environmental assessment process.

The Agency developed an electronic Guide for Comprehensive Studies as an all-inclusive tool for Agency staff members who manage the environmental assessment phase of the federal regulatory process for major resource projects. This e-Guide outlines the main steps in the environmental assessment phase and the relevant Agency activities and tasks associated with each step. It also provides guidance, tools, and examples. While the focus of the e-Guide is on the comprehensive study process, some information is provided for multi-jurisdictional screenings and panel reviews for major resource projects.

The Agency continued to carry out its ongoing responsibilities for projects not subject to the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* by finalizing an updated Comprehensive Study Process Guide. In addition, an Operational Policy Statement (OPS) was issued on best practices for applying adaptive management measures in federal environmental assessments. Issuance of this OPS fulfilled a Government of Canada commitment, made in response to the review panel recommendations related to the Whites Point Quarry Project, that the Agency would develop guidance on adaptive management by December 2008.

The EAPC produced the Compendium of Resource Documents in Support of the Interim Approach for Determining Scope of Project for Major Development Proposals with Specific Regulatory Triggers under the Act. The compendium contains direction and guidance on the Interim Approach to Scoping and serves as a resource for environmental assessment practitioners who are involved in its application. Refresher courses on how to apply the Interim Approach to Scoping were provided to federal officials by the Agency through Regional Environmental Assessment Committee meetings.

Recognizing a demand for better guidance on SEA, as governed by the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, the Agency contracted leading researchers to undertake a critical review of existing SEA tools and best practices, both internationally and domestically, and to develop a SEA Toolbox to assist federal departments and agencies in conducting SEAs.



## 2.3 ISSUES AND CHALLENGES

### Transformation

The Agency's new responsibilities for major resource projects required a transformation of its organization. There were several challenges in doing this, particularly with respect to recruitment of new staff and accommodations. In relation to recruitment, it was a challenge to advance the many recruitment and staffing processes required throughout the country with the available internal human resources staff. In addition, it proved difficult to recruit experienced professionals through external processes, particularly for positions in the regional offices. This could be attributed to regional labour market competitiveness, as well as the fact that some new positions were only being filled on a temporary basis.

As part of its transformation, the Agency also had an increase in space requirements of approximately 60%. As additional space was required in all six regional offices, as well as at National Headquarters, the Agency had to search for, review, assess, and convert existing and new space in all seven locations. The Agency's ability to complete this transition in a timely fashion was affected by several factors, including the availability and cost of suitable space.

### Changing Jurisprudence

The Agency and federal authorities had to respond to changing jurisprudence that raised issues and challenges for the efficient and timely delivery of federal environmental assessment. In June 2008, the Federal Court of Appeal overturned the September 2007 Federal Court Trial Division ruling on the environmental assessment of the Red Chris Mine Project in British Columbia. These decisions had significant implications for how federal responsible authorities determine the type of assessment required under the Act. As a result, some ongoing assessments had to be re-examined to ensure that the type of assessment was consistent with the direction provided by the Court, and in some cases the assessment type was changed. While key federal departments worked collaboratively through the Agency-led EAPC to ensure consistent and coordinated responses, these changes created considerable uncertainty for project proponents, partner jurisdictions and other interested parties, including uncertainty about the availability of participant funding.

Similarly, in April 2008 the Quebec Court of Appeal overturned the March 2006 Superior Court ruling on the environmental assessment of the Lac Doré vanadium mine in Quebec. These decisions had significant implications for the application of the Act in the territory covered by the *James Bay and Northern Quebec Agreement* (JBNQA). The Court of Appeal concluded that while the Act applies in the JBNQA territory, the federal environmental assessment process to be followed is the one set out in the JBNQA, not the one set out in the Act. The Agency worked in consultation with the Cree and the affected federal authorities to develop an approach to implementation of the Act that would be consistent with the decision.

Both of these cases have been appealed to the Supreme Court of Canada.

## Systemic Issues

Since the last amendments were made to the Act in 2003, several important administrative measures have been implemented to address ongoing issues, and substantial new resources were provided as part of the Government of Canada's major resource projects initiative. While these measures have resulted in improvements, systemic challenges to the efficient and effective administration of the Act persist.

When both the *Canadian Environmental Assessment Act* and a province's environmental assessment legislation apply to the same project, the objective is to conduct a cooperative environmental assessment process that produces the information required to satisfy both parties' requirements. Delays in the federal process on decisions, such as determining who is a responsible authority and what is the scope of a project may result in a provincial process proceeding without the benefit of federal input. This may lead to separate information requests or consultation activities which add to proponent costs and create confusion for public participants. In response, the Agency is working with its federal counterparts to improve its ability to identify when federal and provincial environmental assessment coordination may be at risk, and to take measures within the federal family to address the delays which may result in such an outcome.

While the Interim Approach to Scoping has improved the situation, determining the extent of the project to be assessed (project scoping) continued to be problematic, causing concern for federal authorities, proponents, provinces and the public. Project scoping proved particularly difficult in situations where there were potential environmental effects on areas of federal jurisdiction, but those effects were not closely linked to a federal authority's decision in relation to the project.

Diffuse accountability, resulting from the self-assessment model used in the Act, continued to cause problems for the environmental assessment of larger projects when there were multiple federal authorities with independent legal responsibilities. Proponents noted that requests for information came at different times during the process through different channels, and there were cases of multiple assessments in relation to the same project. While the federal environmental assessment coordinator provisions introduced in 2003 assist with this challenge, they do not provide overarching legislative authority to ensure a timely and effective process.

The value of review panels has been a defining characteristic of the Act since it came into force in 1995. Although experience with review panels has generally been positive, concerns have been raised by stakeholders primarily in regard to process delays associated with referral of a project to a review panel, consultation with Aboriginal groups, proponent responses to information requests and submission of the panel's report. The Agency has responded to these challenges by implementing improvements under the current framework.

The PFP experienced challenges related to delays in the application process resulting from incomplete submissions. The need to obtain additional information caused delays, hindering recipients' preparation for and participation in Aboriginal and public consultation activities associated with environmental assessments. These difficulties also contributed to the failure to disburse the total amount of funding available.

## 2.4 LESSONS LEARNED

The Agency experienced a challenging and productive year in 2008-2009, as it took on new responsibilities under the 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and delivered important regulatory measures to support implementation of the Government's Economic Action Plan. The Agency was transformed as it built the organizational structure, and recruited and trained staff to play an enhanced leadership role in federal environmental assessment.

However, while process and regulatory improvements have been developed for specific sectors, these do not address some of the underlying systemic issues discussed in the previous section. The Agency will continue to work with partners and stakeholders to develop better means of implementing the process and innovative approaches to address issues; however, many of these issues cannot be resolved without legislative changes. Therefore, the Agency is beginning to prepare for the review of the Act by a Parliamentary Committee, which is scheduled to begin by June 2010.

The Joint Review Panel (JRP) appointed to review and assess the Mackenzie Gas Project has experienced significant delays in completing its mandate. Notwithstanding the magnitude of this project and the challenges associated with assessing its impact, there is a need to improve the timeliness and predictability of complex joint review processes. The Agency has been working closely with its partners in this joint review process, the Mackenzie Valley Environmental Impact Review Board and the Inuvialuit Game Council, to provide technical and administrative support to the Panel with a view to reducing the prospect of further delays without compromising the independence of the JRP or the quality of its report. Once the panel report has been completed, the Agency and its partners intend to conduct an examination of lessons learned to avoid such delays occurring again.

The evaluation of the relevance, success and cost effectiveness of the Agency's administration of the PFP over the past five years highlighted some key lessons and opportunities for improvement. Notably, the evaluation recommended that the Agency diversify its approaches to promoting awareness of the program. Improvements in this area will encourage more parties to apply for funding to assist their participation in comprehensive study and review panel environmental assessments, and, in turn, contribute to more effective public input to those processes. The Agency is developing specific actions to address those recommendations.

Through experience, the Agency is learning many lessons on integrating Aboriginal consultation into the environmental assessment process. Gathering the information to enable the federal Crown to discharge its consultation responsibilities requires a coordinated and collective effort by the Agency, federal authorities, project proponents, and, as appropriate, review panels or joint review panels. One key lesson has been the importance of clearly defining the roles of review panels and joint review panels in this regard. The Agency has adopted clear and consistent language in panel terms of reference to clearly set out the responsibility of the panel to invite information from Aboriginal groups related to the nature and scope of potential or established Aboriginal rights or title in the area of the project, as well as information on the potential impacts or potential infringement that the project may have on potential or established Aboriginal rights or title. This is making an important contribution to assisting the federal Crown in discharging its consultation responsibilities.







## SECTION 3: SUPPLEMENTARY INFORMATION

### *In this section:*

- ◆ Financial Highlights
- ◆ List of Tables
- ◆ Contacts for Further Information

### 3.1 FINANCIAL HIGHLIGHTS

The financial highlights presented within this DPR are intended to serve as a general overview of the Agency's financial position and operations. Detailed financial statements can be found on the [Agency's website](http://www.ceaa-acee.gc.ca/)<sup>4</sup>.

(\$)

<b>Condensed Statement of Financial Position At End of Year (March 31, 2009)</b>	<b>% Change</b>	<b>2009</b>	<b>2008</b>
Assets			
Total Assets	-56%	858,100	1,977,746
<b>Total</b>	<b>-56%</b>	<b>858,100</b>	<b>1,977,746</b>
Liabilities			
Total Liabilities	61%	8,744,694	5,435,707
Equity			
Total Equity	-128%	(7,886,594)	(3,457,961)
<b>Total</b>	<b>-56%</b>	<b>858,100</b>	<b>1,977,746</b>

(\$)

<b>Condensed Statement of Operations At End of Year (March 31, 2009)</b>	<b>% Change</b>	<b>2009</b>	<b>2008</b>
Expenses			
Total Expenses	39%	37,667,617	27,088,110
Revenues			
Total Revenues	-47%	3,365,290	6,351,904
<b>Net Cost of Operations</b>	<b>65%</b>	<b>34,302,327</b>	<b>20,736,206</b>

<sup>4</sup> <http://www.ceaa-acee.gc.ca/>

## 3.2 LIST OF TABLES

The following tables are located on the [Treasury Board Secretariat Web site](#):

- 📄 Sources of Respendable and Non-Respendable Revenue
- 📄 *User Fees Act*/External Fees
- 📄 Sustainable Development Strategy
- 📄 Response to Parliamentary Committees and External Audits
- 📄 Internal Audits and Evaluations

### **3.3 CONTACTS FOR FURTHER INFORMATION**

#### **Director of Communications**

Canadian Environmental Assessment Agency

160 Elgin Street, 22<sup>nd</sup> Floor

Ottawa, ON K1A 0H3

**Tel:** 613-957-0712

**Fax:** 613-957-0946

**E-mail:** [info@ceaa-acee.gc.ca](mailto:info@ceaa-acee.gc.ca)

#### **The Canadian Environmental Assessment Agency's Web Site**

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

#### **Treasury Board Secretariat's Web Site**

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)

**CANADIAN ENVIRONMENTAL  
ASSESSMENT AGENCY**

**2009-2010**

**DEPARTMENTAL PERFORMANCE REPORT**

**The Honourable Jim Prentice  
Minister of the Environment and  
Minister responsible for the  
Canadian Environmental Assessment Agency**

**026130**





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## MINISTER'S MESSAGE

As Minister responsible for the Canadian Environmental Assessment Agency, I am pleased to present the 2009–2010 Departmental Performance Report for the Agency. This is a report of performance against priorities set out at the beginning of the fiscal year.

The Government of Canada recognizes that promoting economic opportunities and protecting the environment are complementary objectives. Environmental assessment is an important tool to ensure that proposed developments, as well as policy, plan and program proposals, proceed in a sustainable manner.

Over the past year, there has been significant progress toward making Canada's environmental assessment process as timely, predictable and effective as possible. A legislative review of the provisions and operation of the *Canadian Environmental Assessment Act* by a parliamentary committee taking place in 2010 will provide an opportunity to consider further improvements to federal environmental assessment.

I invite parliamentarians and Canadians to read the 2009–2010 Departmental Performance Report to gain a better appreciation of the Canadian Environmental Assessment Agency's mandate and performance.

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**The Honourable Jim Prentice, P.C., Q.C., M.P.**

**Minister of the Environment and Minister responsible for the  
Canadian Environmental Assessment Agency**



## **SECTION 1: AGENCY OVERVIEW**

### ***In this section:***

- ◆ Raison d'être
- ◆ Responsibilities
- ◆ Strategic Outcome and Program Activity Architecture
- ◆ Summary of Performance
- ◆ Contribution of Priorities to Strategic Outcome
- ◆ Risk Analysis
- ◆ Expenditure Profile
- ◆ Voted and Statutory Items



## 1.1 RAISON D'ÊTRE

**The Canadian Environmental Assessment Agency provides leadership and serves as the centre of expertise for federal environmental assessment. The Agency's mandate is to provide Canadians with high-quality environmental assessments that contribute to informed decision making in support of sustainable development.**

## 1.2 RESPONSIBILITIES

Led by the President, who reports directly to the Minister of the Environment, the Canadian Environmental Assessment Agency (the Agency) delivers its mandate under the authority of the *Canadian Environmental Assessment Act* (the Act) and its accompanying regulations, and within the framework of the following instruments:

- the *Canada-wide Accord on Environmental Harmonization*, including the *Sub-agreement on Environmental Assessment*, and bilateral agreements with provincial governments that establish arrangements for cooperative environmental assessments; and
- international agreements containing environmental assessment provisions to which Canada is a party, principally the United Nations Economic Commission for Europe's *Convention on Environmental Impact Assessment in a Transboundary Context*.

The Agency works with federal authorities on the application of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* (the Directive) and its Memorandum of Understanding. The Agency provides advice and guidance on the Directive's expectations, and leads interdepartmental efforts to advance the Directive's goal of delivering high-quality environmental assessments in a predictable, certain and timely manner.

The Agency is responsible for managing the federal environmental assessment process for most major resource projects, and for integrating the Government of Canada's Aboriginal engagement and consultation activities into the environmental assessment process for these projects, as mandated under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its Memorandum of Understanding.

To support efficient and effective consideration of the environmental effects of development proposals, the Agency coordinates federal environmental assessment requirements with those of the provinces and territories. Further, the Agency administers a participant funding program to facilitate public participation and Aboriginal consultation in designated environmental assessments.

Consistent with the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* (the Cabinet Directive), the Agency also supports the Minister of the Environment in promoting the application of environmental assessment processes in strategic-level decision making by providing training and guidance to federal authorities.

As well, the President of the Agency has been designated by Order in Council as the federal administrator of the environmental and social protection regimes set out in sections 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement* (JBNQA).

As of July 12, 2010, following the passage of the *Jobs and Economic Growth Act*, the Agency has assumed the functions of responsible authorities for comprehensive studies from the point when it receives information about a project for which a comprehensive study might be required until a comprehensive study report is submitted to the Minister of the Environment. This does not apply, however, for projects that are regulated by the Canadian Nuclear Safety Commission or the National Energy Board. Since the Agency had not yet taken on these new responsibilities during the reporting period, the Agency will be reporting on these new responsibilities in the 2010–2011 *Departmental Performance Report*.

### 1.3 STRATEGIC OUTCOME AND PROGRAM ACTIVITY ARCHITECTURE

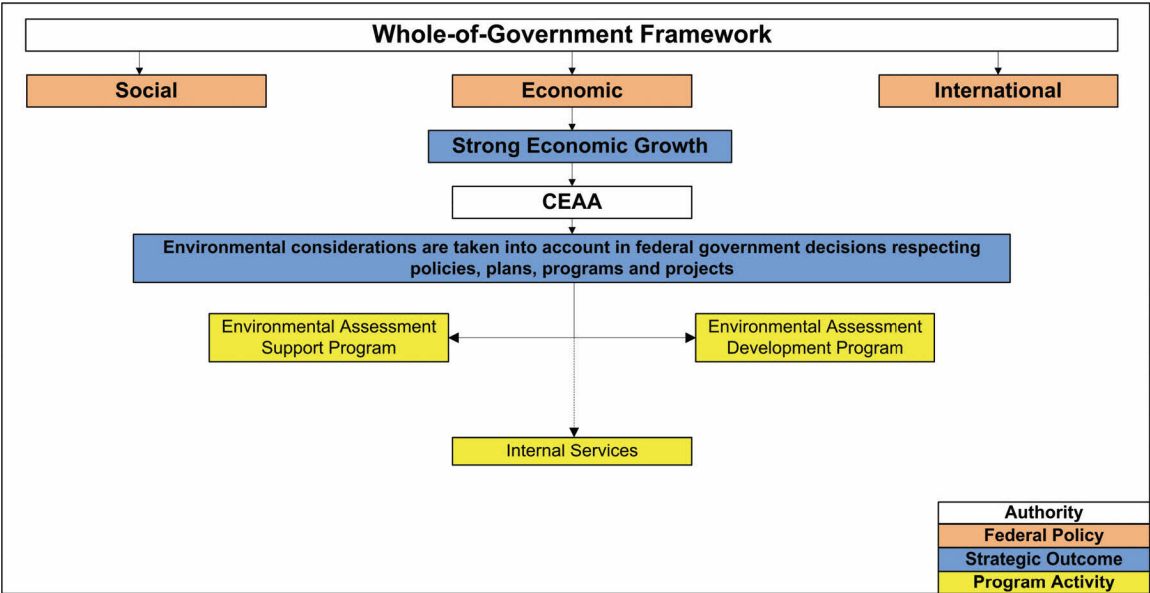
#### Strategic Outcome

In order to effectively pursue its mandate, the Agency aims to achieve the following strategic outcome:

**Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.**

#### Program Activity Architecture

The chart below illustrates the Agency’s framework of program activities that contribute to its strategic outcome.



## 1.4 SUMMARY OF PERFORMANCE

### 2009-2010 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
32,049	35,781	30,360

### 2009-2010 Human Resources (Full Time Equivalents (FTEs))

Planned	Actual	Difference
244	233	(11)

#### Strategic Outcome

Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

Performance Indicators	Targets	2009-2010 Performance
Percentage of policy, plan and program proposals for consideration by Cabinet that include strategic environmental considerations	90% of Memoranda to Cabinet include strategic environmental considerations by 2010-2011	<ul style="list-style-type: none"> <li>Of the proposals reviewed by the Agency that were subject to the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>, 68% reported the conduct of at least a preliminary scan of strategic environmental considerations, including 11% that reported the conduct of a detailed strategic environmental assessment (SEA).</li> <li>Under the Cabinet Directive, the Agency promotes the application of SEA to policy, plan and program proposals of the federal government by reviewing proposals and communicating with sponsoring departments in relation to fulfilling the requirements of the Directive. Departments are responsible for ensuring environmental considerations are properly integrated in their proposals and reporting requirements of the Cabinet Directive are met.</li> <li>To enhance federal performance in this area, the Agency developed and delivered a toolkit and workshop on Strategic Environmental Assessment. The Agency also engaged departments and agencies in a dialogue on how to improve the implementation of the Cabinet Directive. This work is being expanded upon and will be reported on in 2010-2011.</li> </ul>

<b>Strategic Outcome</b>		
Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.		
<b>Performance Indicators</b>	<b>Targets</b>	<b>2009-2010 Performance</b>
Percentage of environmental assessments (EAs) for which the Agency is Federal Environmental Assessment Coordinator (FEAC) or EA manager, and for which an EA work plan is developed and implemented by the Agency	For 100% of project-specific EAs for which the Agency is FEAC or EA manager, an EA work plan is developed and implemented	<ul style="list-style-type: none"> <li>A work plan was developed and implemented by the Agency for environmental assessments for which the Agency was FEAC or EA manager 100% of the time.</li> </ul>

(\$ thousands)

<b>Program Activity</b>	<b>2008-2009 Actual Spending</b>	<b>2009-2010<sup>1</sup></b>				<b>Alignment to Government of Canada Outcome</b>
		<b>Main Estimates</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>	
Environmental Assessment Development Program	6,605	3,887	3,887	4,801	4,238	Strong Economic Growth
Environmental Assessment Support Program	21,643	20,653	20,653	20,998	16,182	
Internal Services	—	7,509	7,509	9,982	9,940	
<b>Total</b>	<b>28,248</b>	<b>32,049</b>	<b>32,049</b>	<b>35,781</b>	<b>30,360</b>	

Agency funding has increased significantly in recent years as a result of new time-limited initiatives. Among these was the initiative to improve Canada's regulatory framework for major projects, for which the Agency received funding. At the end of the 2009-2010 fiscal year, the Agency had normal operating lapses relating to ongoing activities as well as new initiatives. This was due in part to lower than anticipated litigation costs during the fiscal year. In addition, nearly \$2 million of lapsed resources were planned (i.e. reprofiled) to address greater participant funding requirements in upcoming years resulting from a number of large EA projects that are getting underway.

<sup>1</sup> Commencing in the 2009-2010 Estimates cycle, the resources for Program Activity: Internal Services are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by Program Activity between fiscal years.

## 1.5 CONTRIBUTION OF PRIORITIES TO STRATEGIC OUTCOME

Operational Priorities	Type	Status
Build a framework for more integrated environmental assessment	Ongoing	<p>Mostly met</p> <ul style="list-style-type: none"> <li>▪ This priority is most closely linked to the EA Development Program activity.</li> <li>▪ A framework that facilitates more integrated EA will lead to more effective consideration of environmental effects in federal decision making.</li> <li>▪ To this end, important progress was made through activities in support of the Government's Economic Action Plan, and the major resource projects initiative. In response to the Supreme Court of Canada's ruling in the Red Chris Mine case (<i>MiningWatch Canada v. Canada (Fisheries and Oceans)</i>), the Agency developed operational policy statements, and updated training and guidance materials to assist federal organizations in implementing the ruling. The Agency continued to work with provinces and territories through the Canadian Council of Ministers of the Environment to explore options for enhanced environmental assessment cooperation. As well, the Agency continued to support initiatives to advance the practice of strategic environmental assessment.</li> <li>▪ The Agency developed important amendments to the Act to improve the efficiency and timeliness of the EA process. These amendments were introduced in March 2010 as part of the <i>Jobs and Economic Growth Act (JEGA)</i>. (The amendments came into effect after the reporting period when the JEGA received Royal Assent on July 12, 2010.)</li> </ul>
Play an active leadership role in federal environmental assessment	Ongoing	<p>Mostly met</p> <ul style="list-style-type: none"> <li>▪ This priority is most closely linked to the EA Support Program activity.</li> <li>▪ The Agency provides leadership in EAs by fulfilling these roles: coordinating EAs involving other jurisdictions; managing the EA process and coordinating Aboriginal consultation for most major resource projects; supporting the review panel process; and providing funding for public participation in EAs.</li> <li>▪ In 2009-2010, the Agency coordinated 247 federal environmental assessments across Canada. It managed 23 EAs of major resource projects, contributed to the coordination of 25 <i>James Bay and Northern Quebec Agreement</i> projects, and provided administrative support to ten review panels.</li> <li>▪ The Agency's Participant Funding Program provided \$0.3 million to 30 recipients to facilitate public participation; and the Aboriginal Funding Envelope provided \$1.2 million to 24 recipients to enable Aboriginal consultation.</li> </ul>

Operational Priorities	Type	Status
Build capacity and organization to deliver on existing and new responsibilities	Ongoing	<p>Mostly met</p> <ul style="list-style-type: none"> <li>▪ This priority is most closely linked to the EA Support Program activity.</li> <li>▪ The Agency reorganized roles and responsibilities, and recruited and trained new staff during the reporting period to address new EA responsibilities (major project management, Aboriginal consultation and comprehensive studies) stated in the 2007 <i>Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects</i>. Ongoing training of staff continued to enhance the Agency's ability to deliver on existing and new requirements.</li> </ul>

## 1.6 RISK ANALYSIS

### Agency Operating Environment and Challenges

Protecting the environment, while continuing to build a strong economy and improving quality of life for Canadians, is an important challenge. Environmental assessment (EA) responds to this challenge by ensuring environmental effects are considered *before* decisions are taken to allow policies, plans, programs or projects to proceed. The Government recognizes that prosperity cannot be sustained without a healthy environment. The federal environmental assessment process, at both the strategic and project level, is a key tool for ensuring that while Canada strives to maintain a healthy economy, it also protects the Canadian environment.

Under the *Canadian Environmental Assessment Act* (the Act), responsible authorities (federal departments, agencies, and parent Crown corporations) must undertake an environmental assessment before they carry out a project; provide financial assistance to enable a project to be carried out; sell, lease or otherwise transfer control or administration of land to enable a project to be undertaken; or issue certain authorizations to enable a project to go forward. During the reporting period, over 6,000 environmental assessments were initiated under the Act. Since 1995, the year the Act came into effect, approximately 90,000 environmental assessments have been initiated.

Projects subject to environmental assessment under the Act, and policies, plans and programs subject to strategic environmental assessment (SEA) under the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, often raise important issues associated with socio-economic development, environmental protection, Aboriginal concerns, and federal-provincial/territorial cooperation. The Agency continued to lead the government's efforts to explore means of improving the contribution of strategic environmental assessment and strengthening its relationship to project-level assessments and regulatory decision making.

Federal environmental assessment continued to adapt to emerging trends, such as changing economic and environmental conditions, new technologies, developments in jurisprudence, and evolving public expectations.

The following provides an overview of the Agency's operating environment, and associated considerations and challenges during the reporting period.



## **Shared Responsibility for Environmental Management**

Under the Canadian Constitution, environmental management is an area of shared responsibility between the federal and provincial governments. Many projects are subject to federal and provincial/territorial environmental assessment requirements. In addition to this, an increasing number of Aboriginal land claims and self-government agreements contain EA processes.

Ultimately, the desired outcome of cooperating with provincial authorities is a single, consistently applied environmental assessment process, enabling each order of government to make its decisions in relation to projects in a certain, predictable and timely fashion, while safeguarding the environment. This is frequently referred to as a one project-one assessment approach, an approach endorsed by the Canadian Council of Ministers of the Environment (CCME).

The CCME *Sub-agreement on Environmental Assessment*, signed in 1998, establishes a framework to provide the public, proponents and governments with greater consistency, predictability, and timely and efficient use of resources where two or more jurisdictions are required by law to assess the same project. In October 2009, all federal, provincial and territorial governments reaffirmed, through the CCME, their commitment to reducing federal-provincial duplication in environmental assessment, while ensuring high environmental standards are met. The CCME endorsed a report that recommends jurisdictions consider a range of environmental assessment tools and models in their legislation, including the following cooperation mechanisms: coordination, delegation, joint review panels, and substitution.

Federal environmental assessment legislation is based on the principle of self-assessment, which means that several federal authorities may have environmental assessment responsibilities in relation to the same project. As a result, coordinating the federal requirements is a challenge which calls for strong leadership and management.

## **Competing Interests**

The projects subject to environmental assessment are often complex, giving rise to competing interests. As such, the Agency strives to consider the issues and address the underlying interests, while maintaining productive relationships and delivering high-quality assessments that meet the expectations of Canadians in a timely and predictable manner.

To address this challenge, the Agency continued to coordinate and facilitate meaningful opportunities for all potentially affected parties to participate in the environmental assessment process. This included the provision of funding to Aboriginal groups and the public to support their participation in the review of large-scale projects.

## **Integrating Consultation with Aboriginal Groups into Environmental Assessment Processes**

The Government of Canada has established the *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult*. Linking the federal Crown's Aboriginal consultation activities with the federal environmental assessment process enhances early engagement and relationship-building with Aboriginal groups, which assist the federal government in fulfilling its consultation obligations. The Agency continued to carry out its responsibility for integrating Aboriginal-Crown consultation into the environmental

assessments of the major resource projects that it manages, including review panel processes and comprehensive studies.

The Agency developed a step-by-step Aboriginal consultation process based on the *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult*. This process provides a consistent, understandable approach to consultation that will support more effective communication with Aboriginal groups and improved collaboration with provincial governments.

### **Improving Federal Policy Development**

Strategic environmental assessment (SEA) is a developing area with considerable potential for improving decisions to contribute to sustainable development. The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* sets out the Government's expectations of federal departments and agencies for SEA. The Agency continued to advocate for the application of SEA, delivered training, developed guidance, and provided advice and support to departments and agencies as needed. The results of an Agency-led evaluation of the Cabinet Directive will be used to further strengthen the application of SEA in Canada.

### **Litigation**

Litigation in relation to the application of the *Canadian Environmental Assessment Act* raises issues and challenges for the efficient, consistent and timely delivery of federal environmental assessment. Decisions rendered by the Courts can have significant implications for federal environmental assessment.

Litigation during the reporting period included two cases before the Supreme Court of Canada related to the federal environmental assessment of mining projects: the Red Chris Mine Project in British Columbia and the Lac Doré Vanadium Mine Project in Quebec.

The Supreme Court ruled on the Red Chris Mine case (*MiningWatch Canada v. Canada*) in January 2010. The decision provided clarity regarding the type of assessment that must be conducted under the Act and how to establish the scope of the project to be assessed. The Court also supported federal-provincial cooperation to reduce duplication in environmental assessment processes.

The Vanadium Mine case (*Grand Chief Dr. Ted Moses et al. v. Canada*) was still before the Supreme Court of Canada during the reporting period. However, the Court subsequently released its decision in May 2010. The decision confirmed that the *Canadian Environmental Assessment Act* does apply in the territory governed by the *James Bay and Northern Quebec Agreement*, and must be applied in a manner that fully respects the Crown's duty to consult the Cree on matters affecting their treaty rights.

### **International Community**

International partnerships give Canada the opportunity to share environmental assessment expertise, and at the same time, access the research being undertaken in other countries. Keeping in step with the environmental initiatives of international organizations and other countries also contributes to Canada's competitiveness. In this regard, the Agency continued to develop relationships and maintain productive dialogue with other jurisdictions, such as Australia and the United States. In addition, as a party to the United Nations Economic Commission for Europe's *Convention on Environmental Impact Assessment in a Transboundary Context*, Canada is required to meet its obligations under the Convention. During the reporting period, no projects in Canada were subject to this Convention.

The Agency continued to support the work of the International Association for Impact Assessment (IAIA). For example, at the IAIA 2010 conference, the Agency, along with officials from Australia and the United States hosted an international panel entitled "Experiences and Lessons Learned in a Multi-jurisdictional Context – Canada, the United States and Australia". This panel offered a comparative review of three distinct environmental impact assessment regimes, in order to share lessons learned and best practices in applying environmental assessment to complex multi-jurisdictional projects.

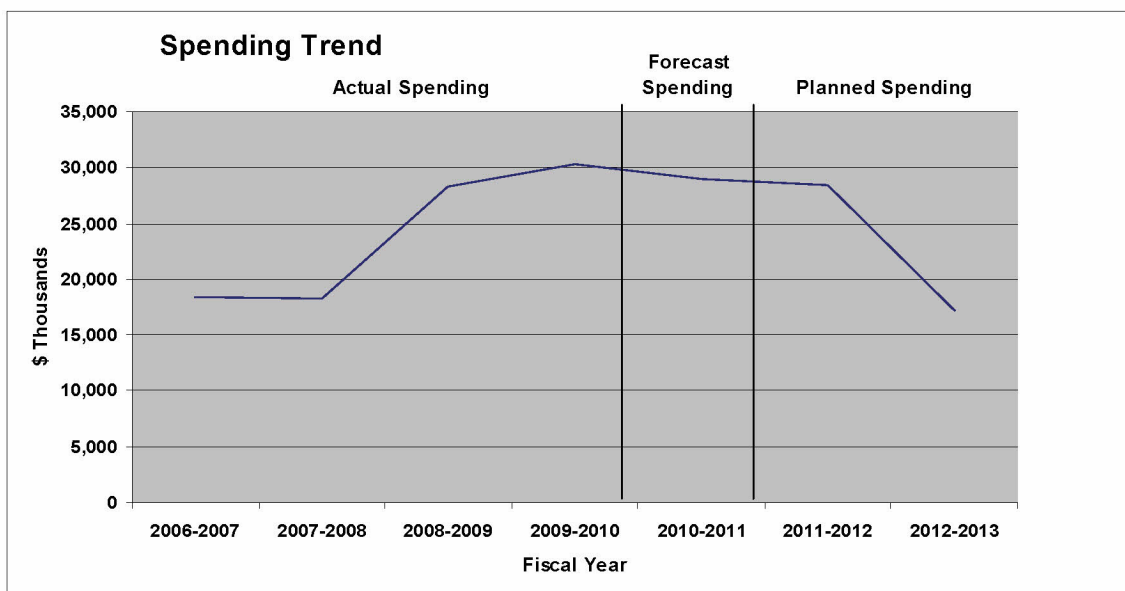
The Agency also supported the work of the Secrétariat international francophone pour l'évaluation environnementale (SIFÉE). The Agency actively participated in the work of the scientific committee, which helped to enable SIFÉE's annual meeting. The Agency also participated in SIFÉE's strategic orientation session in preparation for the upcoming annual meeting.

### **2010 Legislative Review of the Canadian Environmental Assessment Act**

The 2003 *Act to amend the Canadian Environmental Assessment Act* required that a review by a parliamentary committee of the provisions and operation of the *Canadian Environmental Assessment Act* (the Act) begin by June 2010. The committee is required to submit a report on the review to Parliament, including a statement of any recommended changes to the Act, within one year or within such further time as may be authorized by Parliament. The committee's report will be followed by a government response, which could include proposals for new legislation.

During the reporting period, the Agency began undertaking the work necessary to prepare for and participate in the review. Subsequent to the reporting period, in June 2010 the House of Commons referred the conduct of the review to its Standing Committee on Environment and Sustainable Development.

## **1.7 EXPENDITURE PROFILE**



For the 2009-2010 fiscal year, the Agency spent \$30.4 million to achieve the expected results of its program activities and to contribute to its strategic outcome.

For the 2006-2007 to 2009-2010 periods, total spending includes all parliamentary appropriation and revenue sources. It also includes carry forward adjustments. For the 2010-2011 to 2012-2013 periods, the total spending corresponds to planned spending and revenues. Supplementary funding and carry forward adjustments are unknown at this point and are, therefore, not reflected.

As a result of the Budget 2007 initiative to improve Canada's regulatory framework for major resource projects, the Agency has increased its spending trend. The Agency was also granted funding for review panel support, as well as to address Aboriginal consultation for environmental assessment programs, which sunset in 2009-2010 and 2010-2011 respectively. Funding for Aboriginal consultation has since been renewed for 2010-2011 and 2011-2012.

## **Canada's Economic Action Plan**

Supporting sustainable development requires protecting the environment, while securing a strong economy and prosperity for Canadians. Environmental assessment under the Act responds to this challenge by ensuring that the potential environmental effects of development proposals are carefully considered in the federal decision-making process. The number of environmental assessments required pursuant to the Act is in large part a function of the strength of the Canadian economy. Both resource sector and infrastructure projects remain important as Canada's economic recovery continues.

During the 2008-2009 fiscal year, the Government of Canada introduced the two-year Economic Action Plan to stimulate the economy through significant funding of public infrastructure projects. The Agency supported this initiative by developing regulatory amendments designed to provide certainty regarding the environmental assessment requirements for these federally-funded public infrastructure projects.

During the 2009-2010 fiscal year, the Agency continued to support Canada's Economic Action Plan through the development of legislative amendments to improve the efficiency, timeliness and certainty of the federal environmental assessment process. The amendments to the Act were introduced in March 2010 as part of the *Jobs and Economic Growth Act*, and came into effect subsequent to the reporting period when the latter received Royal Assent on July 12, 2010.

## 1.8 VOTED AND STATUTORY ITEMS

(\$ thousands)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2007- 2008 Actual Spending	2008- 2009 Actual Spending	2009- 2010 Main Estimates	2009- 2010 Actual Spending
15	Program expenditures	16,548	25,392	29,199	26,949
(S)	Contributions to employee benefit plans	1,729	2,855	2,850	3,411
(S)	Refunds of amounts credited to revenues in previous years		1		
<b>Total</b>		18,277	28,248	32,049	30,360

## **SECTION 2: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME**

### ***In this section:***

- ◆ Strategic Outcome
- ◆ Program Activity by Strategic Outcome
- ◆ Internal Services
- ◆ Issues and Challenges
- ◆ Lessons Learned



## 2.1 STRATEGIC OUTCOME

**Strategic Outcome:** Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

This ensures that federal government decision making supports Canada's environmental sustainability and economic competitiveness, thereby providing long-term, enduring benefits for Canadians.

## 2.2 PROGRAM ACTIVITY BY STRATEGIC OUTCOME

### Program Activity: Environmental Assessment Development Program

2009-2010 Financial Resources (\$ thousands)			2009-2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
3,887	4,801	4,238	45	46	1

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Federal organizations have the instruments they need to meet their environmental assessment responsibilities	Percentage of federal organizations who agree that the instruments provided by the Agency set out and explain the environmental assessment requirements within the federal government	By 2009-2010, 75% of federal organizations agree that the instruments provided by the Agency set out and explain the environmental assessment within the federal government	The Agency cannot report on this indicator for 2009-2010, but will use the 2009-2010 experience to design an appropriate evidence gathering mechanism for the next fiscal year.	In 2009-2010, the Agency received feedback from numerous federal organizations regarding whether they had the instruments and capacity-building support they needed to meet their environmental assessment responsibilities. Feedback from consultation and workshops indicated a continuing need and interest in both live and electronic delivery of up-to-date training, guidance and tools.
Federal departments have access to the training and information they need to implement the <i>Cabinet Directive on Environmental Assessment of Policy, Plan and Program Proposals</i>	Percentage of course participants from federal departments indicating their satisfaction with training course content and materials	85% of course participants from federal departments are satisfied with training course content and materials	Met all	During the reporting period, the Agency offered two training courses regarding strategic environmental assessment (SEA). Of the participants who provided feedback, 86% expressed their overall satisfaction with the course.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Key issues are addressed, contributing to an improved federal environmental assessment framework consistent with the purposes of the <i>Canadian Environmental Assessment Act</i>	Percentage of key issues being addressed through the development of new or amended policies, procedures, regulations, or legislative proposals	Over 5 years, 100% of key issues are being addressed resulting in new or amended policies, procedures, regulations, or legislative proposals	Met all for 2009-2010	The key issues identified during the reporting period were: <ul style="list-style-type: none"> <li>▪ Aboriginal consultation;</li> <li>▪ streamlining EA process;</li> <li>▪ project scoping;</li> <li>▪ federal-provincial coordination; and</li> <li>▪ federal coordination (multiple responsible authorities).</li> </ul> 100% of these key issues were addressed.

#### Explanatory note for key issues indicator

Since 2009-2010 will be the first year the Agency will be quantitatively reporting against these program activities, the Agency will be able to report against the identified five-year target time frame in 2013-2014. There may be some variability in the list of key issues addressed from year to year over the course of the five-year period. For 2009-2010, the Agency addressed the following key issues:

##### 1. Aboriginal consultation

- Creation of work plans and delivery of products on Aboriginal affairs priorities for the Agency, including:
  - Policy framework on Crown Consultation Coordinator function
  - Aboriginal consultation process based largely on the *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult* and highlighting their timing relative to an EA process
  - Operational policy instruments on strength of claim assessments, preliminary breadth and depth of consultation, and enhanced Aboriginal Funding Envelope templates
  - Creation of a practitioners' guide for Aboriginal consultation in the context of EA
  - Piloting of Agency training course on Aboriginal consultation in EA leading to ongoing federal delivery starting in the fall of 2010

##### 2. Streamlining the environmental assessment process

- Amendments to the Act introduced through the *Jobs and Economic Growth Act* that simplify the steps at the beginning of a comprehensive study process.
- Publication of the *Guide to the Class Screening Process* on the Agency's Web site.

##### 3. Project scoping

- Response to the recommendations in the Audit of the Application of the *Canadian Environmental Assessment Act*.
- Operational policy statement in response to the Supreme Court of Canada's ruling in the Red Chris Mine case (*MiningWatch Canada v. Canada*) and amendments to other operational policy instruments.

- Amendments to the Act, introduced through the *Jobs and Economic Growth Act*, which provide the Minister of the Environment with authority to determine the appropriate scope of the project.

#### 4. Federal-provincial coordination

- Operational Policy Statement on the *Use of Federal-Provincial Cooperation Mechanisms in Environmental Assessments pursuant to the Canadian Environmental Assessment Act*.
- Completing, with the Quebec Ministère du Développement durable, de l'Environnement et des Parcs, the evaluation of the 2004 *Canada-Quebec Agreement on Environmental Assessment Cooperation*.
- Delegation of the conduct of two environmental assessments (Northwest Transmission Line Project and the Line Creek Operations Phase II Coal Mine Project) to the British Columbia Environmental Assessment Office in accordance with the Act.
- Development, as co-chair of a federal-provincial task group, of a report that was endorsed by the Canadian Council of Ministers of the Environment on strengthening federal-provincial cooperation.
- Amendments to the Act, introduced through the *Jobs and Economic Growth Act*, which allow assessments of large-scale projects to get started sooner, thereby facilitating coordination with provincial assessment processes.

#### 5. Federal coordination

- Amendments to the Act, introduced through the *Jobs and Economic Growth Act*, that allow for more efficient management of the federal environmental assessment process for large-scale projects by consolidating responsibility with the Agency, the National Energy Board and the Canadian Nuclear Safety Commission.
- Delivery of training on EA project management for major projects on a pilot basis in preparation for ongoing federal delivery starting in the fall of 2010.

### **Benefits for Canadians**

The Environmental Assessment Development Program activity seeks to maintain and improve federal environmental assessment so that it remains effective, efficient and integrated.

A sound EA process is vital to ensuring that environmental considerations are integrated into federal government decision making, thereby supporting quality of life for Canadians, environmental sustainability, and economic competitiveness.

### **Performance Analysis**

The Environmental Assessment Development Program activity aligns most closely with the Agency's strategic priority to build a framework for more integrated environmental assessment. By establishing and maintaining the policy and legislative foundation for the practice of environmental assessment federally, the program activity also supports the Agency's priority to play an active leadership role in federal environmental assessment.

Throughout the year, the Agency monitored and evaluated emerging issues and challenges, and sought to develop appropriate options for legislative improvements, as well as regulatory and policy responses. In addition, the program activity contributed to strengthening environmental assessment coordination.

## **Consultation with Partners and Stakeholders**

The Agency continued to work with stakeholders, and developed and maintained partnerships to promote sound environmental assessment (EA) practices in Canada and abroad. The Agency worked with the Senior Management Committee on Environmental Assessment (federal departments and agencies), the Environmental Assessment Administrators Committee (provincial and territorial governments), and the Regional Environmental Assessment Committees (federal authorities, regulated authorities and provincial governments).

The Agency provided advice to Indian and Northern Affairs Canada (INAC) to ensure that the environmental assessment regimes developed and implemented pursuant to comprehensive land claims agreements, self-government agreements, and devolution initiatives are consistent with the requirements of the *Canadian Environmental Assessment Act* (the Act) and can be coordinated with existing environmental assessment regimes.

The Agency provided expertise and support for tripartite negotiations (between Canada, Quebec and the Atikamekw nation) focused on drafting a chapter on environmental assessment for an agreement in principle. With respect to the *James Bay and Northern Quebec Agreement* (JBNQA), the Agency continued to support INAC during self-government negotiations, notably for the establishment of Nunavik and the improvement of the EA regime and social provisions within section 22 of the JBNQA. The Agency also provided advice to the INAC federal negotiators relative to the proposed EA provisions of modern treaties being negotiated with British Columbia Aboriginal groups. The Agency is involved in 32 active negotiations in British Columbia.

The Agency also provided training and guidance to partners and stakeholders, notably through delivery of its two mainstay courses, Orientation to the Act and Introduction to Screenings. This training and the guidance available on the Agency's Web site are combined to support federal authorities as well as project proponents in meeting the requirements of the Act and in increasing the quality of assessments. The courses also contribute to building the capacity of stakeholders to participate effectively in EAs and of provincial colleagues to understand federal EA. With these efforts, the Agency promotes compliance with the Act and builds the external capacity to achieve timely and effective EA.

In September 2009, the Agency hosted a bilateral meeting with representatives from the United States Environmental Protection Agency (EPA) and Council on Environmental Quality (CEQ). This meeting presented an opportunity for Canada and the United States to hold a senior-level discussion on environmental assessment within the broader context of economic development and key policy directions in both countries. It also allowed participants to share information about their respective approaches to environmental assessment, exchange best practices, and explore areas of mutual interest and continued or future collaboration. The meeting built on earlier exchanges between the Agency and the United States EPA and CEQ. Meeting participants considered EA within a landscape of shifting energy policy and economic challenges. Over the two-day session, participants addressed some of the challenges, opportunities and recent initiatives associated with EA of energy projects.

## **Ongoing Improvements for Major Resource Projects**

The Agency supported the major resource projects initiative by contributing to the ongoing development of policies, procedures, and guidance materials for enhancing coordination and collaboration on high quality, timely and predictable environmental assessments within the federal regulatory review process.

## **Strengthening Environmental Assessment Coordination and Cooperation**

In October 2009, the Canadian Council of Ministers of the Environment (CCME) endorsed a report recommending that jurisdictions consider a range of models in their legislation to reduce federal-provincial duplication in environmental assessment while ensuring high environmental standards are met. Such models include joint processes, delegation and substitution, which ultimately ensure that each order of government can make timely decisions based on one high-quality EA. The report was prepared by the Environmental Assessment Task Group, which included representatives from all provinces and was co-chaired by the Agency.

For some of the models proposed by CCME, such as substitution, legislative change would be required. Some jurisdictions have advocated pursuing models that go beyond those endorsed by CCME. The 2010 parliamentary review of the *Canadian Environmental Assessment Act* represents an opportunity to further examine these options.

During the reporting period, the Agency and the Quebec Ministère du Développement durable, de l'Environnement et des Parcs completed an evaluation of the 2004 *Canada-Quebec Agreement on Environmental Assessment Cooperation*. The evaluation found that the Agreement does not pose major problems which would require its revision. Recommendations were made to the federal and Quebec Ministers of the Environment for the renewal of the Agreement.

Discussions with the Government of Newfoundland and Labrador on the development of a bilateral agreement on environmental cooperation were put into abeyance in light of the 2010 parliamentary review of the *Canadian Environmental Assessment Act* and the consideration of outcomes resulting from the review.

During the reporting period, the Agency completed an evaluation of the 2005 bilateral agreement with Alberta. A finalized draft bilateral agreement was developed for public and Aboriginal consultation. The consultation period will occur in the 2010-2011 reporting period. In addition to this, standard operating procedures for implementation of the bilateral agreement have been developed.

The Agency led federal departments' engagement in Alberta's land use planning process that is being implemented under the *Alberta Land Stewardship Act*. The Agency will evaluate the effectiveness of the federal government's participation to determine if federal objectives have been addressed by the proposed regional plans, and to identify whether potential efficiencies could be created in the federal environmental assessment process.

## **Aboriginal Consultation**

The Government of Canada consults with Aboriginal peoples for reasons of good governance, sound policy development and decision making, as well as for legal reasons. The government is taking a whole-of-government approach to Aboriginal consultation for major resource projects, to ensure that Aboriginal groups are sufficiently consulted and accommodated when it contemplates actions that may adversely affect established or potential Aboriginal and treaty rights. This approach is mandated by the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and the associated Memorandum of Understanding (2007), and is based on the Government of Canada's *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult* (2008).

The Agency has played a key role as the Crown Consultation Coordinator. In this capacity, the Agency has been responsible for coordinating the integration of Aboriginal consultation into the environmental assessments it leads. To effectively perform its role, the Agency must deliver Aboriginal consultation responsibilities in a consistent, efficient and comprehensive way. Under the leadership of the Agency's Aboriginal Affairs Steering Committee (AASC), an implementation strategy supported by policies, procedures, and operational materials is under development. As well in 2009-2010, the AASC established an enhanced internal governance structure for matters relating to Aboriginal consultation in the context of environmental assessment. The Agency's Aboriginal Affairs Working Group provided support to the AASC by undertaking assigned tasks, reviewing materials, and providing expert advice to the AASC on delivering its priorities.

In 2009-2010, the AASC finalized a policy paper delineating the Agency's role and responsibilities as Crown Consultation Coordinator for major resource projects; and to assist in the discharge of this function, the "EA and Aboriginal Consultation Logic Model" was developed, based on the *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult*, and was endorsed by the AASC for implementation across the Agency.

During 2009-2010, the Agency continued to develop its Geographical Information System (GIS). GIS has been used effectively to support decision making with respect to the Agency's role in fulfilling Aboriginal consultation duties. The development of maps contributed to an improved strategic approach to consultation efforts and an increased efficiency in the environmental assessment process. A defined organizational strategy to plan for program delivery will be developed in 2010. This strategy will include a clearly defined vision for GIS within the Agency and a short-, medium- and long-term implementation plan.

## **Research and Analysis**

The Agency undertook research and analysis to establish a solid understanding of how federal environmental assessment is currently being implemented, focusing on identifying current impediments to the efficient and effective conduct of those assessments.

During the reporting period, the Agency published a report entitled *Public Participation in Screenings: An Analysis of Efforts made to Obtain Information and Views of the Public during the Conduct of Screenings*. This research concluded that in future reviews of the Act, it may be appropriate to examine more closely the purpose of and mechanisms for public participation in screenings, including the role of public input from other related processes.

Research was completed on the effectiveness of the environmental assessment track process for assessments that commenced as comprehensive studies.

Research is ongoing in relation to the design of follow-up programs, determining the effectiveness of recent administrative measures to improve the initiation of federal environmental assessments, and developing a methodology for evaluating screening reports.

Throughout the 2009-2010 reporting period, the Commissioner of the Environment and Sustainable Development conducted a performance audit of the application of the *Canadian Environmental Assessment Act*. All of the work described above is consistent with the recommendations he made in his fall 2009 report.



The Agency conducted an evaluation of its Promotion, Research and Development (PR&D) Program. The Agency is considering options for implementation of the evaluation recommendations and potential renewal of the program's terms and conditions.

The Agency-led evaluation of the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* (the Cabinet Directive) was completed in 2009. The federal government is using the results of the evaluation to strengthen the application of strategic environmental assessment in Canada. Of the policy documents for Cabinet consideration reviewed by the Agency during the fiscal year, 56% did not require consideration under the Cabinet Directive. Of those that did require consideration under the Cabinet Directive, 68% reported the conduct of at least a preliminary scan, with 11% also reporting the conduct of a detailed SEA.

### **Legislative, Regulatory and Policy Responses**

The March 2010 Speech from the Throne announced the Government's intent to develop clearer regulatory processes for project approvals that offer improved environmental protection and greater certainty to industry. As part of this effort, the Government introduced targeted changes to the *Canadian Environmental Assessment Act* as part of the *Jobs and Economic Growth Act*.

These targeted changes are intended to simplify and streamline the way federal environmental assessments are delivered, enabling assessments to start sooner, and reducing delays. In turn, this will facilitate better coordination with provincial processes.

The amendments, which have since been passed into law, streamline comprehensive study type environmental assessments, in order to avoid unnecessary delays and facilitate coordination with provincial review processes. This is accomplished by eliminating certain process steps, and consolidating responsibility for the conduct of most comprehensive studies with the Agency. However, the Canadian Nuclear Safety Commission (CNSC) and the National Energy Board (NEB) will continue to conduct environmental assessments under the Act for projects that they regulate.

These changes eliminate a disparity that previously existed between the comprehensive process set out in the Act and that set out in the *Canada Port Authority Environmental Assessment Regulations*. As a result, changes to the Port Authority Regulations to align the two processes are no longer required.

The amendments to the Act also give the Minister of the Environment authority to focus an environmental assessment on certain components of a project. In addition, they incorporate in legislation the exclusions made last year via regulation of certain federally-funded infrastructure projects from the requirement to undergo an environmental assessment. The sunset clause in the regulations was not included in the legislation so these exclusions are made permanent. However, the Minister of the Environment has new authority to require an environmental assessment of a project that would normally be excluded under this provision, if the Minister is of the opinion that the project may cause significant adverse environmental effects. Lastly, the amendments repealed the *Infrastructure Projects Environmental Assessment Adaptation Regulations*.

Given the pending parliamentary review of the Act, it was determined that moving forward with the development of new proposed regulations for airport authorities was not an effective and efficient use of public funds. As an alternative, the Agency began discussions with the airport

authorities to introduce a voluntary environmental assessment approach, while awaiting the results of the parliamentary review of the Act.

In response to the Supreme Court of Canada's decision on the Red Chris Mine case (*MiningWatch Canada v. Canada*), the Agency issued an Operational Policy Statement on *Establishing the Project Scope and Assessment Type under the Canadian Environmental Assessment Act* to provide guidance through the process of establishing the scope of the project for the purposes of environmental assessment, and to set out key roles and responsibilities. The Operational Policy Statement sets a foundation for the conduct of both screenings and comprehensive studies, and will be supplemented by additional guidance on an as-needed basis. The Agency also issued an Operational Policy Statement on the *Use of Federal-Provincial Cooperation Mechanisms in Environmental Assessments pursuant to the Canadian Environmental Assessment Act* to provide best practice guidance for establishing the scope of the project in relation to which an environmental assessment is to be conducted.

During the reporting period, the Commissioner of the Environment and Sustainable Development conducted a performance audit of the application of the *Canadian Environmental Assessment Act*. As noted in the above section on research and analysis, the Agency initiated a number of studies in response to the recommendations. The audit findings, while positive in several areas, pointed to the need to improve the Agency's Quality Assurance Program. In order to improve outputs from that program, future studies will focus on more specific, targeted issues and will result in recommendations to departments for improvement.

The audit also identified the need for new approaches to resolve long-standing issues within the process. The audit found that federal coordination issues, including disputes surrounding project scope, cause serious delays in the environmental assessment process, despite attempts to improve predictability, certainty and timeliness. The audit notes the Agency's efforts to resolve these issues, while also recognizing that the Agency does not have the legal authority to impose a solution.

The 2010 parliamentary review of the Act is identified in the audit as providing the opportunity to examine long-standing issues and explore new approaches to resolving them.

## Program Activity: Environmental Assessment Support Program

2009-2010 Financial Resources (\$ thousands)			2009-2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
20,653	20,998	16,182	142	125	(17)

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
The Agency contributes to a reduction in time to complete the EA of major resource projects	Percentage of times when the Agency meets the timeline for its activities established in the Major Projects Management Office Project Agreement	The Agency meets 100% of the timelines for its activities established by the Major Projects Management Office Project Agreement	Somewhat met	The Agency met 78% of its timelines when delays beyond the control of the Agency (e.g. court decisions) were excluded.  Delays resulting from the Participant Funding Program were within control of the Agency and affected its ability to meet its timelines, but did not affect the critical path of the EAs involved.
A single environmental assessment report produces the necessary information to support federal and provincial EA decisions when both jurisdictions require EAs of a project	Percentage of times when a cooperative environmental assessment report produces the necessary information to support federal and provincial EA decisions	80% of cooperative environmental assessment reports produce the necessary information to support federal and provincial EA decisions	Exceeded	100% of cooperative EA reports for 29 projects that received decisions produced the necessary information to support federal and provincial EA decisions.
Responsible authorities and proponents understand the Agency's role in implementing the major resource projects process	Percentage of responsible authorities and proponents who agree that they understand the Agency's role in relation to the EA of projects subject to the major resource projects process	85% of responsible authorities and proponents agree that they understand the Agency's role in relation to the EA of projects subject to the major resource projects process	Exceeded	Sixteen project agreements, which outline roles and responsibilities of departments and agencies, were signed by responsible authorities in the reporting period and are publicly available. Project proponents access these documents and thus are provided with an understanding of the Agency's role. The Agency also participated on project review teams, which serve as a forum to coordinate the various roles of federal departments.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Interests of Aboriginal groups, in relation to the EA of projects where the Agency is EA manager, are documented and presented to support decision making	Percentage of times Aboriginal interests are documented and presented to support decision making for projects where the Agency is responsible for managing the EA process	100% of EA decision support documents include documentation of Aboriginal interests	Met	Aboriginal interests are documented and presented to support the decision-making process for all major resource projects where the Agency is the EA manager.  One major resource project received a decision and Aboriginal interests informed that decision.
Agency facilitates meaningful public participation in federal EAs by providing funding to support certain activities	Percentage of funding recipients who agree that the funding provided by the Agency improved their ability to meaningfully participate in the EA process	75% of funding recipients agree that the funding provided by the Agency improved their ability to meaningfully participate in the EA process	Exceeded	The Agency entered into 49 contribution agreements to facilitate public participation in EAs. Of the participants, 87.5% of those surveyed (nine individuals completed surveys) indicated that funding enhanced their ability to meaningfully participate in EA.
Agency provides high-quality EA training courses that are effective in providing practical skills and knowledge	Percentage of course participants who agree that the training provided by the Agency was effective in providing practical skills and knowledge	85% of course participants agree that the training provided by the Agency was effective in providing practical skills and knowledge	Mostly met	During the reporting period, the Agency gave 52 courses. Of the participants who provided feedback, 80% expressed their overall satisfaction with the training courses.

### **Benefits for Canadians**

The Agency's Environmental Assessment Support Program activity supports a transparent and rigorous environmental assessment process that informs decisions that benefit Canadians.

Through EAs, environmental impacts of projects are assessed during the early stages of project planning, and designed to prevent or reduce environmental effects. The EA of the Whistler Nordic Centre is an example of how the Agency's EA Support Program provided benefits to Canadians. The Whistler Nordic Centre was one of the venues for the 2010 Winter Olympic and Paralympic Games held near Whistler, British Columbia. Construction of the facility had the potential to negatively affect several species of wildlife, as well as habitat and wetlands. Through the EA process, commitments were obtained from the proponent to ensure that wildlife and ecosystems were protected, which included locating facilities in previously logged areas and avoiding trail placement in critical bird breeding habitat. The project also left a legacy of approximately 50 kilometres of cross-country ski trails for residents and visitors to enjoy into the future.

The delivery of an efficient environmental assessment process that avoids duplication and undue delays ensured that Canadians received valuable services for the tax dollars spent. To this end, the Agency had bilateral agreements in place with most jurisdictions that facilitated coordination and cooperation.

The administration of the Participant Funding Program provided funding to support participation in the EA process. Through this participation, Canadians contributed to strengthening the quality and credibility of environmental assessments by providing information of direct local interest, community knowledge or Aboriginal traditional knowledge, and expert information relevant to the potential environmental effects of the project.

By promoting a process that respects legislative requirements, avoids duplication and delays, and is clear and transparent to all participants, this program activity provided Canadians with a federal environmental assessment process that made a value-added contribution to sustainable development.

### **Performance Analysis**

The Environmental Assessment Support Program activity aligns most closely with the following Agency priority: to play an active leadership role in federal environmental assessment.

Through the Environmental Assessment Support Program, the Agency fulfills its EA operational responsibilities in relation to projects. The specific roles are:

- coordination of federal environmental assessments, as set out in the Act;
- project management for most major resource projects under the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*;
- administrative support to panels, as specified in the Act;
- coordination of Crown consultation, integrating Aboriginal consultation into the EA process for most major resource projects, as specified by the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*;
- administration of participant funding as provided in the Act; and
- provision of training to facilitate the conduct of EA as outlined in the Act.

The projects for which a federal environmental assessment is required and in which the Agency has a role are very often large and complex, such as mines, hydroelectric developments and oil and gas projects. They involve multiple jurisdictions and stakeholders and may be subject to more than one EA process.

In 2009-2010, the Agency coordinated 247 federal environmental assessments across Canada, managed 23 EAs of major resource projects, contributed to the coordination of 25 *James Bay and Northern Quebec Agreement* projects, and provided administrative support to ten review panels. A total of three comprehensive studies and two review panels were completed. These completed environmental assessments allowed responsible authorities to exercise their powers, duties or functions with respect to these projects.

In addition to the continued delivery of its ongoing and new EA responsibilities, the Agency also responded to the Supreme Court of Canada's decision on the Red Chris Mine case (*MiningWatch Canada v. Canada*) by leading an interdepartmental implementation plan to adjust affected projects. The court decision clarifying project scoping resulted in the review

and reclassification of environmental assessments from screenings to comprehensive studies. The Agency further developed internal processes and procedures to better execute its Crown consultation coordination role.

### **Coordinating Environmental Assessments**

The Agency worked with federal and provincial authorities on multi-jurisdictional environmental assessments, providing process coordination and administrative and technical support. The Agency worked with other jurisdictions to develop joint work plans to avoid duplication, and to better coordinate federal and provincial environmental assessment activities.

An example from Ontario shows how federal-provincial collaboration on the EA of a rail link project enabled improvements in environmental quality and economic development. The Metrolinx Pearson-to-Union Station Rail Link will improve economic productivity in the Greater Toronto area by reducing transportation congestion. The EA process reduced the project's potential environmental effects through the proponent's commitment to reduce noise and implement new diesel emissions control technology. A post-EA evaluation noted that the federal government provided important technical information and locomotive expertise, and the province enabled emission technology measures to be included in the provincial conditions of approval.

In Newfoundland and Labrador, the Agency contributed to the streamlining of regulatory processes by leading a workshop in St. John's to plan for a harmonized EA process for the proposed Aurora Resources Michelin Uranium Project in Labrador. The workshop clarified the roles and responsibilities of the Agency, as well as those of responsible authorities and federal authorities. Since the project has the potential to trigger four different EA processes, it is important for all parties to have a clear understanding of the roles and responsibilities before submission of the final project description.

The Agency coordinates and manages the work completed by the *James Bay and Northern Quebec Agreement* (JBNQA) committees and by federal authorities in the context of the environmental assessments undertaken pursuant to the JBNQA. During the reporting period, the Agency contributed to the coordination of 25 projects pursuant to the JBNQA, of which nine were subject to the Act. Most of the 25 projects triggered the Act, but the federal environmental and social assessment process of the JBNQA was substituted for the federal process under the Act.

From a federal perspective, the Agency continued to explore the application of currently available tools, such as delegation processes, to make greater use of provincial reviews. The Agency and federal authorities have delegated the conduct of two environmental assessments (Northwest Transmission Line Project and the Line Creek Operations Phase II Coal Mine Project) to the British Columbia Environmental Assessment Office in accordance with the Act.

As a means of continuous improvement, the Pacific and Yukon Region of the Agency has implemented learning logs to document lessons learned. Learning logs are a tool for the Agency, when performing the EA manager or Federal Environmental Assessment Coordinator role, to record project management successes, challenges and benefits of EAs for Canadians. Of the 68 active projects managed by the Pacific and Yukon Region in 2009-2010, 63 projects (93%) had learning logs. The Agency intends to implement learning logs or other means of continuous improvement to document lessons learned and benefits when it undertakes the EA Manager and/or Federal Environmental Assessment Coordinator roles.



## Managing Environmental Assessments

The Agency is the project manager for the EA of major resource projects and is the primary federal point of contact in each region. As part of this role, the Agency establishes, coordinates and chairs federal project teams for the EA and Aboriginal consultation associated with major resource projects. The Agency also ensures that the execution of federal responsibilities, including the preparation of documentation, is coordinated, and leads federal activities in relation to Aboriginal consultation, as well as coordinates public participation and consultation activities, and manages the Canadian Environmental Assessment Registry Internet Site (CEARIS) and project file requirements. In addition, the Agency prepares recommendations to senior management and the Minister.

The Agency has assumed EA project management responsibilities for the environmental assessment of 23 major resource projects and is monitoring the status of 51 projects in the pre-EA phase. These include mines, hydroelectric developments, and oil and gas projects.

The Agency has also assumed the role of Crown Consultation Coordinator, leading the integration of Aboriginal consultation requirements into the 23 environmental assessments that it manages and the 51 projects in the pre-EA phase.

On July 12, 2010 amendments to the *Canadian Environmental Assessment Act* came into effect, which make the Canadian Environmental Assessment Agency responsible for most comprehensive studies. The Agency will perform this role from the time it becomes aware of a project that may require a comprehensive study until the comprehensive study report is submitted to the Minister of the Environment.

## Supporting Review Panels

The Agency provided administrative support to ten review panels. Seven of these review panels were conducted jointly with another jurisdiction or regulatory body. For example, the Agency played a key role in the environmental assessment process for four nuclear-related projects conducted jointly with the Canadian Nuclear Safety Commission and two pipeline projects conducted jointly with the National Energy Board.

The Agency established a joint review panel and review process for the Northern Gateway Pipeline Project, a proposal to construct and operate two pipelines 1170 km in length between Alberta and British Columbia. The panel will conduct its review according to the requirements of the Act and the *National Energy Board Act*.

Two panels completed their reviews of EAs and submitted final reports in 2009-2010. The joint panel reviewing the proposed EnCana Shallow Gas Infill Development Project and the Alberta Energy and Utilities Board application to drill three wells in the Canadian Forces Base Suffield National Wildlife Area in Alberta submitted its report, on both the project and the application, on schedule. The joint panel reviewing the Mackenzie Gas Project completed its report on a very large and complex pipeline project involving multiple jurisdictions in northern Canada after a series of delays.

The review panel roster, established in 2008, continued to provide qualified individuals to serve on six review panels. Of the eight roster members actively engaged on review panels, two were appointed during this period. Roster members received training in decision writing to facilitate the effective and efficient writing of panel reports.

## Aboriginal Consultation

The 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its Memorandum of Understanding gave the Agency responsibility to integrate, to the greatest extent possible, Aboriginal-Crown consultation into the environmental assessments that it leads. As Crown Consultation Coordinator during the environmental assessment process, the Agency has initiated early engagement with Aboriginal groups, undertaken preliminary strength of claim assessments, developed consultation work plans, coordinated consultation activities, and summarized the outcomes of consultation for decision makers.

The Agency led Aboriginal consultation activities on nine projects under the major resource projects initiative. The Agency, through the Aboriginal Funding Envelope (AFE) of the Participant Funding Program, provided a total of \$1.2 million to 24 recipients. The AFE funds assisted Aboriginal groups to prepare for and participate in Aboriginal consultation activities and public consultation opportunities associated with the nine major resource projects.

The Agency established a standard framework for Aboriginal consultation work plans to integrate Aboriginal consultation into review panel processes. Aboriginal consultation work plans were developed and implemented for four review panels. Consultations have proceeded through the first three of five phases (early engagement and consultation, pre-hearing and hearing phases). Consultation details for the final two phases (consultation on environmental assessment report and regulatory approvals) will be determined in 2010-2011.

In response to the need to better coordinate federal and provincial Aboriginal consultation efforts in British Columbia, the Agency negotiated a commitment document entitled *Federal-provincial coordination on Aboriginal engagement and consultation in the environmental assessment process*. The document, signed by the Agency, the British Columbia Environmental Assessment Office, and all member departments of the Pacific and Yukon Regional Director Environmental Assessment Committee, sets out commitments to improve federal-provincial collaboration in the planning and conduct of Aboriginal consultation activities that take place as part of the cooperative environmental assessment process. The commitment document establishes a foundation for information sharing, a more coordinated approach to Aboriginal consultation activities, and consistent communication with Aboriginal groups and proponents in British Columbia.

In collaboration with the Province of Alberta, the Agency hosted a federal-provincial workshop on alignment opportunities regarding Aboriginal consultation in Alberta in February 2010. This workshop resulted in federal-provincial collaboration procedures for projects requiring environmental assessments. These procedures are being used by the Agency's Alberta region and by Alberta Environment and will be the subject of review in the fall at a federal-provincial workshop. INAC, in cooperation with the Agency, is building on this collaboration to develop a draft Memorandum of Understanding between Alberta and Canada regarding principles for coordination of Aboriginal consultation. The objective is to have the Memorandum of Understanding in place and being implemented in 2010-2011.

The Agency created a federal regulatory consultation working group focused on developing common tools and methods for consultation with Aboriginal people in Alberta. The Regional Working Group held federal Aboriginal consultation workshops focused on completing a needs assessment and early engagement procedures for federal departments.

The Agency developed, in collaboration with an Aboriginal technical services advisory group, an environmental assessment module for Alberta First Nations. Officials co-delivered a workshop on the manual to various Aboriginal community representatives.

The Agency conducted Aboriginal engagement and outreach initiatives with Manitoba and Saskatchewan Aboriginal organizations during the reporting period. The objectives were to develop working relationships, build capacity for environmental assessment, and present the Agency's Aboriginal consultation process. The engagement and outreach initiatives enabled the Agency to establish contacts and understand the challenges that limit meaningful participation in the federal environmental assessment process. Due to the success of these initiatives, a number of key Aboriginal organizations and communities in Manitoba and Saskatchewan invited the Agency to forums to exchange information and deliver presentations on the Agency's roles and responsibilities, including the whole-of-government approach to Aboriginal consultation.

The Agency continued its participation in an initiative with the Chiefs of Ontario to develop an environmental assessment toolkit for member communities. This toolkit is intended to assist Ontario First Nations in understanding environmental assessment as it is practiced by their own communities and governed by the respective legislative regimes of Ontario and Canada, and to facilitate their participation in the environmental assessment of projects that may affect them. The toolkit was completed and released in the fall of 2009, and is being used as a reference in the early phases of the Detour Lake Gold Mine and Marathon PGM projects.

In Quebec, the Agency created a regional community of practice that includes federal practitioners involved in Aboriginal issues and will focus on coordination of Aboriginal consultation and the sharing of knowledge.

### **Public Participation**

The Agency sought to maximize public participation in the environmental assessment process, by placing strong emphasis on transparency and information sharing. Public participation was promoted through the administration of the Participant Funding Program, the maintenance of the Canadian Environmental Assessment Registry and the coordination of public hearings and information sessions.

The Participant Funding Program is an important means of facilitating public participation in EAs. The contribution of information and opinions from interested parties enables open, balanced EA processes, and strengthens the quality and credibility of environmental assessments. In 2009-2010, the Agency provided nearly \$0.3 million in participant funding to 30 recipients, including individuals, non-profit organizations, and Aboriginal groups to take part in seven review panels and eight comprehensive studies. The Participant Funding Program continues to implement a client satisfaction survey to collect quantitative and qualitative information on whether the objectives of the program are being met.

The Agency maintained the Canadian Environmental Assessment Registry Internet Site (CEARIS), which is accessible by the public through the [Agency's Web site](http://www.ceaa-acee.gc.ca/)<sup>2</sup>. During 2009-2010, over 6,000 environmental assessments were entered into the online registry, and over 120,000 users visited CEARIS. Agency staff regularly responded to public requests for information and records.

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<sup>2</sup> <http://www.ceaa-acee.gc.ca/>

The public also participated in the panel reviews. Public hearings were held for one review panel, the Prosperity Gold-Copper Mine Project, during the reporting period. Public information sessions were organized for three review panel processes, the proposed Darlington New Nuclear Power Plant Project, the Lower Churchill Hydroelectric Generation Project, and the Prosperity Gold-Copper Mine Project. For more information on review panels, see the Agency's Web page on [review panels](#)<sup>3</sup>. During the reporting period, the Agency provided the public with an opportunity to comment on three comprehensive study reports. The Agency also coordinated the public consultation on the proposed scope, factors to be considered, and the ability of the comprehensive study to address issues relating to two projects. For more information on comprehensive studies, see the Agency's Web page on [comprehensive studies](#)<sup>4</sup>.

### **Training and Guidance**

The Agency completed the development and delivery of the Transformative Training and Learning Plan (TTLP), an important internal capacity-building curriculum for new and existing Agency employees. The TTLP was designed to support the Agency's transformation as it took on new responsibilities under the 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its associated Memorandum of Understanding. Training included environmental assessment project management, engaging and consulting Aboriginal groups, and writing comprehensive study reports. Participant responses in post-event evaluations suggested general satisfaction with the training and much interest in additional in-depth training and guidance.

Through the Federal Environmental Assessment Training Program (FEATP), the Agency continued to provide training to federal departments and agencies to assist them in fulfilling their legal obligations under the Act and to deliver timely, high-quality EAs. Courses, such as Orientation to the *Canadian Environmental Assessment Act*, Introduction to Screenings under the Act, Introduction to the Canadian Environmental Assessment Registry, and Orientation to the *James Bay and Northern Quebec Agreement* environmental and social assessment process, continued to have high attendance rates.

In November 2009, the Agency launched a federal consultation process on the Federal Environmental Assessment Training Program, which is geared toward adjusting the focus and improving the relevance of the Agency's training and learning activities while achieving greater efficiency. The discussion is timely as demands for environmental assessment training and learning services continue to increase and diversify, both within the Agency and externally.

Major drivers for internal and external training needs include: new roles and responsibilities associated with major projects and Crown consultation; recent hiring within the federal EA community; ongoing turnover and retirements; increased attention to training as part of responses to evaluations; growing interest of Aboriginal groups in federal EA training; the emergence of attractive e-learning options for delivery; the Supreme Court of Canada's ruling in the Red Chris Mine case (*MiningWatch Canada v. Canada*); and more recently the amendments to the *Canadian Environmental Assessment Act* brought into effect as part of *Jobs and Economic Growth Act*. The legislative review of the Act may increase attention on federal environmental assessment and increase non-federal attendance at those training

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<sup>3</sup> <http://www.ceaa-acee.gc.ca/010/type5index-eng.cfm>

<sup>4</sup> <http://www.ceaa-acee.gc.ca/010/type3index-eng.cfm>

sessions that are open to participants affiliated with provincial governments, Aboriginal groups, non-governmental organizations, industry, consultants and academics.

The need for operational policy instruments, such as training packages, guidance products, summaries of findings, research reports, etc., is increasing as the federal community welcomes a new generation of environmental assessment (EA) practitioners, scientists and administrators.

Through recent efforts to develop new operational policy instruments, the Agency has been testing a strategy for streamlining delivery. In addition to proposing key developmental steps and criteria, the strategy introduces new preliminary instruments and a continuum designed for ongoing improvement of guidance.

Recent outcomes produced under this evolving roadmap include: EA procedures for comprehensive studies; EA procedures for multi-jurisdictional screenings; an operational policy statement on adaptive management; guidance on how to establish an appropriate consultation approach with Aboriginal groups during an EA based on an understanding of the legal duty to consult; and training packages for Engaging and Consulting Aboriginal Groups, EA Project Management, and Writing a Comprehensive Study Report.

Findings on cumulative effects and follow-up were documented in two “summary of findings” reports and will serve as a source of fresh information for Agency staff (i.e. preliminary guidance) and a basis for undertaking more advanced operational policy work. The Agency is piloting a new form of guidance aimed at addressing mitigation measures based on class EA practices. This work benefits from the Agency’s class screening expertise and the provincial experience with class EA or sectoral approaches. Options for validating the proposed guidance approach for mitigation will be considered as part of business and operational planning for the 2010-2011 fiscal year.

The Agency held a workshop early in 2010 with the Adaptive Management Working Group to assess use and implementation of the Operational Policy Statement on Adaptive Management. The recommendations from the working group are being considered in order to improve the understanding and use of adaptive management in high-quality EA.

The Agency is actively supporting British Columbia treaty negotiations and providing Agency staff with training, advice and guidance on Crown consultation. Priorities include guidance on establishing the appropriate breadth and depth of Aboriginal consultation in relation to an EA, including the selection of the Aboriginal groups to be included in consultation activities.

In November 2009, the Agency developed and delivered a one-day training and learning workshop on strategic environmental assessment (SEA) and regional strategic environmental assessment. In addition to providing formal training and awareness to participants on the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, the workshop also presented case studies from around the Atlantic Provinces on regional strategic EA with discussion of their potential uses in streamlining project EA. The workshop was attended by 35 people with participants from all the Atlantic Provinces.



## 2.3 INTERNAL SERVICES

### Program Activity: Internal Services

2009-2010 Financial Resources (\$ thousands)			2009-2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
7,509	9,982	9,940	57	62	5

Internal Services are groups of related activities and resources that support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Material Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization, and not those provided specifically to a program.

Internal Services support the operating programs and activities of the Agency and include many administrative activities normally performed outside program areas that cannot otherwise be allocated as program support overhead.

The Agency's Internal Services support core program activities by providing modern, timely and responsive services that are effective and efficient.

### Key Highlights

#### Communications Services

The Communications Directorate provides translation services, advice and support to the Agency and the Minister of the Environment on external announcements and issues, as well as communications of a corporate nature. During the reporting period, a renewed version of the Agency's internal Web site was launched. The site contributes to consistency and efficiency by providing tools, guidance, policies, templates and other material.

During 2009-2010, Communications Operations provided advice and support for policy files and all comprehensive studies, as well as communications services for independent review panels. Communications advisors assisted panel managers in the delivery of information sessions and public hearings, including on-site attendance and media relations services for review panels.

#### Legal Services

In 2009-2010, two Supreme Court of Canada cases were concluded that addressed fundamental aspects of federal environmental assessment. These cases were the Red Chris Mine case (*MiningWatch Canada v. Canada*) and the Vanadium Mine case (*Grand Chief Dr. Ted Moses et al. v. Canada*). These cases are described in detail under the heading "Litigation" in the section "[Agency Operating Environment and Challenges](#)". In both instances, the Court's conclusions had significant impacts on the application of the Act. The Legal Services Group provided advice on these and other legal issues to ensure that the Agency's



policies, procedures, guidance and coordination activities were consistent with changing jurisprudence in EA.

### **Human Resources Management Services**

The Human Resources (HR) Directorate ensures that the Agency has the necessary strategies, programs, practices and tools in place to attract and retain the employees required to deliver on its strategic outcome.

In 2009-2010, the Agency developed and implemented a staffing plan to address challenges in recruiting staff to fulfill responsibilities for major resource projects. As a result, all high and medium priority positions were filled in 2009-2010. Efforts were made to anticipate future staffing needs by creating pools of qualified candidates.

The Agency also developed an Integrated Human Resources Plan (IHRP) that establishes human resources management objectives and strategies for the 2010-2013 period. The strategies established in the IHRP build on the following initiatives that were initiated in 2009-2010:

- A new evaluation technique was introduced (360 degree feedback from employees, colleagues and supervisors) and coaching sessions were established to advance leadership in the executive group.
- Two demographic reports were produced (September 2009 and March 2010) to feed the workforce analysis and establish human resources objectives for 2010-2013.
- The competency-based management project was initiated with the intent to establish a competency profile for all occupational groups and levels.
- An action plan was implemented in response to results of the 2008 Public Service Employee Survey.
- A learning, training and development framework was implemented.
- A curriculum of courses was identified for all occupational groups and levels.
- A series of core learning activities (Access to Information and Privacy, Occupational Health and Safety, and Diversity) were provided to all employees.
- A review of a number of Agency HR policies and directives was completed.
- The Human Resources Authority Delegation Instrument was revised to better suit the needs of the Agency and to be consistent with its current organizational structure and realities.

### **Information Management and Information Technology Services**

In 2009-2010, a review of the Agency's Access to Information and Privacy (ATIP) processes and procedures was completed. Following the review, training was provided to all employees.

The Information Services Group designed, pilot tested and began deploying an information management system across the organization. All users of the previous system were migrated and new users are being transferred to the new system during the current fiscal year.

The Agency developed and deployed a Web service that synchronizes information between the Canadian Environmental Assessment Registry and online systems at other government departments to improve the accuracy and transfer of information.

The Information Services Group also purchased new equipment, such as tablets, in an effort to green Agency operations.

### **Other Administrative Services**

The Agency's Occupational Health and Safety (OHS) Program was restructured to better identify specific roles and responsibilities for all employees. The approach was based on the principle that everyone shares responsibility for a healthy and safe workplace. This new OHS Program provides the information and tools required to meet the legal obligations as outlined in Part II of the *Canada Labour Code*, enables taking initiative on OHS issues to make improvements on an ongoing basis, and integrates OHS into the Agency's work-planning processes and day-to-day operations. Key achievements included establishing policy and workplace committees for health and safety, nominating health and safety representatives, providing training to employees, and establishing a framework to evaluate performance.

## **2.4 ISSUES AND CHALLENGES**

A number of important improvements to the Agency's operating environment occurred this year. The Agency helped advance project assessments under the major resource projects initiative. Aboriginal engagement efforts were strengthened through numerous policy tools and operational efforts. The Supreme Court of Canada's decision on the Red Chris Mine case (*MiningWatch Canada v. Canada*) provided clarity regarding the type of assessment that must be conducted under the Act and how to establish the scope of the project to be assessed. Through the *Jobs and Economic Growth Act*, amendments were introduced to the *Canadian Environmental Assessment Act* to improve the efficiency and timeliness of federal environmental assessment. The implications of these improvements and related ongoing issues are discussed below.

### **Changing Jurisprudence**

The Agency and federal authorities responded to the Red Chris Mine decision, which had important effects on the conduct of federal environmental assessments. The Supreme Court of Canada's decision has a major influence on how federal responsible authorities determine both the scope of the project that is to be assessed under the Act and the type of assessment that is required. As a result, many ongoing assessments had to be re-examined to ensure that the scope of the project and the type of assessment were consistent with the direction provided by the Court. In several cases, the assessment type was changed. Key federal departments worked collaboratively through the Agency-led interdepartmental Environmental Assessment Programs Committee to ensure consistent and coordinated responses.

Following the reporting period, the Supreme Court of Canada issued its decision on the Vanadium Mine case (*Grand Chief Dr. Ted Moses et al. v. Canada*) in May 2010. The Vanadium Mine decision is important as it confirmed the Act does apply in the territory governed by the *James Bay and Northern Quebec Agreement* (JBNQA), and must be applied in a manner that fully respects the Crown's duty to consult the Cree on matters affecting their treaty rights. Discussions and negotiations will be required with the Cree, Inuit and Naskapi nations to establish a proper approach to applying the Act while taking into consideration their rights as recognized under the JBNQA.

## Ongoing Issues

While the Supreme Court of Canada's decision on the Red Chris Mine case (*MiningWatch Canada v. Canada*) provided important clarity regarding the application of the Act, it also resulted in an increase in the number of comprehensive studies. Some projects previously determined as screenings were reclassified as comprehensive studies due to the court decision. The Agency is reviewing how it will assign resources to manage this increased flow of work related to project management and participant funding.

The Agency must continue to improve its ability to meet major resource projects initiative timelines. Improvements are likely in 2010-2011 since the Agency is taking over responsibility for most comprehensive studies further to new provisions brought into effect under the *Jobs and Economic Growth Act*, and will have more control over timelines. The Agency has also undertaken work to streamline the participant funding program process to better integrate it with EA timelines. However, a significant number of the causes of delays, such as court decisions, are outside of the control of the Agency.

Fulfilling the role of Crown Consultation Coordinator has proven to be a manageable but challenging task. This is a pivotal function in the delivery of the whole-of-government approach that integrates Aboriginal consultation with the EA process to the extent possible. The governance complexity lies in the fact that the Agency, while in the process of continuous improvement through development of policy and operational guidance and tools for staff, has been required to undertake the Crown consultation coordinator function for a number of environmental assessments of major resource projects as they occur. Productive relationships with federal departments and agencies continue to progress and improve, in order to ensure effective implementation of the whole-of-government approach to Aboriginal consultation for EAs of major resource projects.

Cooperative EA processes supporting federal and provincial decisions continued to be a challenge during 2009-2010, largely due to requirements to coordinate different information and procedural requirements. Clarification on project scoping (Supreme Court of Canada decision), the consolidation of Agency responsibilities for comprehensive studies (*Jobs and Economic Growth Act*), and improvements in Aboriginal engagement practices should contribute to the integration of EA processes.

The value of review panels has been a defining characteristic of the Act since it came into force in 1995. Although experience with review panels has generally been positive, concerns have been raised by stakeholders primarily in regard to process delays associated with referral of a project to a review panel, consultation with Aboriginal groups, proponent responses to information requests, and submission of the panel's report. The Agency expects that the refinement of tools and procedures will integrate Aboriginal engagement into the EA process, and the Agency will continue to reduce delays within its control as well as encourage all stakeholders to meet Major Projects Management Office (MPMO) timelines.

Strategic environmental assessment (SEA) is premised on a principle of self-assessment. As such, ensuring accountability and consistency in the application of SEA remains a challenge and a focus for government efforts to strengthen SEA. Given that SEA is a process applied to the most senior level of decision making in government, departments and agencies are also challenged to ensure transparency in SEA while respecting Cabinet confidences. Experience has shown that SEA makes the greatest contribution to informed and integrated decision making when it is initiated early in the policy development process where it can influence the design of government policies, plans and programs. To address issues of transparency, accountability, and early integration, the Agency has been developing, in collaboration with

other departments and agencies, a strategy to strengthen SEA. The strategy will outline supplementary guidance to address transparency, accountability and measures to help build capacity.

## 2.5 LESSONS LEARNED

During the 2009-2010 reporting period, the Agency continued to evolve while constantly striving to deliver an effective and efficient environmental assessment process that recognizes the importance and interdependence of healthy environmental and economic conditions in support of sustainable development.

The Joint Review Panel (JRP) appointed to review and assess the Mackenzie Gas Project submitted its report to governments on December 30, 2009 after a series of delays. The Agency has identified the need to improve the timeliness and predictability of complex joint review processes; and once the government response to the JRP report has been released, the Agency and its partners intend to examine the joint review process and identify lessons learned.

Following its experience coordinating Aboriginal consultations of major resource projects, the Agency identified the need for a practical, step-by-step approach to Aboriginal consultation. The Agency developed an Aboriginal consultation process based on the *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult* (the "EA and Aboriginal Consultation Logic Model" noted previously). The process provides a consistent and understandable approach to integrating Aboriginal consultation into the environmental assessment process. The use of this process will lead to a more efficient use of resources, since it will result in more effective communication with Aboriginal groups and improved collaboration with provincial governments.

Throughout the 2009-2010 fiscal year, the Agency integrated the Aboriginal Funding Envelope (AFE) into its Participant Funding Program (PFP). While the total amounts for the Regular Funding Envelope (RFE) were announced in news releases, the amount of funding made available to Aboriginal groups for Crown consultation activities and participation in EA processes was not communicated. Unaware of the total funding available, Aboriginal organizations submitted applications that exceeded the total funding available. Aboriginal consultation was made more challenging by the inability of the AFE to meet the expectations of Aboriginal organizations. In response, the Agency reviewed its AFE process and is now indicating the total amount available for the AFE within the letters it sends to the identified groups potentially impacted by the projects to inform them of the availability of funding.



## **SECTION 3: SUPPLEMENTARY INFORMATION**

### ***In this section:***

- ◆ Financial Highlights
- ◆ List of Supplementary Information Tables
- ◆ Other Items of Interest



### 3.1 FINANCIAL HIGHLIGHTS

The financial highlights presented within this Departmental Performance Report are intended to serve as a general overview of the Agency's financial position and operations. Detailed financial statements can be found on the [Agency's Web site](#)<sup>5</sup>.

(\$)

<b>Condensed Statement of Financial Position At End of Fiscal Year (March 31, 2010)</b>	<b>% Change</b>	<b>2008-2009</b>	<b>2009-2010</b>
Assets			
<b>Total Assets</b>	153%	858,100	2,171,549
<b>Total</b>	<b>153%</b>	<b>858,100</b>	<b>2,171,549</b>
Liabilities			
<b>Total Liabilities</b>	12%	8,744,694	7,689,128
Equity			
<b>Total Equity</b>	30%	(7,886,594)	(5,517,579)
<b>Total</b>	<b>153%</b>	<b>858,100</b>	<b>2,171,549</b>

(\$)

<b>Condensed Statement of Financial Operations At End of Fiscal Year (March 31, 2010)</b>	<b>% Change</b>	<b>2008-2009</b>	<b>2009-2010</b>
Expenses			
<b>Total Expenses</b>	2%	37,667,617	38,391,476
Revenues			
<b>Total Revenues</b>	40%	3,365,290	4,710,677
<b>Net Cost of Operations</b>	<b>-2%</b>	<b>34,302,327</b>	<b>33,680,799</b>

### 3.2 LIST OF SUPPLEMENTARY INFORMATION TABLES

All electronic supplementary information tables found in the 2009-2010 *Departmental Performance Report* can be found on the [Treasury Board Secretariat Web site](#)<sup>6</sup>.

- Sources of Respendable and Non-Respendable Revenue;
- *User Fees Act*;
- Response to Parliamentary Committees and External Audits; and
- Internal Audits and Evaluations.

<sup>5</sup> <http://www.ceaa-acee.gc.ca/>

<sup>6</sup> <http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp>

## 3.3 OTHER ITEMS OF INTEREST

### Statistical Summaries of Environmental Assessments

The table below provides a statistical summary of environmental assessments conducted by responsible and regulated authorities. It outlines the total number of projects that underwent an environmental assessment under the *Canadian Environmental Assessment Act* during the 2009-2010 reporting period.

Fiscal Year 2009–2010			EA Decisions Taken this Fiscal Year		
EA Type	Ongoing on April 1, 2009	Initiated this fiscal year	Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Terminated
Screening	2,686	3,470	2,786	0	371
Class Screening	N/A	N/A	374	N/A	N/A
Comprehensive Study	21	11	3	0	3
Review Panel	12	1	2	0	2

**Note:** In addition, within the 2009-2010 reporting period, a total of 2,711 screenings were completed by the Business Development Bank of Canada and Farm Credit Canada. Since June 11, 2006, these Crown corporations are required to conduct environmental assessments of their projects subject to the requirements of the *Canadian Environmental Assessment Act*, but with a modified process with respect to reporting on the Registry Internet site.

### Screenings

A screening is the most common type of environmental assessment. It is a systematic approach to identifying and documenting the environmental effects of a proposed project and determining the need to eliminate or minimize (mitigate) the adverse effects, to modify the project plan or to recommend further assessment through mediation or an assessment by a review panel.

Screenings are used to assess a wide range of projects. Screenings will vary in time, length and depth of analysis, depending on the circumstances of the proposed project, the existing environment and the likely environmental effects. Some screenings may require only a brief analysis of the available information and a brief report while others may need new background studies and will be more thorough and rigorous.

The responsible authority must ensure that the screening of the project is carried out and must prepare or ensure the preparation of a report which summarizes the findings of the screening.

### Class Screenings

A class screening is a special type of screening that can streamline the environmental assessment process for certain types of projects, while ensuring high-quality assessments.

The Agency has determined that these types of projects are not likely to cause significant adverse environmental effects, providing that the design standards and mitigation measures described in the class screening report are applied.

Class screenings enhance the integrity of environmental assessments. Each class screening undergoes a rigorous process of technical review and a mandatory public consultation period before the Agency's President can formally declare it for use as a model or replacement class screening.

There are two types of federal class screenings:

- **Model class screenings** – Individual, location-specific reports are produced based on a standard report for a defined class.
- **Replacement class screenings** – One report can be used for all future projects within a defined class.

To support the development of class screenings, the Agency provides technical and procedural environmental assessment advice, coordinates the participation of federal/provincial departments in the process, and administers the public consultation process.

## ***Comprehensive Studies***

The majority of federal projects are assessed through a screening; however, some projects require a comprehensive study. These projects are described in the *Comprehensive Study List Regulations*. These tend to be large projects having the potential for significant adverse environmental effects. They may also generate public concerns.

The responsible authority must provide opportunities for public participation throughout the comprehensive study. The public has an opportunity to participate in the comprehensive study before the Minister of the Environment makes a decision on whether the project should proceed as a comprehensive study or be referred to a mediator or review panel. This public input must be taken into account by the Minister of the Environment when issuing his/her environmental assessment decision statement.

The public also has an opportunity to review the comprehensive study report before any decisions are made on the project. Funding is available to assist the public to participate in a comprehensive study.

During this reporting period, the Agency's role in the comprehensive study process was to provide advice to responsible authorities, project proponents and the public; ensure that the comprehensive study report complies with the requirements of the Act; manage the public comment period; and provide advice to the Minister of the Environment in support of the Minister's track decision on the environmental assessment and the determination of potential adverse environmental effects. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

## ***Review Panels***

Distinguished by extensive public participation, review panels and joint review panels with other jurisdictions are the most visible and public type of environmental assessment. Review panels are independent from government, with members appointed by the Minister of the Environment.

The review panel conducts its assessment in an open and public manner, with individuals and groups presenting information and views through public comment periods and public hearings. Public participation is facilitated by the Participant Funding Program, which provides financial assistance to eligible individuals and public organizations with legitimate interests in the project.

At the completion of the review process, the review panel's report, including conclusions and recommendations, is submitted to the Minister of the Environment. The recommendations are advisory and the responsible authority, with the approval of the Governor in Council, considers and responds publicly to all recommendations.

The Agency's primary roles in a review panel process are to provide advice and coordination to federal expert authorities and responsible authorities; maintain the public registry; manage the review process and provide technical and administrative support to the review panel; administer the Participant Funding Program; and design and implement a public information program with the review panel.

For further information about environmental assessments undertaken under the Act, consult the Canadian Environmental Assessment [Agency's Web site](http://www.ceaa-acee.gc.ca/)<sup>7</sup>.

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<sup>7</sup> <http://www.ceaa-acee.gc.ca/>

## **Contacts for Further Information**

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### ***The Canadian Environmental Assessment Agency's Web site***

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

### ***Treasury Board Secretariat's Web site***

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)

**CANADIAN ENVIRONMENTAL  
ASSESSMENT AGENCY**

**2010–11**

**DEPARTMENTAL PERFORMANCE REPORT**

**The Honourable Peter Kent  
Minister of the Environment and  
Minister responsible for the  
Canadian Environmental Assessment Agency**

**026178**





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## MINISTER'S MESSAGE

As Minister responsible for the Canadian Environmental Assessment Agency, I am pleased to present the *2010–2011 Departmental Performance Report* for the Agency. This report compares performance with the priorities set out at the beginning of the fiscal year in the Agency's Report on Plans and Priorities.

The past year was one of changing priorities for the Agency, driven largely by the amendments to the *Canadian Environmental Assessment Act* that came into force in July 2010, making the Agency responsible for conducting most comprehensive studies. This is a significant step in support of more integrated federal–provincial environmental assessment.

Looking forward, the Agency is well positioned to provide support to the upcoming legislative review of the *Canadian Environmental Assessment Act* and to develop proposals in response to its recommendations.

Meanwhile, I invite parliamentarians and other Canadians to read this *2010–2011 Departmental Performance Report* to gain a better appreciation of the Canadian Environmental Assessment Agency's mandate and performance.

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**The Honourable Peter Kent, P.C., M.P.**

**Minister of the Environment and Minister responsible for the  
Canadian Environmental Assessment Agency**



## **SECTION I: ORGANIZATIONAL OVERVIEW**

### ***In this section:***

- ◆ Raison d'être
- ◆ Responsibilities
- ◆ Strategic Outcome and Program Activity Architecture
- ◆ Organizational Priorities
- ◆ Risk Analysis
- ◆ Summary of Performance
- ◆ Expenditure Profile
- ◆ Estimates by Vote



# RAISON D'ÊTRE

**Environmental assessment contributes to informed decision making in support of sustainable development. The Canadian Environmental Assessment Agency (the Agency) delivers high-quality environmental assessments (EAs) and serves as the centre of expertise on environmental assessment within the federal government.**

## RESPONSIBILITIES

Environmental assessment ensures that federal government authorities identify and consider the potential environmental effects of policies, plans, programs, and projects before final decisions are made. It supports decisions that protect the environment, while fostering strong economic growth and a high quality of life for Canadians.

The *Canadian Environmental Assessment Act* (the Act) establishes the requirements for the EA of projects, and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* sets out the EA requirements for those types of decisions. The Canadian Environmental Assessment Agency plays key roles in delivering and supporting assessments under the Act and providing guidance to assessments under the Cabinet Directive.

The Act sets out three main types of environmental assessment for proposed projects: screenings, comprehensive studies, and assessments by review panels. The Agency advises and assists the Minister of the Environment in establishing review panels and supports panels in their work. The Agency manages screenings for major resource projects and, after July 2010 amendments to the Act, conducts most comprehensive studies on behalf of the Government of Canada. For review panels, and for the comprehensive studies and screenings for which it is responsible, the Agency integrates the Government of Canada's Aboriginal consultation activities into the EA process to the greatest extent possible.

As the centre of expertise on environmental assessment within the federal government, the Agency provides advice and guidance across government to assist federal authorities in carrying out their EA responsibilities. The Agency leads interdepartmental efforts to improve the delivery of high-quality environmental assessments in a predictable and timely manner. The Agency works with federal authorities on the application of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* and the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*.

The Agency also leads the coordination of federal EA requirements with those of the provinces and territories and administers a participant funding program to facilitate public participation and Aboriginal consultation during comprehensive studies of major resource projects and assessments by review panels.

The Agency also has responsibilities for reviewing projects under the environmental and social protection regimes set out in sections 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*. The President of the Agency is designated by order-in-council as the federal administrator of these processes.

The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* establishes a self-assessment process for conducting a strategic environmental assessment (SEA) of a policy, plan, or program proposal that may result in major environmental effects. An

SEA is required when the proposal is being submitted to a minister or Cabinet for approval. The Agency supports the Minister of the Environment in promoting the application of the Cabinet Directive and provides training and guidance for federal authorities.

The Agency was established in 1994 and is headed by a president who reports directly to the Minister of the Environment. The Agency has its headquarters in Ottawa and regional offices in Halifax, Québec City, Toronto, Winnipeg, Edmonton, and Vancouver.

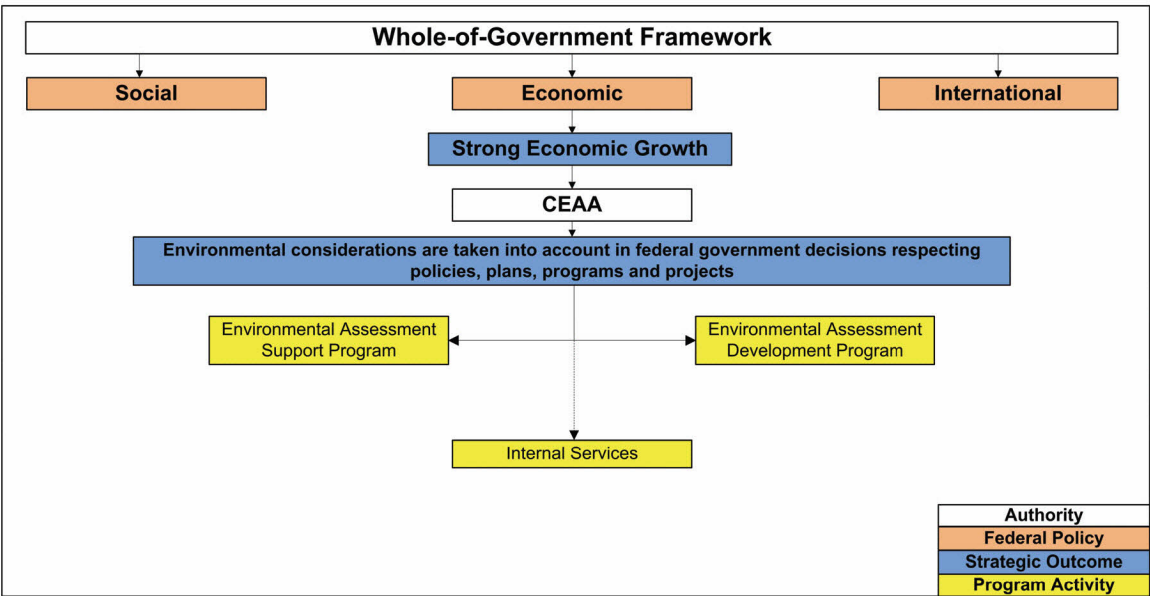
## STRATEGIC OUTCOME AND PROGRAM ACTIVITY ARCHITECTURE

The Agency’s strategic outcome provides overarching direction for its activities.

**Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.**

The Agency strives to achieve this outcome through the efficient and effective delivery of key components of federal environmental assessments and by providing advice and support to federal organizations on the delivery of their EA responsibilities.

The chart illustrates the alignment of the Agency’s program activities and strategic outcome with the Government of Canada’s strong economic growth outcome area.



## ORGANIZATIONAL PRIORITIES

Priority: Build a Framework for More Integrated Environmental Assessment	Type*: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Environmental Assessment Development Program
<p>Mostly met</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Amendments to the <i>Canadian Environmental Assessment Act</i> that came into force July 12, 2010 made the Agency responsible for the conduct of most comprehensive studies. These amendments present a significant accomplishment in support of more integrated environmental assessment.</li> <li><input type="checkbox"/> As a result of these changes, the Agency is now responsible for conducting timely, high-quality comprehensive study environmental assessments and for coordinating federal requirements with provincial and territorial EA processes.</li> <li><input type="checkbox"/> To complement the amendments, proposed regulations to establish time lines for the conduct of comprehensive studies by the Agency were made available for consultation in the <i>Canada Gazette</i>, Part I (enacted June 23, 2011).</li> <li><input type="checkbox"/> The Agency engaged federal partners in understanding the amended approach to comprehensive studies through regional and headquarters interdepartmental discussions, and engaged the provinces and territories in similar discussions through regional environmental assessment committees. The Agency also provided information and responded to inquiries from Aboriginal groups and stakeholders.</li> <li><input type="checkbox"/> Other activities in support of integrated environmental assessment include the renewal of the <i>Canada-Quebec Agreement on Environmental Assessment Cooperation</i>, advice to Aboriginal Affairs and Northern Development Canada to ensure that EA regimes pursuant to comprehensive land claims and self-government agreements are consistent with the requirements of the Act, and consultation on proposals to improve alignment of the environmental assessment requirements for commercial ski areas in national parks with Parks Canada's applicable management processes and policies.</li> </ul>		

\* Type is defined as follows: **Previously committed to**—committed to in the first or second fiscal year before the subject year of the report; **Ongoing**—committed to at least three fiscal years before the subject year of the report; and **New**—newly committed to in the reporting year of the DPR.

Priority: Play an Active Leadership Role in Federal Environmental Assessment	Type*: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Environmental Assessment Support Program
<p>Mostly met</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The Agency led federal environmental assessment by fulfilling the following key roles: <ul style="list-style-type: none"> <li>▪ conducting comprehensive studies;</li> <li>▪ managing multi-jurisdictional screenings of major resource projects;</li> <li>▪ managing review panels or co-managing joint review panels;</li> <li>▪ integrating Aboriginal consultation into the environmental assessment process for review panels and the comprehensive studies and other major resource project EAs it leads;</li> <li>▪ providing funding to support public participation and Aboriginal consultation in EAs; and</li> <li>▪ coordinating federal participation in multi-jurisdictional screenings of non-major resource projects.</li> </ul> </li> <li><input type="checkbox"/> July 2010 amendments to the <i>Canadian Environmental Assessment Act</i> gave the Agency specific authorities with respect to most comprehensive studies, enabling it to play a strong and active leadership role in delivering high-quality environmental assessments in a timely manner.</li> <li><input type="checkbox"/> The Agency coordinated 207 federal environmental assessments across Canada. It managed 26 EAs of major resource projects (including 14 comprehensive studies), conducted 13 non-major resource project comprehensive studies, contributed to the coordination of 14 <i>James Bay and Northern Quebec Agreement</i> projects, and provided support to 12 projects subject to an EA by a review panel.</li> <li><input type="checkbox"/> The Agency's Participant Funding Program awarded \$300,000 to 35 recipients to facilitate public participation in the EAs of 15 projects and \$1.9 million to 67 recipients to enable Aboriginal consultation and participation in the EAs of 13 projects.</li> <li><input type="checkbox"/> Based on its experience in integrating Aboriginal consultation into the EA process, the Agency contributed to strengthening interdepartmental governance and communication on consistent and effective Aboriginal consultation across the federal government.</li> <li><input type="checkbox"/> The Agency supported the Privy Council Office's update of the <i>Guidelines for Implementing the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>. It also led an interdepartmental community of practice, providing guidance and advice to federal departments and agencies on developing and updating their SEA processes and tools.</li> </ul>		

\* Type is defined as follows: **Previously committed to**—committed to in the first or second fiscal year before the subject year of the report; **Ongoing**—committed to at least three fiscal years before the subject year of the report; and **New**—newly committed to in the reporting year of the DPR.

Priority: Build Capacity and Organization to Deliver on Existing and New Responsibilities	Type*: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Environmental Assessment Development Program / Environmental Assessment Support Program
<p>Mostly met</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The Agency focused on building internal capacity for the effective delivery of its new role in the conduct of comprehensive studies. To this end, the Agency developed processes, guidance, training, and regulatory instruments to support the effective delivery of its EA responsibilities. The Agency also implemented organizational changes to support regional delivery of the comprehensive study process.</li> <li><input type="checkbox"/> The Agency manages the integration of Aboriginal consultation into the EAs it leads on behalf of the federal government. The Agency further refined its model for integrating Aboriginal consultation into the EA process and keeping detailed records of such consultations. This included training of employees in regional offices across the country on the delivery of the approach when conducting comprehensive studies and adapting the model for use in review panels.</li> </ul>		

\* Type is defined as follows: **Previously committed to**—committed to in the first or second fiscal year before the subject year of the report; **Ongoing**—committed to at least three fiscal years before the subject year of the report; and **New**—newly committed to in the reporting year of the DPR.

## RISK ANALYSIS

### Agency Operating Environment and Challenges

Protecting the environment, while supporting strong economic growth and improving the quality of life of Canadians, is an important challenge. Environmental assessment assists in addressing this challenge by ensuring that environmental effects are considered before decisions are made to allow policies, plans, programs, or projects to proceed.

Under the *Canadian Environmental Assessment Act*, responsible authorities (federal departments, agencies, and parent Crown corporations) must undertake an EA before carrying out a project; providing financial assistance to enable a project to be carried out; selling, leasing, or otherwise disposing of federal land to enable a project to be undertaken; or issuing certain authorizations to enable a project to go forward.

Projects subject to an EA under the Act—and policies, plans, and programs subject to an SEA under the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*—often raise important issues associated with socio-economic development, environmental protection, Aboriginal and treaty rights, and federal–provincial/territorial cooperation. Environmental assessment must continually adapt to factors, such as changing economic and environmental conditions, new technologies, interpretations of statutory and common law, and evolving public expectations.

The following sections provide an overview of the Agency's operating environment and associated considerations and challenges.

## ***Shared Responsibility for Environmental Management***

Under the Canadian Constitution, environmental management is an area of shared responsibility between the federal and provincial/territorial governments. When the federal government and the government of a province or territory both require an environmental assessment, the Agency works with the other jurisdiction to design and deliver a single, effective, and efficient environmental assessment process. Bilateral agreements and project-specific arrangements define the roles and responsibilities in implementing the process in a manner that satisfies the requirements of both parties.

## ***Supporting the Canadian Economy***

An effective, timely, and predictable regulatory system which includes high-quality environmental assessments is a key contributor to a strong Canadian economy. The Agency continues to be an active partner in improving the performance of the regulatory system by implementing innovative ways to ensure that environmental considerations are taken into account in federal decision making and that federal EAs provide clear benefits to Canadians. The integration of the environmental effects of projects into planning and decision-making processes in a manner that promotes sustainable development will remain the focus of these efforts.

## ***Amendments to the Canadian Environmental Assessment Act***

Through amendments to the *Canadian Environmental Assessment Act* that came into force July 12, 2010, the Agency became responsible for the conduct of most comprehensive study EAs from the time a project becomes known until the Agency delivers its report to the Minister of the Environment. This shift in accountability from coordinating to delivering comprehensive studies represented a significant change in the Agency's operating environment.

## ***Meaningful Participation of the Public***

Projects subject to environmental assessment and their effects on the environment are complex, often giving rise to competing views on whether a project should proceed. Providing meaningful opportunities for Canadians to participate is central to the delivery of high-quality environmental assessments.

## ***Aboriginal Consultation***

The federal Crown has a duty to consult and—where appropriate—accommodate Aboriginal groups when it contemplates conduct that may adversely affect potential or established Aboriginal or treaty rights. As a result of the 2007 *Cabinet Directive on Improving the Regulatory System for Major Resource Projects*, it was decided that for major resource projects the environmental assessment process would be relied upon, to the extent possible, to fulfil the legal duty to consult. The Agency integrates Aboriginal consultations into the environmental assessments that it leads, consistent with the whole-of-government approach set out by the federal government in the above-mentioned Cabinet Directive. Aboriginal consultation presents opportunities to integrate traditional knowledge and diverse perspectives on the nature and exercise of Aboriginal or treaty rights into project assessment. Some associated challenges include reaching affected Aboriginal groups in locations that are often remote, or when a project intersects with the interests of multiple groups and may require diverse approaches to Aboriginal consultation.



## **Regulatory Improvement Initiative for Major Resource Projects**

By conducting or managing the EAs and associated Aboriginal consultation for major resource projects, the Agency makes a major contribution to meeting the objectives of the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* (October 2007) to provide a more efficient and effective regulatory system that will support an innovative and prosperous economy, protect the health and safety of Canadians, and conserve the environment.

## **Litigation**

Litigation regarding the interpretation of the Act and the Crown's duty to consult Aboriginal groups may result in a need to take the necessary time to adjust practices to conform to court decisions. Rulings of the Supreme Court of Canada on the scope of the project to be considered in a federal EA and whether the *Canadian Environmental Assessment Act* applies to projects located on the territory subject to section 22 of the *James Bay and Northern Quebec Agreement* led to significant adjustments to federal EA practices.

## **International Considerations**

International dialogue provides opportunities for Canada to share its environmental assessment experience and expertise and to learn from the EA practices of international organizations and other countries. Benefits include being able to incorporate best practices from elsewhere and to be aware of the effects of other environmental assessment regimes on Canada's competitiveness. The Agency will continue to develop relationships and maintain dialogue with the United States and other jurisdictions with comparable EA regimes. In addition, the Agency will continue to monitor Canada's obligations as a party to the United Nations Economic Commission for Europe's *Convention on Environmental Impact Assessment in a Transboundary Context*.

## **Parliamentary Review of the Act**

The 2003 *Act to amend the Canadian Environmental Assessment Act* requires a legislative review by the Standing Committee on Environment and Sustainable Development of the provisions and operation of the Act. The Committee's report will be followed by a government response. The Agency is well-positioned to provide support to the committee process and to analyze and respond to any recommendations.

## SUMMARY OF PERFORMANCE

### 2010–2011 Financial Resources (\$ thousands)\*

Planned Spending	Total Authorities	Actual Spending
28,960	32,461	29,034

\* Financial Resources should equal the Total line for Program Activities and Internal Services.

**Note:** At the end of the 2010–2011 fiscal year, the Agency's lapse of operating funds was due mainly to delays in the environmental assessment process as a result of changes to the design and timing of projects by proponents (and therefore outside the control of the Agency) and the delay of the initiation of the parliamentary review of the *Canadian Environmental Assessment Act*.

### 2010–2011 Human Resources (Full-Time Equivalents (FTEs))

Planned	Actual	Difference
235	235	0

### Strategic Outcome

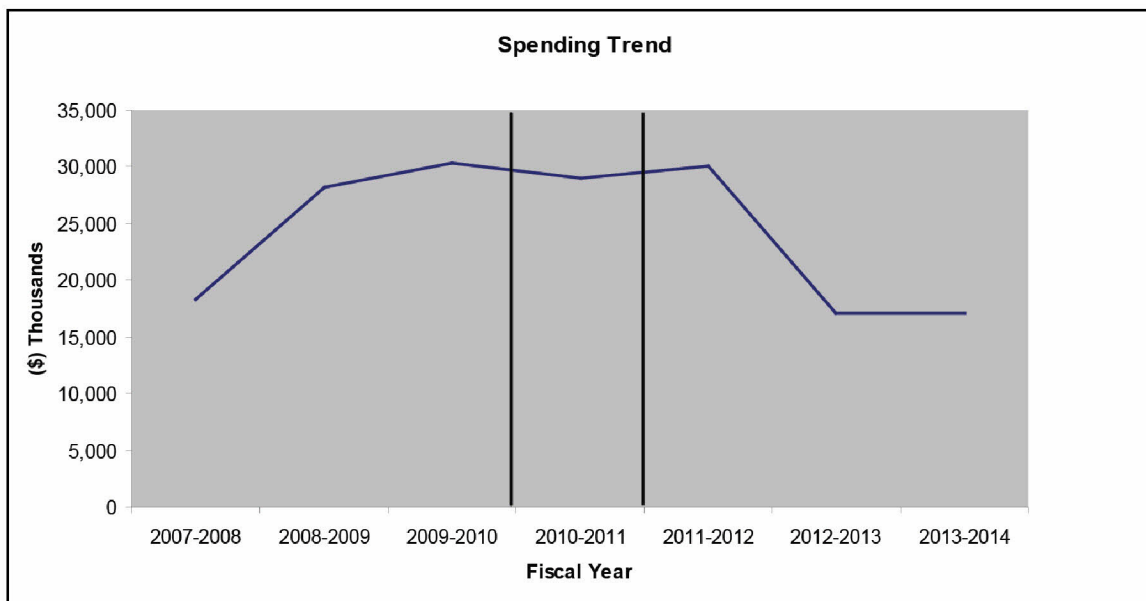
Performance Indicators	Targets	2010–2011 Performance
Percentage of policy, plan, and program proposals for consideration by Cabinet that include strategic environmental considerations	90% of memoranda to Cabinet include strategic environmental considerations	<p>Not met</p> <ul style="list-style-type: none"> <li>Of the proposals reviewed by the Agency, 45% included a statement indicating the completion of a preliminary scan or a strategic environmental assessment, as per the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>.</li> <li>This result shows that many proposals do not explicitly state that they have included strategic environmental considerations. This may reflect an overall lack of awareness or a misinterpretation by departments and agencies of the requirements of the Cabinet Directive. It is clear that further guidance is needed to clarify and raise awareness around these requirements.</li> </ul>
Percentage of EAs where the Agency is the federal environmental assessment coordinator (FEAC) or EA manager for which an EA work plan is developed and implemented by the Agency	An EA work plan is developed and implemented for 100% of project-specific EAs for which the Agency is FEAC or EA manager	<p>Met all</p> <ul style="list-style-type: none"> <li>A work plan was developed and implemented by the Agency for 100% of the environmental assessments for which the Agency was FEAC or EA manager.</li> </ul>

(\$ thousands) Program Activity	2009– 2010 Actual Spending	2010–2011*				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Environmental Assessment Development Program	4,238	4,153	4,153	4,482	3,765	Strong Economic Growth
Environmental Assessment Support Program	16,182	17,107	17,107	17,922	15,263	Strong Economic Growth
<b>Total</b>	20,420	21,260	21,260	22,404	19,028	

(\$ thousands) Program Activity	2009– 2010 Actual Spending	2010–2011*			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	9,940	7,700	7,700	10,058	10,006

\* Beginning with the 2009–2010 estimates cycle, the resources for Program Activity Internal Services are displayed separately from other program activities. They are no longer distributed among the remaining program activities, as was the case in previous main estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.

## EXPENDITURE PROFILE



For the 2010–2011 fiscal year, the Agency spent \$29.0 million to achieve the expected results of its program activities and contribute to its strategic outcome.

For the 2007–2008 to 2010–2011 periods, total spending includes all parliamentary appropriations and revenue sources. It also includes carry-forward adjustments.

For the 2011–2012 to 2013–2014 periods, the total spending corresponds to planned spending and revenues. Supplementary funding and carry-forward adjustments are unknown at this point and, therefore, are not reflected.

As a result of the Budget 2007 initiative to improve Canada's regulatory framework for major resource projects, the Agency has increased its spending. The Agency was also granted funding for review panel support and Aboriginal consultations conducted as part of an environmental assessment. Both sources of funding are scheduled to end in 2011–2012.

## ESTIMATES BY VOTE

For information on our organizational votes and statutory expenditures, please see the 2010 Public Accounts of Canada (Volume II) publication. An electronic version is available at the Public Works and Government Services Canada website.<sup>1</sup>

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<sup>1</sup> <http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html>



## **SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME**

### ***In this section:***

- ◆ Strategic Outcome
- ◆ Program Activity: Environmental Assessment Development Program
- ◆ Program Activity: Environmental Assessment Support Program
- ◆ Program Activity: Internal Services



## STRATEGIC OUTCOME

Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

## PROGRAM ACTIVITY: ENVIRONMENTAL ASSESSMENT DEVELOPMENT PROGRAM

### Program Activity Description

The program develops and maintains an effective, efficient, and integrated environmental assessment process at the federal level, fully considering the interactions with other environmental assessments (EAs) and consultative and regulatory decision-making processes in Canada, and mindful of the transboundary context. A sound environmental assessment process is vital to achieving the strategic outcome. Ensuring that environmental considerations are integrated into federal government decision making through sound EA practices supports a high quality of life for Canadians, environmental sustainability, and economic competitiveness.

### 2010–2011 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
4,153	4,482	3,765
The lapsed funds under the Environmental Assessment Development Program were mainly attributable to a delay in the initiation of the parliamentary review of the <i>Canadian Environmental Assessment Act</i> by the Standing Committee on Environment and Sustainable Development. Planned work to respond to the review was delayed pending the committee proceeding with the review.		

### 2010–2011 Human Resources (FTEs)

Planned	Actual	Difference
40	41	1

Expected Results	Performance Indicators	Targets	Performance Status
Federal organizations have the instruments they need to meet their EA responsibilities	Percentage of federal organizations that agree that the instruments provided by the Agency set out and explain the EA requirements within the federal government	75% of federal organizations agree that the instruments provided by the Agency set out and explain the EA requirements at the federal level	Partially met <ul style="list-style-type: none"><li>Agency consultations with federal counterparts generally revealed a high level of satisfaction with the basic operational policy and regulatory instruments. These meetings also suggested the need for additional support in relation to major projects, cumulative effects, and strategic environmental assessments (SEAs).</li></ul>

Expected Results	Performance Indicators	Targets	Performance Status
			<ul style="list-style-type: none"> <li>During the reporting period, the Canadian Environmental Assessment Agency (the Agency) focused on guidance and tools to support its new responsibility for comprehensive studies. The Agency will identify priorities for action in the coming fiscal year.</li> </ul>
Federal departments and agencies have access to the training and information they need to implement the <i>Cabinet Directive on Environmental Assessment of Policy, Plan and Program Proposals</i>	Percentage of course participants from federal departments and agencies indicating their satisfaction with training course content and materials	85% of course participants from federal departments are satisfied with training course content and materials	<p>Not assessed</p> <ul style="list-style-type: none"> <li>The Agency did not offer its course on implementation of the Cabinet Directive (SEA 101) during this period so cannot report on this indicator. The Agency is renewing the course to reflect the new guidelines released in 2010–2011.</li> <li>The Agency provided ongoing advice and engaged in discussions with departmental SEA practitioners on the requirements of the revised guidelines.</li> </ul>
Key issues are addressed, contributing to an improved federal EA framework consistent with the <i>Canadian Environmental Assessment Act</i> (the Act)	Percentage of key issues being addressed through the development of new or amended policies, procedures, regulations, or legislative proposals	Over five years, 100% of key issues are being addressed as a result of new or amended policies, procedures, regulations, or legislative proposals	<p>Met all</p> <ul style="list-style-type: none"> <li>100% of these key issues were addressed: <ul style="list-style-type: none"> <li>Aboriginal consultation;</li> <li>streamlining EA processes;</li> <li>project scoping;</li> <li>federal–provincial coordination; and</li> <li>federal coordination (multiple responsible authorities).</li> </ul> </li> </ul>

### ***Explanatory Note for Key Issues Indicator***

Since 2009–2010 was the first year the Agency reported against these key issues, the Agency will be able to report against the five-year target in 2013–2014. There may be some variability in the key issues addressed from year to year over the five-year period. During 2010–2011, the Agency addressed the following key issues.

#### **Aboriginal Consultation**

- The Agency developed a practitioner’s guide to support the integration of Aboriginal consultation into comprehensive studies.
- Important instruments were also developed to provide broad direction and detailed guidance to Agency employees engaged in Aboriginal consultation.
- The Agency provided training to the federal community on consulting Aboriginal groups in environmental assessment.

### **Streamlining the Environmental Assessment Process**

- Proposed regulations that establish time lines for the conduct of comprehensive studies by the Agency were pre-published in the *Canada Gazette*, Part I.

### **Project Scoping**

- Policy direction was provided to federal departments and agencies in response to the Supreme Court of Canada's ruling in the Red Chris Mine case (*MiningWatch Canada v. Canada*).

### **Federal-Provincial Coordination**

- The *Canada–Quebec Agreement on Environmental Assessment Cooperation* was renewed.
- Implementation of amendments to the Act allowed assessments of large-scale projects to start sooner and facilitated coordination with provincial assessment processes.

### **Federal Coordination**

- Consultation took place on proposals to improve alignment of the environmental assessment requirements for commercial ski areas in national parks with Parks Canada's applicable management processes and policies.
- Implementation of amendments to the Act allowed for more efficient management of the federal environmental assessment process by making the Agency responsible for the conduct of most comprehensive studies.
- Memoranda of understanding were finalized with the Canadian Nuclear Safety Commission and the National Energy Board concerning the conditions under which their processes may be substituted for a federal review panel under the Act.

## **Performance Summary and Analysis of Program Activity**

The Environmental Assessment Development Program Activity aligns most closely with the Agency's priority to build a framework for more integrated EAs. By establishing and maintaining the policy and legislative foundation for the practice of environmental assessment at the federal level, the program activity also supports the Agency's priority to play an active leadership role in the federal EA process.

The Agency consulted with partners and stakeholders, and monitored and evaluated emerging issues to develop appropriate responses in support of effective, efficient, and integrated environmental assessments. This required consideration of interactions with other EAs, consultative and regulatory decision-making processes in Canada, and EAs in a transboundary context.

### **Strengthening Coordination and Cooperation**

The Agency continued to consult with its provincial counterparts and renewed the *Canada–Quebec Agreement on Environmental Assessment Cooperation* to reduce duplication between federal and provincial processes and improve the delivery of high-quality, timely environmental assessments.

A decision by the Supreme Court of Canada in January 2010—*MiningWatch Canada v. Canada*—provided clarification on the scope of a project under the *Canadian Environmental Assessment Act*. The Supreme Court found that the scope of the project for the purpose of an

EA is, at a minimum, the project as proposed by the proponent. The development of operational guidance for departments and agencies responsible for conducting environmental assessments in response to the outcome of that decision continued into the reporting period.

Amendments to the Act in July 2010 made the Agency responsible for most comprehensive studies and resulted in an earlier determination of when to begin an environmental assessment. This allows for better alignment with provincial EA processes where both regimes apply, which promotes stronger coordination and cooperation.

As complements to the amendments to the Act, proposed regulations that establish time lines for the conduct of comprehensive studies by the Agency were made available for consultation in the *Canada Gazette*, Part I. The Agency also developed and finalized memoranda of understanding with the Canadian Nuclear Safety Commission and the National Energy Board concerning the conditions under which their processes may be substituted for an environmental assessment by a review panel under the Act.

### **Aboriginal Consultation**

The Government of Canada consults with Aboriginal peoples for reasons of good governance, sound policy development, and decision making, in addition to legal obligations. The government takes a whole-of-government approach to Aboriginal consultation for major projects, to ensure that Aboriginal groups are consulted and accommodated when it contemplates actions that may adversely affect established or potential Aboriginal and treaty rights.

This approach is mandated by the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and the associated memorandum of understanding (2007), and is based on *Aboriginal Consultation and Accommodation: Updated Guidelines for Federal Officials to Fulfill the Legal Duty to Consult-2011* (March 2011).

The Agency integrates Aboriginal consultation into the environmental assessments it leads, on behalf of the federal government. During the reporting period, this leadership role was further defined through consolidation of the policy framework and early implementation.

This resulted in a more refined approach to integrating Aboriginal consultation into environmental assessments and a net improvement in the capacity to deliver. Key stepping stones included distribution throughout the Agency of an Aboriginal consultation practitioners' guide and training sessions delivered to Agency and interested federal employees across the country.

The Agency also worked to strengthen interdepartmental governance and communication to ensure the duty to consult is fulfilled on those projects where it serves as Crown consultation coordinator. Notably, the Agency contributed content on key elements of the Integration of Aboriginal Consultation into the EA Process model for inclusion in the Government of Canada's *Aboriginal Consultation and Accommodation: Updated Guidelines for Federal Officials to Fulfill the Legal Duty to Consult-2011*.

In support of Aboriginal consultation and the overall EA process, the Agency continued to develop its geographic information system (GIS) capacity. This effort included further development of partnerships with other federal departments and agencies and additional refinements to deliver a more useful product. A GIS provides visual analysis tools for practitioners and an effective means of communicating information to decision makers.

## **Parliamentary Review of the Act**

The 2003 *Act to amend the Canadian Environmental Assessment Act* requires a review of the provisions and operation of the Act led by a parliamentary committee. During the reporting period, the Agency considered observations from the 2009 report by the Commissioner of the Environment and Sustainable Development and conducted research and analysis to prepare for—and contribute to—the review, if requested by the parliamentary committee.

## **Research and Analysis**

The Agency undertook research and analysis to establish a solid understanding of how federal environmental assessment is being implemented, focusing on identifying impediments to the efficient and effective conduct of those assessments.

The Agency's Quality Assurance Program published *Effectiveness of the Environmental Assessment Track Process under the Canadian Environmental Assessment Act*. Under the Act, as amended in 2003, departments responsible for conducting a comprehensive study followed a process, commonly referred to as the track process, to provide a recommendation to the Minister of the Environment on whether the assessment should continue by means of a comprehensive study or be referred to a review panel. The analysis conducted under the Quality Assurance Program informed amendments to the Act that came into effect in July 2010. The amendments to the Act significantly changed the comprehensive study process by removing the requirement for an EA track decision. Those amendments are expected to improve timeliness, accountability, and coordination with provincial reviews, as shown in the analysis.

Research and reporting in relation to the following five studies reached an advanced stage: developing a framework for analysis of the quality of screening reports; applying the framework to a sample of recent screening reports; assessing the effectiveness of measures taken to improve the timeliness of initiating environmental assessments; describing and evaluating various systems used by responsible authorities to ensure implementation of mitigation measures; and describing experience to date in designing and implementing follow-up programs. The Agency plans to publish these studies during the 2011–2012 fiscal year.

## **Strengthening Federal Policy Development**

The Agency worked with the Privy Council Office and Environment Canada to update the *Guidelines for Implementing the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. The renewed Guidelines, issued in October 2010, link strategic environmental assessments with the Federal Sustainable Development Strategy, improve transparency, include new reporting requirements, and clarify roles and responsibilities for the application of the Cabinet Directive. Strategic environmental assessments support informed decision making by identifying potential important environmental effects (positive or negative) and propose measures to mitigate them for proposals submitted to ministers or Cabinet. During the reporting period, the Agency provided ongoing advice and renewed guidance consistent with the revised Guidelines. The Agency also facilitated ongoing discussions with an interdepartmental community of practice—including a workshop to support the development of SEA performance metrics and associated processes—to strengthen the application of federal SEAs.

## ***Consulting with Partners, Stakeholders, and Other Jurisdictions***

During the reporting period, the Agency participated in regional-scale initiatives, such as the Beaufort Regional Environmental Assessment and the Lower Athabasca Regional Plan to further explore the potential of regional assessment to inform federal decisions, most notably for the management of cumulative effects. The Agency also examined lessons learned and approaches used in other jurisdictions.

The Agency worked collaboratively with the international community through such forums as meetings with the United States Environmental Protection Agency to discuss issues of mutual interest. The Agency participated in the International Association for Impact Assessment (IAIA) Special Symposium on Climate Change and Impact Assessment in November 2010, joining other organizations in the international impact assessment community to share ideas and best practices. The Agency also supported the work of the Secrétariat international francophone pour l'évaluation environnementale (SIFÉE) by chairing a session and giving a presentation at the 2010 conference in Paris.

The Agency provided specialist advice to Aboriginal Affairs and Northern Development Canada to ensure that environmental assessment regimes developed and implemented pursuant to comprehensive land claim and self-government agreements were consistent with the requirements of the *Canadian Environmental Assessment Act*.

With respect to specific negotiations across Canada, the Agency provided expertise and support for the development of environmental assessment chapters for the Innu of Labrador land claim agreement-in-principle, the Akwesasne self-government agreement, and six modern treaties in British Columbia. In addition, review and coordination of input to the *Nunatsiavut Environmental Protection Act*, developed pursuant to the Labrador Inuit Land Claims Agreement, was undertaken.

## ***Ongoing Improvements for Major Resource Projects***

In 2008, the Major Projects Management Office (MPMO) was established within Natural Resources Canada to provide overarching project coordination for major resource projects and to identify opportunities to improve the regulatory process. The Agency has worked closely with the MPMO since its establishment, with—as anticipated by the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*—a particular emphasis on the development of measures to improve the performance of the regulatory system for major resource projects.

An interdepartmental evaluation committee led by Natural Resources Canada was established to evaluate the MPMO initiative. It will examine the relevance and performance (both effectiveness and efficiency) of the initiative in meeting its objectives. The Agency is a member of the committee and is collaborating with the evaluation team at Natural Resources Canada to ensure a well-informed and accurate evaluation.

## ***Lessons Learned***

The amendments to the Act that came into force in July 2010 necessitated significant changes to database systems, including the Canadian Environmental Assessment Registry Internet site and internal information management tools. These modifications afforded an opportunity to address some existing weaknesses and to prepare for the development of more robust systems that would increase meaningful public engagement and awareness by enhancing the transparency, timeliness, credibility, and integrity of EA information.



In advance of the amendments to the Act coming into force and during the weeks following their implementation, the Agency invested efforts in outreach activities to federal departments and agencies. Federal organizations are key collaborators to ensure an effective and timely environmental assessment process under the amended Act. The goal was to ensure departments and agencies were informed of the amendments, provide them with an opportunity to voice their concerns and for the Agency to see how delivery of the amendments could be improved to address some of the concerns raised. The efforts invested in outreach activities proved to be an effective means to ensure a successful implementation of the amendments.

# PROGRAM ACTIVITY: ENVIRONMENTAL ASSESSMENT SUPPORT PROGRAM

## Program Activity Description

This program comprises the Public Participation Program, the *James Bay and Northern Quebec Agreement*, the federal EA training program, the delivery of policy and guidance products, the Class Screening Program, and the Environmental Assessment Management Program—the various means by which Canadians, industry, stakeholders, and interested parties interact and meet their various obligations pursuant to the *Canadian Environmental Assessment Act*. This includes public participation, information dissemination, guidance, and record keeping. This is done to ensure that a transparent and rigorous environmental assessment process is applied under the *Canadian Environmental Assessment Act*.

## 2010–2011 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
17,107	17,922	15,263
The Environmental Assessment Support Program lapsed funding was mainly due to delays in the environmental assessment process as a result of proponent decisions. It is not uncommon for the EA process to be put on hold as a result of proponent decisions to redesign or delay a project. Funds allocated to support public and Aboriginal group participation in the EA process may therefore not be spent when projected to be required. The Agency is working to reprofile Participant Funding Program resources so that the funds would be available to reimburse eligible expenses when incurred in future years.		

## 2010–2011 Human Resources (FTEs)

Planned	Actual	Difference
134	135	1

Expected Results	Performance Indicators	Targets	Performance Status
The Agency contributes to a reduction in time to complete the EA of major resource projects	Percentage of times in which the Agency meets the time line for its activities, as established in the Major Projects Management Office project agreement	Agency meets 100% of the time lines for its activities, as established by the MPMO project agreement	<p>Not met</p> <ul style="list-style-type: none"> <li>The Agency met the time line for its activities established in the MPMO project agreements 53% (11) of the time for 21 milestones associated with seven projects.</li> <li>However, for five of the 10 milestones where time lines were not met, the time lines were exceeded by less than three days.</li> <li>Reasons for not meeting milestones included adjustments to remain aligned with provincial environmental assessment process requirements.</li> </ul>

Expected Results	Performance Indicators	Targets	Performance Status
			<ul style="list-style-type: none"> <li>The Agency is striving to improve performance with respect to achieving milestone targets. During the 2010–2011 reporting year, the Agency worked with the MPMO and other departments and agencies to develop templates to expedite the project agreement development stage for projects. These templates have been designed to align with provincial environmental assessment processes and the Agency is working to ensure that the time lines established in the project agreements are realistic and achievable thus ensuring improved performance in future years.</li> </ul>
A single EA report produces the necessary information to support federal and provincial EA decisions when both jurisdictions require EAs of a project	Percentage of times when a cooperative EA report produces the necessary information to support federal and provincial EA decisions	80% of cooperative EA reports produce the necessary information to support federal and provincial EA decisions	<p>Exceeded</p> <ul style="list-style-type: none"> <li>100% of cooperative environmental assessments included reports that produced the necessary information to support federal and provincial EA decisions.</li> <li>Sixteen projects where the Agency was EA manager or FEAC received an EA decision, and all 16 had one set of environmental impact statement guidelines to satisfy the requirements for both the federal and provincial environmental assessments.</li> </ul>
Responsible authorities and proponents understand the Agency's role in implementing the major resource projects process	Percentage of responsible authorities and proponent representatives who agree that they understand the Agency's role in relation to the EA of projects subject to the major resource projects process	85% of responsible authorities and proponents agree that they understand the Agency's role in relation to the EA of projects subject to the major resource projects process	<p>Exceeded</p> <ul style="list-style-type: none"> <li>Ten project agreements, which outline roles and responsibilities of the Agency in implementing the major resource projects process, were signed by responsible authorities in the reporting period and are publicly available. Project proponents access these documents and thus are provided with an understanding of the Agency's role. The Agency also led project review teams, which serve as a forum to define the role of the Agency as well as the various roles of federal departments.</li> </ul>

Expected Results	Performance Indicators	Targets	Performance Status
Interests of Aboriginal groups in relation to the EA of projects where the Agency is EA manager are documented and presented to support decision making	Percentage of projects where the Agency is the Crown consultation coordinator for which an Aboriginal consultation work plan is developed and implemented by the Agency	An Aboriginal consultation work plan is developed and implemented for 100% of projects where the Agency is the Crown consultation coordinator	Met all <ul style="list-style-type: none"> <li>Aboriginal interests are documented and presented to support the decision-making process for all major resource projects where the Agency is the EA manager.</li> <li>Decisions under the Act for two major resource projects (Prosperity Gold-Copper Mine and the Naikun Wind Farm) were made, and documentation of the results of Aboriginal consultation informed those decisions.</li> </ul>
The Agency facilitates meaningful public participation in federal EAs by providing funding to support certain activities	Percentage of funding recipients that agree that the funding provided by the Agency improved their ability to participate meaningfully in the EA process	75% of funding recipients agree that the funding provided by the Agency improved their ability to participate meaningfully in the EA process	Exceeded <ul style="list-style-type: none"> <li>The Agency sent 23 satisfaction surveys seeking information on funding recipients' satisfaction regarding the Participant Funding Program process. The completed surveys indicated an average satisfaction level of 90%, suggesting that the funding enhanced the recipient's ability to participate, in a meaningful way, in the EA.</li> </ul>
The Agency provides high-quality EA training courses that are effective in providing practical skills and knowledge	Percentage of course participants who agree that the training given by the Agency was effective in providing practical skills and knowledge	85% of course participants agree that the training given by the Agency was effective in providing practical skills and knowledge	Met all <ul style="list-style-type: none"> <li>The Agency offered 31 training sessions during the reporting period. Of the participants providing feedback, 89% indicated a high overall satisfaction with the course; 82% of respondents rated their satisfaction with the effectiveness of the course in providing practical skills and knowledge between very good (4) and outstanding (6) on a six-point scale. In addition, 97% of the respondents considered their needs met by the training.</li> </ul>

## Performance Summary and Analysis of Program Activity

The Environmental Assessment Support Program Activity focuses on delivering the Agency's responsibilities under the *Canadian Environmental Assessment Act* and related policy direction. It aligns most closely with the Agency's strategic priorities to play an active leadership role in federal environmental assessment and to build the capacity and organization to deliver on existing and new responsibilities.

During 2010–2011, these priorities took on new dimensions as amendments to the *Canadian Environmental Assessment Act* came into force on July 12, 2010. On this date, the Agency became responsible for the conduct of most comprehensive study EAs from the time a project becomes known until the Agency delivers a report to the Minister of the Environment.

The Agency played an active leadership role in federal environmental assessments by:

- conducting comprehensive studies;
- managing multi-jurisdictional screenings of major resource projects;
- managing review panels or co-managing joint review panels;
- integrating Aboriginal consultation into the environmental assessment process for review panels and those comprehensive studies and major resource projects it leads; and
- coordinating federal participation in multi-jurisdictional screenings of non-major resource projects.

The Agency enhanced internal capacity through guidance and training development, and updating and implementing organizational changes to support regional operations with a particular emphasis on supporting its new comprehensive study responsibilities and its increasing Aboriginal consultation role.

### ***Managing and Coordinating Environmental Assessments***

Delivery of high-quality EAs requires effective and efficient management of the process, including coordination within the federal government and with provincial/territorial and Aboriginal governance partners. The Agency worked with federal authorities and other jurisdictions to develop work plans to avoid duplication and to coordinate EA activities, including environmental impact statement guidelines, public participation, and Aboriginal consultation.

On July 12, 2010, the Agency assumed responsibility for the conduct of 22 ongoing comprehensive studies. Since that time, one of those projects has been referred to a review panel (Marathon—Ontario) and three have been terminated as they no longer have triggers (Direct Shipping Ore—Newfoundland and Labrador, Bevan Groundwater—British Columbia, and Lac-au-Saumon Groundwater—Quebec). As of March 31, 2011, of the 18 comprehensive studies that remain, seven are inactive, pending information from the proponent on the future of the project.

Between July 12, 2010, and March 31, 2011, the Agency began six comprehensive studies:

- three mines in British Columbia: Schaft Creek, Kitsault, and Central South;
- two all-weather roads in Saskatchewan: highways 905 and 914; and
- one mine in New Brunswick: Elmtree.

In addition, the Agency continued to play a lead role in the completion of four comprehensive studies that were not affected by the July 2010 amendments and to support the Canadian Nuclear Safety Commission as required on five comprehensive studies it is conducting.

During the reporting period, the Agency undertook a coordination role in the EA of 207 projects. These included 41 new projects (13 comprehensive studies, 3 review panels, and

25 screenings), and ongoing assessments that carried over from the previous year. Two comprehensive studies and one review panel were completed or terminated.

The Agency provided support to 12 projects subject to environmental assessment by a review panel. This support ranged from review panel public hearings, such as the Prosperity Gold-Copper Mine (for which the government announced a decision in November 2010) and the Joslyn North Mine, to providing advice to the Minister of the Environment on referring the Marathon Platinum Group Metals and Copper Mine and the Pierre River Mine and Jackpine Mine Expansion projects to review by panel. To deliver a high-quality EA in an efficient manner, 10 of these review panels are or will be conducted jointly with another jurisdiction or regulatory body. For example, joint review panels are being undertaken with the Canadian Nuclear Safety Commission, the National Energy Board, and the governments of Alberta and Newfoundland and Labrador. In addition, the Environmental Impact Review Board process managed under the Inuvialuit land claim agreement was substituted for the federal review panel process for the proposed Inuvik to Tuktoyaktuk Highway project in the Northwest Territories.

### **Aboriginal Consultation**

The 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its memorandum of understanding gave the Agency responsibility to integrate, to the greatest extent possible, Aboriginal-Crown consultation into the environmental assessments of the major resource projects it leads. With the amendments to the Act in July 2010, the Agency, on a policy basis, also assumed that role for all comprehensive studies it conducts. As Crown consultation coordinator, the Agency initiated early engagement with Aboriginal groups, developed consultation plans, coordinated consultation activities, and summarized the outcomes of consultation for decision makers.

The Agency, through the Aboriginal Funding Envelope (AFE) of the Participant Funding Program, provided \$1.9 million to 67 recipients to support Aboriginal consultation and participation in the environmental assessments of 13 projects.

Canada, British Columbia, and the Nisga'a Lisims Government are working together to implement the environmental assessment chapter of the *Nisga'a Final Agreement* in the context of several major resource projects. As part of this work, the parties are collaborating in the development of a socio-economic and cultural well-being assessment for the Kerr-Sulphurets-Mitchell and Kitsault Mining projects, with the goals of fulfilling treaty commitments and supporting the long-term economic development of northwest British Columbia.

The Agency and the Government of Alberta have developed federal-provincial collaboration procedures for Aboriginal consultation associated with major projects requiring environmental assessments. To date, implementation of the two-year work plan for this initiative by the Agency's Alberta and Northwest Territories regional office and Alberta Environment has resulted in common early notification criteria and consultation plans. Encouraged by the efficiency of this approach, other federal departments, including Aboriginal Affairs and Northern Development Canada, are using the procedures to inform delivery and coordination of Aboriginal consultation activities. The Agency has also created a federal regulatory consultation working group to share the experiences of Aboriginal consultation practitioners and develop common tools and methods for consultation with Aboriginal people in Alberta.

In Quebec, the Agency and the James Bay Cree First Nation developed an approach to support the participation of the Cree in the environmental assessment process under the Act.



This initiative was launched following a Supreme Court of Canada decision clarifying the application of the *Canadian Environmental Assessment Act* in the *James Bay and Northern Quebec Agreement* territory.

The Agency has worked with the Assembly of First Nations Chiefs of New Brunswick to encourage development of a new approach to consultation with First Nations. An Assembly consultation committee representing 13 of the 15 New Brunswick First Nations has been established via a resolution signed by the chiefs, and is working with the Crown as part of the Elmtree Gold Mine and Sisson Brook comprehensive studies.

Through the Atlantic Aboriginal Consultation Practitioners forum, an Agency-led working group is examining approaches to sharing information among federal and provincial departments. An Aboriginal consultation information sharing website houses guidance material, Aboriginal group contact information, and background information on Aboriginal groups in Atlantic Canada.

The Agency has worked with the Government of Newfoundland and Labrador, along with potentially impacted Aboriginal groups, to develop a harmonized environmental assessment process and a joint federal–provincial consultation plan for the Lower Churchill Generation project and the Labrador–Island Transmission Link project. Collectively, the harmonized EA processes and whole-of-government approaches to consultation are intended to provide clarity, process certainty, and efficiency to both Aboriginal groups and governments.

### **Public Participation**

The Agency sought to maximize public participation in the environmental assessment process, by emphasizing transparency and information sharing. The Agency provided nearly \$300,000 in participant funding to 35 recipients, including individuals, non-profit organizations, and Aboriginal groups to take part in 15 projects. The Participant Funding Program continues to implement a client satisfaction survey to collect quantitative and qualitative information on whether the objectives of the program are being met.

The Agency maintained the Canadian Environmental Assessment Registry Internet site (CEARIS), which facilitates public access to information and records about environmental assessments that are being conducted under the *Canadian Environmental Assessment Act*. During 2010–2011, nearly 5500 environmental assessments were entered into the online registry and over 100 000 users visited CEARIS. Agency staff regularly responded to public requests for information and records.

Joint review panel public hearings were completed on the Joslyn North Mine, the Darlington New Nuclear Power Plant, and the Lower Churchill Hydroelectric Generation projects. A decision was announced on the Prosperity Gold-Copper Mine. The Agency and the National Energy Board conducted information sessions on the Northern Gateway Pipeline project.

Opportunities to provide comments on the project and the comprehensive study, or to participate in the comprehensive study, were provided for each of the 18 active comprehensive studies conducted by the Agency.

### **Working with Partners and Stakeholders**

The Agency worked with other jurisdictions and stakeholders to harmonize EA processes for a wide range of projects across Canada. The following examples show how the Agency has

contributed to the streamlining of regulatory processes while ensuring federal EA requirements are met.

The British Columbia Environmental Assessment Office, further to delegation as per section 17(1) of the Act, proceeded with the EA of the Northwest Transmission Line project. Key Agency actions to support and learn from these experiences included establishing a governance approach for the delegated process, coordinating federal consultation for the Northwest Transmission Line project, and managing an initial third party evaluation of the delegation experience to date.

The Raven Underground Coal project has been the subject of a high degree of public interest since the beginning of the comprehensive study in May 2010. The Agency and the British Columbia Environmental Assessment Office work closely to ensure that the cooperative EA of the project proceeds in an efficient and effective manner. This has included collaborating on joint environmental impact statement guidelines (known provincially as application information requirements) and applying an innovative approach to public consultation to address the needs of local communities while meeting the requirements of federal and provincial legislation. The environmental assessment for this project is ongoing.

The Agency and Alberta Environment are working collaboratively to develop tools that will improve the efficiency and effectiveness of the EA process and enhance alignment between the two jurisdictions. Tools developed to date include:

- joint federal–provincial project disclosure guidelines that provide proponents with a single source of information when disclosing a project to regulators; and
- joint federal–provincial public notices that meet the provincial proposed terms of reference notice requirements and provide the first public participation opportunity under the federal comprehensive study process. Alignment at this stage prevents process duplication and reduces stakeholder consultation fatigue.

In the Agency's Prairie Region, there has been a continuation of cooperation in environmental assessment matters that was initiated during the 1990s, renewed in 2000, and again in 2005. With the Agency's expanded role in federal environmental assessment, new cooperative initiatives involving Aboriginal consultation relating to the regulatory reviews of large resource development projects are being tested.

An example of the emerging approaches is the cooperative consultation exercise for the Star Orion South Diamond Project in central Saskatchewan. Lessons learned over the years of cooperation with provincial partners are being applied to consultation. As is the case in the context of a cooperative environmental assessment, the necessary consultation with several affected First Nations and the Métis is being led by the officials in Saskatchewan's Aboriginal Affairs Branch with the support and participation of the appropriate federal authorities.

In Ontario, the Agency has worked with the Ontario Ministry of the Environment toward the establishment of a joint review panel for the Marathon Platinum Group Metals and Copper Mine project. This would be the first joint review panel established under the Act between the federal government and Ontario.

The Atlantic regional office coordinated federal and Prince Edward Island authorities involved in the EA for the Charlottetown Convention Centre project. This included Aboriginal and public consultation and the development of terms of reference, draft and final EA reports, an

environmental protection plan, and a habitat compensation plan. The EA began in November 2010, and provincial and federal decisions were posted in March 2011.

### ***Training and Guidance***

The Agency focused on enhancing its capacity to deliver its new responsibility for conducting comprehensive studies and to further integrate Aboriginal consultation into the EA process. The Agency also delivered training and advice on environmental assessments to the federal community and other interested parties through courses, such as Orientation to the *Canadian Environmental Assessment Act* and Screenings under the *Canadian Environmental Assessment Act*. During the reporting period, 31 training sessions were offered to 562 participants.

The Agency developed an Aboriginal consultation practitioner guide and updated its training package on Aboriginal consultation for delivery to the federal community. This training was coordinated with Aboriginal Affairs and Northern Development Canada and Department of Justice courses on the Government of Canada's *Aboriginal Consultation and Accommodation: Interim Guidelines for Federal Officials to Fulfill the Legal Duty to Consult* (2008). The Agency's early experience with integrating Aboriginal consultation in EA also identified the need for more detailed advice and guidance leading, for example, to a set of internal guidelines on the breadth and depth of consultation.

The Agency also provided instruments and services to its staff to support the conduct of comprehensive studies and the delivery of high-quality EAs. Introductory training on the amendments to the Act was provided to Agency employees in the summer of 2010, and the *Process Guide on Comprehensive Studies* was revised to provide employees with a practitioner's guide.

An intranet site was developed to provide Agency staff with visual, user-friendly access to a range of materials to support their day-to-day work, build capacity, and contribute to the efficient and effective delivery of the Agency's responsibilities. It will house knowledge-based reports, guidance instruments that support the delivery of Aboriginal consultation and high-quality EAs, and specialized training material.

## PROGRAM ACTIVITY: INTERNAL SERVICES

### Program Activity Description

Internal Services groups related activities and resources to support the needs of programs and other corporate obligations of the Agency. This includes Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; the Access to Information and Privacy Office; Real Property Services; Material Management Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services includes activities and resources that apply across an organization, not those provided specifically to a program.

### 2010–2011 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
7,700	10,058	10,006

### 2010–2011 Human Resources (FTEs)

Planned	Actual	Difference
61	59	-2

### Performance Summary and Analysis of Program Activity

Internal Services supports the operating programs and activities of the Agency and includes many administrative activities performed outside program areas that are not otherwise allocated as program support.

The Agency's Internal Services supports core program activities by providing modern, timely, and responsive services that are effective and efficient.

### Key Highlights

#### Communications Services

Communications Division provides advice and support to the Agency and the Minister of the Environment on external announcements and issues, corporate communications, and language services in support of the Agency's mandate.

During 2010–2011, the Division provided communications advice and support on numerous policy initiatives. In addition, significant effort was directed in designing and delivering public information in support of the Agency's enhanced public consultation mandate for comprehensive studies. Communications advisors also assisted panel managers in the delivery of information sessions and public hearings, including on-site attendance and media relations services for review panels.

#### Human Resources Management Services

The Human Resources (HR) Division ensures that the necessary strategies, programs, practices, and tools are in place to attract and retain the employees required to deliver the Agency's strategic priorities.

In 2010–2011, the Agency implemented the Integrated HR Plan (IHRP) that establishes objectives and strategies for the 2010–2013 period. Further to the review of its strategic priorities, the Agency reconfirmed its three HR management objectives.

Strategies were implemented to improve the effectiveness and efficiency of staffing and creating new positions. For example, the Agency led three collective staffing processes to establish a pool of qualified candidates for positions that have historically created a heavy staffing workload. In addition, the Agency implemented revised generic work descriptions for all AS-01 administrative officer positions across the organization.

As the Agency's responsibilities have increased, the importance of employees not only providing honest and impartial advice but also being seen doing so, has increased. Mandatory half-day sessions on values and ethics were delivered to Agency staff with the initial focus on the Operations Sector, where employees are on the leading edge of interactions with proponents, the public, and other parties with strong interests in the outcome of the environmental assessment process.

### **Information Management and Information Technology Services**

During 2010–2011, the Agency focused on deploying the Government of Canada standards-based Electronic Document and Records Management System. The solution is referenced internally to the Agency as InfoZONE, based on the OpenText Content Server (Livelink 9.7.1) solution.

This system will be the Agency's sole repository for Agency information. The migration of shared drives, email systems, regional electronic storage systems, and physical records management started in February 2010. At fiscal year end, the project was estimated as being 75% complete. It is projected to be completed by March 2012.

The InfoZONE Team (employees from the Information Management and Information Technology units) is responsible for the Agency's migration to InfoZONE. The Team assists each work unit in the creation of its own file structure, organizes the migration to InfoZONE, and provides training about information management and using InfoZONE.

In 2010–2011, the Agency's Access to Information and Privacy Office continued improving its response times. The Agency's renewed procedures and ongoing training were key factors in this success.

### **Other Administrative Services**

The Agency developed a plan to implement new Treasury Board policies, including internal control, transfer payments, investment planning, and financial management governance, to improve its internal control framework. This includes continued capacity building on financial, material, and risk management to strengthen financial management stewardship, oversight, transparency, and accountability.

As an integral part of the plan, the Agency reviewed and instituted specific internal service improvements to enhance delivery to program managers. In an effort to reduce a multiplicity of rules, corporate policy instruments were reviewed, simplified, and consolidated where feasible and—where required—new policy instruments were introduced throughout the year.

Also, the procurement planning and contract review functions were strengthened in 2010. An oversight committee was established to ensure that procurement aligns with the plans, investments, and priorities of the Agency. The oversight committee reviews and monitors

ongoing contracting activities and approves strategies when there is a degree of risk associated with Treasury Board regulations, policies, and legislation.

During the year, the Agency completed its corporate risk profile 2010–2013, an integral part of the annual strategic planning exercise. An Agency risk action plan was also developed to ensure appropriate response strategies are in place for the risks identified.

### ***Benefits for Canadians***

Internal Services contributes to the efficient and effective delivery of Agency programs by providing support services, expertise, and advice to enable informed decision making.





## **SECTION III: SUPPLEMENTARY INFORMATION**

### ***In this section:***

- ◆ Financial Highlights
- ◆ Financial Statements
- ◆ List of Supplementary Information Tables

## FINANCIAL HIGHLIGHTS

### Condensed Statement of Financial Position

As at March 31, 2011 (\$)

	% Change	2010–2011	2009–2010
Total assets	50	4,273,137	2,843,427
Total liabilities	-16	5,919,154	7,107,781
Equity of Canada	61	(1,646,017)	(4,264,354)
	<b>50</b>	<b>4,273,137</b>	<b>2,843,427</b>

**Note:** 2009–2010 amounts were restated in adherence with the TBAS 1.2 requirement for departments and agencies to record amounts due from the Consolidated Revenue Fund effective fiscal year 2010–2011.

### Condensed Statement of Operations

For the year ended March 31, 2011 (\$)

	% Change	2010–2011	2009–2010
Total expenses	2.6	36,808,042	37,810,127
Total revenues	-28.0	3,377,821	4,710,677
<b>Net cost of operations</b>	<b>0.9</b>	<b>33,430,221</b>	<b>33,099,450</b>

## FINANCIAL STATEMENTS

Detailed financial statements can be found on the Agency's website.<sup>2</sup>

## LIST OF SUPPLEMENTARY INFORMATION TABLES

All electronic supplementary information tables found in the *2010–2011 Departmental Performance Report* can be found on the Treasury Board of Canada Secretariat's website.<sup>3</sup>

- Green Procurement
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting

<sup>2</sup> <http://www.ceaa-acee.gc.ca/>

<sup>3</sup> <http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp>

## **SECTION IV: OTHER ITEMS OF INTEREST**

### ***In this section:***

- ◆ Organizational Contact Information
- ◆ Additional Information

## **ORGANIZATIONAL CONTACT INFORMATION**

### **Director of Communications**

Canadian Environmental Assessment Agency

160 Elgin Street, 22<sup>nd</sup> Floor

Ottawa, ON K1A 0H3

**Tel:** 613-957-0712

**Fax:** 613-957-0946

**E-mail:** [info@ceaa-acee.gc.ca](mailto:info@ceaa-acee.gc.ca)

### **The Canadian Environmental Assessment Agency's Website**

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

### **Treasury Board Secretariat's Website**

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)

## ADDITIONAL INFORMATION

### Statistical Summaries of Environmental Assessments

The table below provides a statistical summary of environmental assessments conducted under the *Canadian Environmental Assessment Act*. It outlines the total number of projects that underwent an environmental assessment (EA) during the 2010–2011 reporting period.

Fiscal Year 2010–2011			EA Decisions Taken This Fiscal Year		
EA Type	Ongoing on April 1, 2010	Initiated this fiscal year	Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Terminated
Screening	2906	2944	2526	0	298
Class Screening	N/A	N/A	232	N/A	N/A
Comprehensive Study	26	13	1	0	3
Review Panel	9	3	1	1	0
Panel Substitution	0	1	0	0	0

**Note:** Of the 39 comprehensive studies that were active during 2010–2011, 26 were ongoing as of April 1, 2010 and 13 were initiated during the year. Following passage of the amendments to the *Canadian Environmental Assessment Act* (the Act) under the *Jobs and Economic Growth Act*, the Canadian Environmental Assessment Agency (the Agency) assumed responsibility for completion of 22 comprehensive studies; one of which was subsequently terminated during this reporting period. Twelve ongoing comprehensive studies remained within the management of the responsible authorities, including one for which an EA decision was reached. Of the 13 comprehensive studies that were initiated during the year, seven were initiated by responsible authorities or were initiated as screening level assessments and were re-designated as comprehensive studies. Two of these comprehensive studies were subsequently terminated. The Agency, in exercising the powers and performing the duties of a responsible authority, in accordance with the amendments to the Act, initiated six comprehensive studies during this reporting period.

In addition, within the 2010–2011 reporting period, a total of 2245 screenings were completed by the Business Development Bank of Canada and Farm Credit Canada. Since June 11, 2006, these Crown corporations are required to conduct environmental assessments of their projects subject to the requirements of the *Canadian Environmental Assessment Act*, but with a modified process with respect to reporting on the Registry Internet site.

For further information about environmental assessments undertaken under the Act, consult the Canadian Environmental Assessment Agency's website.<sup>4</sup>

<sup>4</sup> <http://www.ceaa-acee.gc.ca>





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## 2011-12 Part III - Departmental Performance Reports (DPR)

### 2011-12 Departmental Performance Report

#### Canadian Environmental Assessment Agency

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**The Honourable Peter Kent, P.C., M.P.**

*Minister of the Environment and Minister responsible for  
the Canadian Environmental Assessment Agency*

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## **Endnotes**

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## **Minister's Message**

As Minister responsible for the Canadian Environmental Assessment Agency (the Agency), I am pleased to present the Agency's *2011–12 Departmental Performance Report*.

Last March, Budget 2012 unveiled the Government's Responsible Resource Development initiative, which strives for one project, one assessment in a clearly defined timeline. In the coming year, the Agency will focus primarily on its role in implementing the Responsible Resource Development initiative. The Budget renewed the Agency's funding for major resource projects, enabling it to continue to play a key role in delivering high-quality environmental assessments in support of long-term jobs and growth.

Over the reporting year, recognizing that timely and high-quality environmental assessments contribute to responsible resource development, the Government of Canada introduced the *Establishing Timelines for Comprehensive Study Regulations* in June 2011. These regulations set out the specific timelines the Agency must follow when conducting comprehensive studies of proposed projects. The Agency made considerable improvements in reducing the time required to complete comprehensive studies.

Fiscal year 2011–12 also saw the parliamentary review of the former *Canadian Environmental Assessment Act* (the former Act) by the House of Commons Standing Committee on Environment and Sustainable Development. The Agency was one of numerous parties who appeared before the Standing Committee. Agency officials explained the former Act and pointed to areas of the federal environmental assessment process that might need attention.

I invite parliamentarians and Canadians to read this *2011–12 Departmental Performance Report* to gain a better understanding and appreciation of the Agency's mandate and performance.

The Honourable Peter Kent, P.C., M.P.  
Minister of the Environment and Minister responsible for  
the Canadian Environmental Assessment Agency

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## **Section I: Organizational Overview**

### **Raison d'être**

Environmental assessment contributes to informed decision making in support of sustainable development.

The Canadian Environmental Assessment Agency delivers high-quality environmental assessments and serves as the centre of expertise on environmental assessment within the federal government.

## Responsibilities

Environmental assessment (EA) ensures that the potential environmental effects of policies, plans, programs and projects are identified and considered by federal government authorities before final decisions are made. It supports decisions that protect the environment, while fostering a strong economy and a high quality of life for Canadians.

On March 29, 2012, the Government announced in Budget 2012 its intention to streamline the review process for major economic projects, including bringing forward new legislation to implement system-wide improvements for EA. This led to the introduction of the *Canadian Environmental Assessment Act, 2012*, which came into force on July 6, 2012. This new legislation repealed and replaced the former *Canadian Environmental Assessment Act* (the former Act). This report describes activities under the former Act, which governed the Canadian Environmental Assessment Agency's (the Agency) work during the reporting period.

The former Act established the requirements for the EA of projects, and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* sets out the environmental assessment requirements for those types of decisions. The Agency played key roles in delivering and supporting assessments under the former Act, and continues to do so under the new legislation and under the Cabinet Directive.

The former Act set out three main types of EA for proposed projects: screenings, comprehensive studies, and assessments by review panels. The Agency advised and assisted the Minister of the Environment in establishing review panels and supported panels in their work. The Agency managed screenings for major resource projects and conducted most comprehensive studies on behalf of the Government of Canada. The Agency integrated the Government of Canada's Aboriginal consultation activities into the environmental assessment process to the greatest extent possible for review panels, and for the comprehensive studies and screenings for which it was responsible.

The Agency was responsible for completing the comprehensive study process within prescribed timelines as set out in the *Establishing Timelines for Comprehensive Studies Regulations*, which came into effect on June 23, 2011. Each fiscal year, the Agency must report publicly on the implementation of the regulations and has done so under "Operating in a Dynamic Context and Responding to Change" in this document.

As the centre of expertise on EA within the federal government, the Agency provided advice and guidance across government to assist federal authorities in carrying out their environmental assessment responsibilities. The Agency led interdepartmental efforts to improve the delivery of high-quality environmental assessments in a predictable, certain and timely manner. It worked with federal authorities on the application of the *Cabinet Directive on Implementing the Canadian Environmental Assessment Act* and the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*.

The Agency also led the coordination of federal environmental assessment requirements with those of provinces and territories. It administered a participant funding program to facilitate public participation and Aboriginal consultation during comprehensive studies and assessments by review panels. The Agency supported EAs across the country by providing public access to information and records related to federal environmental assessments on the Canadian Environmental Assessment Registry Internet site.

The Agency also has responsibilities under the environmental and social protection regimes set out in sections 22 and 23 of the 1975 *James Bay and Northern Quebec Agreement*. The President of the Agency is designated by order in council as the federal administrator of these processes.

The *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals* establishes a self-assessment process for strategic environmental assessment (SEA). An SEA is required when the implementation of a proposal may result in important environmental effects, either positive or negative, and the proposal is submitted to a minister or Cabinet. Federal departments and agencies are

individually responsible for ensuring that the requirements of the Cabinet Directive are met. The Agency supports the Minister of the Environment in promoting the application of the Cabinet Directive.

The Agency develops and delivers training and guidance on project environmental assessment and SEA. It administered a quality assurance program on the conduct of federal environmental assessments. The Agency also led policy research and analysis to support implementation of the former Act and the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*.

The Agency was established in 1994 and is led by the President, who reports directly to the Minister of the Environment. It has its headquarters in Ottawa and regional offices in Halifax, Québec City, Toronto, Winnipeg, Edmonton, and Vancouver.

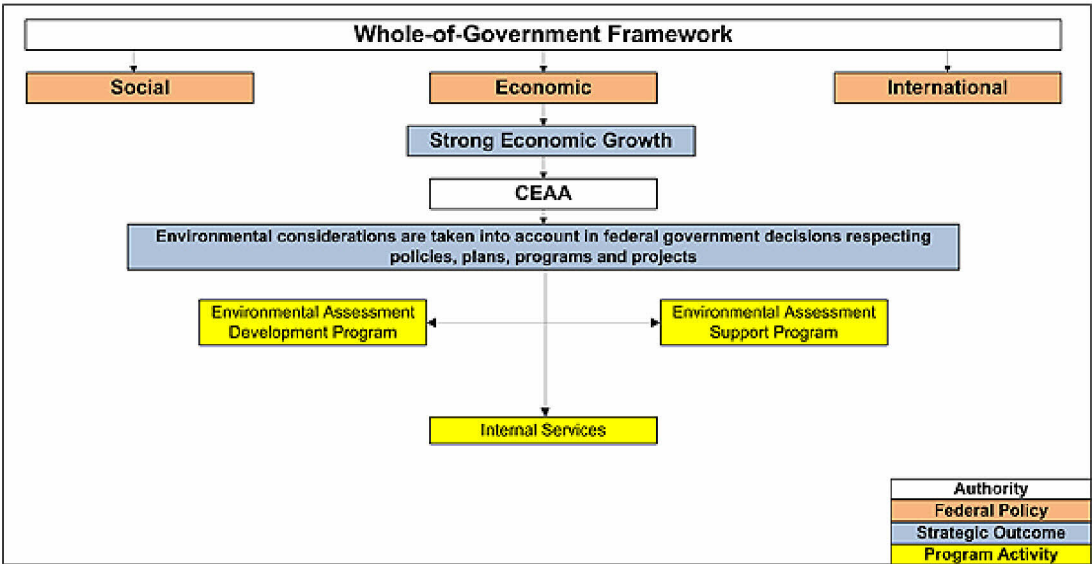
**Strategic Outcome(s) and Program Activity Architecture**

The Agency aims to achieve the following strategic outcome:

Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

The Agency strives to achieve this outcome through delivering key components of federal environmental assessment and by providing advice and support to other federal organizations on the delivery of their federal environmental assessment responsibilities.

The chart below illustrates the Agency's framework of program activities, which contribute to its strategic outcome.



[[Program Activity Architecture: Long Description](#)]

**Organizational Priorities**

**Summary of Progress Against Priorities**





Deliver high-quality environmental assessments of major projects	Type <sup>1</sup> : Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Environmental Assessment Support Program
		<ul style="list-style-type: none"> <li>• The Agency recognizes that to remain effective and support sound decisions, the environmental assessment system must be responsive to Canada's evolving economic, technological, social and physical environment. To this end, the Agency continually strives to identify how federal environmental assessment can better inform and support decision making.</li> <li>• In 2011–12, the Agency continued to play a strong and active leadership role in delivering high-quality environmental assessments in a timely manner. The new <i>Establishing Timelines for Comprehensive Studies Regulations</i> introduced in June 2011, set specific timelines for comprehensive studies conducted by the Agency. The new regulations proved to be an effective means of improving timeliness of the environmental assessment process.</li> <li>• The Agency worked with its federal partners, provinces and territories, Aboriginal groups, stakeholders and other countries to understand emerging issues and trends in EA. It defined policy direction, provided training and guidance on federal environmental assessment, developed guidance and tools to strengthen SEA, and pursued legislative, regulatory and policy improvements.</li> <li>• The Agency led federal environmental assessment by: <ul style="list-style-type: none"> <li>◦ conducting comprehensive studies;</li> <li>◦ managing multi-jurisdictional screenings of major resource projects;</li> <li>◦ managing review panels or co-managing joint review panels;</li> <li>◦ integrating Aboriginal consultation into the environmental assessment process for review panels and those comprehensive studies and major resource project screenings it led;</li> <li>◦ providing funding to support public and Aboriginal participation and Aboriginal consultation in EAs; and</li> <li>◦ coordinating federal participation in multi-jurisdictional screenings of non-major resource projects.</li> </ul> </li> <li>• In the reporting period, the Agency fulfilled its legislated role under the former Act by: <ul style="list-style-type: none"> <li>◦ managing 44 EAs of major resource projects as the environmental assessment manager (including 27 comprehensive studies, 11 panels and 6 screenings);</li> <li>◦ conducting 12 non-major resource comprehensive studies as the responsible authority;</li> <li>◦ contributing to the coordination of 5 <i>James Bay and Northern Quebec Agreement</i> (JBNQA) projects, including managing and concluding 1 major resource project under the JBNQA;</li> <li>◦ providing support to 13 projects subject to an EA by a review panel and 1 substituted review panel; and</li> <li>◦ coordinating 153 EAs as the federal environmental assessment coordinator. The number of assessments that the Agency coordinated decreased in 2011–12 when compared to the previous reporting period because the Agency focused on the comprehensive studies it conducts and meeting the associated regulated timelines.</li> </ul> </li> <li>• The Agency's Participant Funding Program awarded \$1.1 million to 59 recipients to facilitate public participation in the EAs of 18 projects and \$4.3 million to 140 recipients to enable Aboriginal consultation and participation in the EAs of 24 projects.</li> <li>• The Agency contributed to strengthening interdepartmental governance and communication on consistent and effective Aboriginal consultation across the federal government.</li> </ul>

<sup>1</sup> Type is defined as follows: **Previously committed to**--committed to in the first or second fiscal year prior to the subject year of the report; **Ongoing**--committed to at least three fiscal years prior to the subject year of the report; and **New**--newly committed to in the reporting year of the DPR.

Build effective relationships with Aboriginal people	Type: Ongoing	Strategic Outcome(s) and/or Program Activity (ies): Environmental Assessment Development Program / Environmental Assessment Support Program
<ul style="list-style-type: none"> <li>• The Government of Canada consults with Aboriginal people for reasons of good governance, sound policy development, and decision making, in addition to legal obligations. The government takes a whole-of-government approach to Aboriginal consultations for major projects to ensure that Aboriginal groups are consulted and accommodated when it contemplates actions that may adversely affect established or potential Aboriginal and treaty rights.</li> <li>• This approach is mandated by the <i>Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects</i> and the associated memorandum of understanding (2007), and is based on <i>Aboriginal Consultation and Accommodation: Updated Guidelines for Federal Officials to Fulfill the Legal Duty to Consult-2011</i> (Updated Guidelines).</li> <li>• The Agency depended extensively on the Updated Guidelines by adjusting its activities related to the operation of the Environmental Assessment and Aboriginal Consultation Integration Model (the Integration Model) for both comprehensive studies and review panels. The new guiding principles and directives in the Updated Guidelines provided a foundation upon which the <i>Aboriginal Consultation Practitioner Guide</i> was developed, and contributed to the continuous improvement of the step-specific guidance material related to the Integration Model.</li> <li>• The success of the Agency's approach in integrating Aboriginal consultation into the environmental assessment process, to the fullest extent possible, resulted in value-added changes to the Updated Guidelines. In the section on coordinating with partners and relying on other consultation approaches, the use of EA as a delivery mechanism to meet the Agency's legal obligations on major projects is given prominence.</li> <li>• The Agency participated in the review and negotiation of the environmental assessment chapters of land claim agreements and self-government arrangements during negotiations with the Innu of Labrador, Miawpukek, Akwesasne, Innu of Quebec, Atikamekw, Algonquins of Ontario, New Brunswick First Nations, Nisga'a, Tlaoquiaht, Ditidaht/Pacheedaht, K'omoks, Sliammon, Ktunaxa-Kinbasket, and Katzie. The Agency also participated in the Atlantic negotiation process, which involves consultation and treaty rights.</li> <li>• The Agency developed an internal tool to provide information about Aboriginal groups and maps showing the locations of Aboriginal communities, traditional territories and land claims in relation to specific projects or areas of potential development. This information facilitates the consultation stage of the environmental assessment process by identifying Aboriginal traditional use of lands and resources.</li> </ul>		



Play a lead role in shaping the future of federal environmental assessment	Type: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Environmental Assessment Development Program
<ul style="list-style-type: none"> <li>• The statutory review of the former Act by the House of Commons Standing Committee on Environment and Sustainable Development took place from October 2011 to March 2012. The Agency contributed to the review and provided support to the Minister of the Environment in reviewing and responding to the Standing Committee's report and recommendations.</li> <li>• During the parliamentary review of the former Act, the Agency identified key issues that had implications for legislation and regulations, undertook research and analysis, and evaluated options for legislative and regulatory changes.</li> <li>• The Agency maintained a working dialogue with its stakeholders and international counterparts on EA within the broader context of economic development and key policy directions.</li> <li>• The Agency reviewed approaches and methods for cumulative effects assessment, including a research contract with academia, to support the renewal of the Agency's operational policy suite on cumulative effects.</li> </ul>		

## Risk Analysis

The following provides an overview of the Agency's operating environment, and associated considerations and challenges.

### Agency Operating Environment and Challenges

#### Shared Responsibility for Environmental Management

In Canada, responsibility for environmental management, including EA, is shared by the federal, provincial and territorial governments. Aboriginal groups are also assuming greater responsibility for the management of the environment and resources through constitutionally protected modern treaties, such as land claim agreements and self-government arrangements. Each jurisdiction has its own environmental assessment process and requirements. To manage this overlap of responsibilities without duplication, the former Act was administered in a manner that allowed the federal process to align with those of other jurisdictions. In addition, provincial initiatives in areas such as land-use planning help inform options for the future of federal environmental assessment. The Agency worked with other jurisdictions and Aboriginal groups to support timely, high-quality environmental assessments, which included implementing new cooperative approaches under existing or new bilateral agreements and project-specific arrangements.

#### Aboriginal Consultation

The Crown, both federal and provincial, has a duty to consult and, where appropriate, to accommodate Aboriginal groups when it contemplates conduct that may adversely affect potential or established Aboriginal or treaty rights. Potentially affected Aboriginal groups are consulted before the federal government makes decisions about proposed projects. The Agency is responsible for integrating Aboriginal consultation into the EAs that it conducts or manages to the greatest extent possible, which includes collaborating with provincial and territorial partners to share the results of consultation activities. Determining whether the federal Crown's actions will affect potential or established Aboriginal or treaty rights and ensuring that information is considered as part of federal decisions about projects requires the active participation of the Agency, federal departments and agencies with decision-making responsibilities, and the potentially affected Aboriginal groups. The Agency also supports Aboriginal Affairs and Northern Development Canada in treaty negotiations with regard to the environmental assessment provisions of proposed land claim agreements.

## **Collaboration with Federal Partners**

Collaboration among federal partners and the Agency is essential to deliver high-quality environmental assessments. In carrying out its responsibilities for the EAs of major projects, the Agency seeks information and advice from those federal partners that have decision-making responsibilities with respect to the project, and from those partners that have expertise in the potential environmental effects of the project. The effective and timely delivery of high-quality environmental assessments of major projects depends on the continued availability of expert advice from these organizations.

## **International Community**

International engagement provides Canada the opportunity to share environmental assessment expertise and research and learn from the experience of other countries. Keeping in step with the environmental initiatives of international organizations and other countries also helps to ensure Canada is implementing best practices. The Agency continues to develop relationships and to maintain productive dialogue with other jurisdictions. The Agency also continues to fulfill Canada's obligations as a party to the United Nations Economic Commission for Europe's *Convention on Environmental Impact Assessment in a Transboundary Context*.

## **Considering Diverse Interests and Expectations**

Major projects often raise complex and controversial issues related to environmental protection, economic development, job creation, community and public expectations, Aboriginal rights and interests, and federal-provincial relations. Interested parties frequently have diverse and potentially conflicting views about projects and their environmental effects. Maintaining open and productive communication with all participants in the environmental assessment process can be challenging in this context. However, it is essential in ensuring that EA efficiently addresses the full range of potential environmental effects.

## **Legal Context**

Diverging views on projects and their environmental effects may also lead to litigation and cause shifts in the legal context for EA. For example, two Supreme Court of Canada decisions in 2010 specifically addressed issues pertaining to EA. When litigation is pending, it may cause uncertainty. However, direction from the Courts contributes to clarifying the application of legislation and associated responsibilities, such as Aboriginal consultation. Ultimately, court decisions may affect the way federal environmental assessment is conducted.

## **Parliamentary Review of the Former Canadian Environmental Assessment Act**

The 2003 *Act to amend the Canadian Environmental Assessment Act* required that a comprehensive review of the former Act be undertaken by a parliamentary committee. The conduct of this review was referred to the House of Commons Standing Committee on Environment and Sustainable Development in June 2010. The Standing Committee completed its review and submitted the report of its findings to Parliament in March 2012. The Agency supported the Minister of the Environment in reviewing and responding to the Standing Committee's report, while continuing to deliver on its current responsibilities in an efficient and effective manner.

## **Operating in a Dynamic Context**

EA must be responsive to the dynamic, evolving economic, social, cultural, scientific, policy and legal context in which it takes place. The number, types and locations of projects subject to federal environmental assessment vary considerably with changes in the economy. For example, global commodity prices and demand for Canada's natural resources have a strong influence on the number of proposals in the mining and energy sectors. In addition, new types of projects and new technologies are continually being developed.

Knowledge and understanding of the natural environment continue to develop as new information becomes available, such as the effects of climate change. EA remains a complex undertaking that must

address uncertainty in both the Agency's understanding of the natural environment and its ability to forecast the changes that may occur in response to a project.

### Responding to Change

Environmental and resource management objectives continue to evolve across the country, as does the regulatory framework for environmental management, including EA.

The Agency must respond to the dynamic nature of the environment within which it operates by ensuring its practices and approaches are as effective as possible, and by continuing to have the right people in place with the right tools and support to deliver on its responsibilities.

### Summary of Performance

2011–12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
30,007	35,092	29,558

2011–12 Human Resources (full-time equivalents [FTEs])

Planned	Actual	Difference
242	226	-16

### Summary of Performance Tables

#### Progress Toward Strategic Outcome

##### Strategic Outcome:

**Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.**

Performance Indicators	Targets	2011–12 Performance
Percentage of policy, plan and program proposals for consideration by Cabinet that include strategic environmental considerations.	Ninety percent of Memoranda to Cabinet that require an SEA included strategic environmental considerations.	<ul style="list-style-type: none"> <li>Of all the Memoranda to Cabinet reviewed by the Agency that require an SEA, 59.4% included a statement indicating the completion of a preliminary scan or an SEA, as required by the <i>Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals</i>.</li> <li>This result shows a slight increase in the strategic environmental consideration in the proposals compared to the previous reporting period. Further action is needed to raise awareness of these requirements.</li> <li>It should be noted that the Agency's role is to support</li> </ul>



Strategic Outcome: Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.		
Performance Indicators	Targets	2011-12 Performance
Percentage of EAs where the Agency is the environmental assessment manager or performs the duties of the responsible authority for which the Agency develops and implements a work plan that will lead to the delivery of a high-quality environmental assessment.	An environmental assessment work plan that will lead to the delivery of a high-quality environmental assessment is developed and implemented for 100% of project-specific environmental assessments where the Agency is the environmental assessment manager or performs the duties of the responsible authority.	and strengthen the capacity within the federal policy community. The Agency is not accountable for overseeing other departments' compliance with the Cabinet Directive.
		<ul style="list-style-type: none"> <li>An environmental assessment work plan was developed and implemented by the Agency for 100% of the EAs it conducts or manages.</li> </ul>

#### Performance Summary, Excluding Internal Services

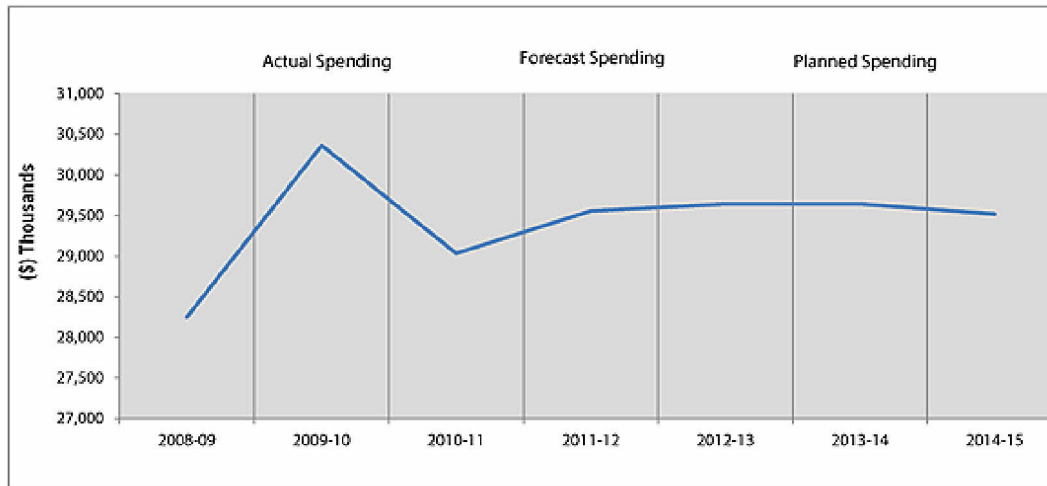
Program Activity	2010-11 Actual Spending	2011-12 <sup>2</sup> (\$ thousands)				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Environmental Assessment Development Program	3,765	4,306	4,306	4,356	3,524	Strong economic growth
Environmental Assessment Support Program	15,263	17,692	17,692	19,952	15,333	Strong economic growth
<b>Total</b>	<b>19,028</b>	<b>21,998</b>	<b>21,998</b>	<b>24,308</b>	<b>18,857</b>	

<sup>2</sup> Commencing in the 2009-10 Estimates cycle, the resources for Program Activity: Internal Service is displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by Program Activity between fiscal years.

#### Performance Summary for Internal Services

Program Activity	2010-11 Actual Spending	2011-12 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	10,006	8,009	8,009	10,784	10,701

## Expenditure Profile



[\[Expenditure Profile: Long Description\]](#)

For the 2011–12 reporting period, the Agency spent its \$30 million authority to achieve the expected results of its program activities and to contribute to its strategic outcome. For the 2008–09 to 2011–12 reporting periods, total spending includes all parliamentary appropriation and revenue sources. It also includes carry-forward adjustments. For the 2012–13 to 2014–15 reporting periods, the total spending corresponds to planned spending and revenues. The Agency received renewal funding in Budget 2012 to improve Canada's regulatory framework for major resource projects, and to increase funding for Aboriginal consultations for a period of three years. Carry-forward adjustments are unknown at this point and therefore are not reflected in this expenditure profile.

### Estimates by Vote

For information on the Agency's organizational votes and/or statutory expenditures, please see the Public Accounts of Canada 2012 (Volume II). An electronic version of the Public Accounts 2012 is available on the [Public Works and Government Services Canada website](#).<sup>i</sup>

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## Section II: Analysis of Program Activities by Strategic Outcome

### Strategic Outcome

Environmental considerations are taken into account in federal government decisions respecting policies, plans, programs and projects.

### Program Activity: Environmental Assessment Development Program

#### Program Activity Description

This program develops and maintains an effective, efficient and integrated environmental assessment process at the federal level, fully considering the interactions with other environmental assessment (EA),

consultative and regulatory decision-making processes in Canada, and mindful of the transboundary context. A sound environmental assessment process is vital to achieving the strategic outcome. Ensuring that environmental considerations are integrated into federal government decision making through sound environmental assessment practices supports a high quality of life for Canadians, environmental sustainability, and economic competitiveness.

#### 2011–12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
4,306	4,356	3,524

#### 2011–12 Human Resources (full-time equivalents [FTEs])

Planned	Actual	Difference
41	35	-6

#### Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Federal departments have access to the training and information they need to implement the <i>Cabinet Directive on Environmental Assessment of Policy, Plan and Program Proposals</i> .	Percentage of course participants from federal departments indicating their satisfaction with training course content and materials.	Eighty-five percent of course participants from federal departments are satisfied with training course content and materials.	<ul style="list-style-type: none"> <li>During the reporting period, the Agency developed a new course aimed at improving the implementation of the Cabinet Directive (SEA 101). The course was piloted in 2011–12 to obtain input from departments and agencies before finalizing it. The Agency anticipates delivering sessions in 2012–13.</li> </ul>
Key issues are addressed, contributing to an improved federal environmental assessment framework consistent with the purposes of the <i>Canadian Environmental Assessment Act</i> .	Percentage of key issues being addressed through the development of new or amended policies, procedures, regulations, or legislative proposals.	Over five years, 100% of key issues are being addressed as a result of new or amended policies, procedures, regulations, or legislative proposals.	<ul style="list-style-type: none"> <li>One hundred percent of the key issues are being addressed, in particular: <ul style="list-style-type: none"> <li>streamlining the environmental assessment process;</li> <li>timeliness in conducting comprehensive studies;</li> <li>Aboriginal consultation; and</li> <li>federal coordination.</li> </ul> </li> </ul>



## **Performance Summary and Analysis of Program Activity**

The Environmental Assessment Development program activity establishes and maintains the policy and legislative foundation for the practice of EA at the federal level. It develops new and innovative ways to ensure the application of federal environmental assessment remains efficient and effective. The program activity aligns most closely with the Agency's priority to play a lead role in shaping the future of federal environmental assessment. The program activity also makes important contributions to the priority of building effective relationships with Aboriginal people.

The goal of this program activity is to ensure an effective and efficient federal environmental assessment process, taking into account interactions with other EAs and consultative and regulatory decision-making processes in Canada. In pursuing this objective, the Agency worked with partners and stakeholders, monitored and evaluated emerging issues and trends, and developed appropriate legislative, regulatory and policy responses to key issues.

Through this program activity, the Agency delivered on the following key areas.

### **Improving Coordination and Cooperation**

The 2010 amendments to the former *Canadian Environmental Assessment Act* (the former Act) resulted in stronger coordination and cooperation by streamlining the federal and provincial environmental assessment processes when both processes applied.

No new bilateral arrangements were developed or renewed with provincial jurisdictions given the former Act was under parliamentary review.

By supporting treaty negotiations, the Agency ensures that the environmental assessment provisions of proposed land claim agreements are aligned with federal legislated requirements. The governments of Canada, British Columbia, and the Nisga'a Nation worked together to implement the environmental assessment chapter of the *Nisga'a Final Agreement* in the context of several major resource projects. As part of this work, socio-economic and cultural well-being assessments were integrated into the comprehensive studies for the Kerr-Sulphurets-Mitchell and Kitsault Mining projects, with the goals of fulfilling treaty commitments and supporting the long-term economic development of northwest British Columbia.

### **Aboriginal Consultation**

On behalf of the federal government, the Agency incorporates Aboriginal consultation into the EAs it leads. During the reporting period, the Agency offered training courses on Consulting Aboriginal Groups in Environmental Assessment and Interest-based Negotiation in Environmental Assessment to the federal community to integrate Aboriginal consultation in EA.

In support of Aboriginal consultation, the Agency completed development of a map-based technology using geographic information systems and is preparing for deployment across the Agency. The Agency also developed map-based products to support Aboriginal consultation activities and the environmental assessment management function.

### **Parliamentary Review of the Former *Canadian Environmental Assessment Act***

The House of Commons Standing Committee on Environment and Sustainable Development conducted a statutory review of the former Act. To support the review, the Agency responded to all requests for information from the Standing Committee and the Library of Parliament pertaining to the provisions and operation of the former Act. The Agency defined the key characteristics of high-quality environmental assessment to inform the review.

The Standing Committee tabled its report entitled "Statutory Review of the *Canadian Environmental Assessment Act*: Protecting the Environment, Managing our Resources" on March 13, 2012. The report made 20 recommendations related to improving timeliness, decreasing duplication and targeting projects with the most potential for significant adverse environmental effects, improving Aboriginal consultations

and outcomes, and filling the gaps. The Agency reviewed the report and started to develop its response during the reporting period.

### **Strengthening the Implementation of Strategic Environmental Assessment**

Strategic environmental assessments (SEA) support informed decision making by identifying potential, important environmental effects, either positive or negative, and by proposing measures to mitigate them for proposals submitted to ministers or Cabinet. During the reporting period, the Agency provided ongoing advice on the application of SEAs under the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*. The Agency published on its website revised guidance on public statements to reflect the link to the Federal Sustainable Development Strategy goals and targets. The Agency continued to engage the interdepartmental community on SEA with a view to improving performance and consistency, through a clearer understanding of the desired outcomes of SEA and options, such as a risk-based approach, to focus analysis and resources where most appropriate. The Agency also developed a training package for SEA and held a pilot session with the federal community.

### **Ongoing Improvements for Major Resource Projects**

In 2008, the Major Projects Management Office (MPMO) officially opened its doors within Natural Resources Canada to provide overarching project coordination for major resource projects and to identify opportunities to improve the regulatory process. The Agency has worked closely with the MPMO since its establishment--as anticipated by the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*--with a particular emphasis on developing measures to improve the performance of the regulatory system for major resource projects.

An interdepartmental evaluation committee led by Natural Resources Canada, which included the Agency, was established to evaluate the Major Resource Projects Initiative. The evaluation covered a five-year period from 2007-08 to 2011-12 and reviewed all objectives and activities of the horizontal initiative, including those undertaken by the MPMO and other participating federal departments and agencies. The primary objective of the evaluation was to assess issues relating to the relevance and performance of the Major Resource Projects Initiative and to provide recommendations. The evaluation concluded that there is a need to ensure that the federal government continues to address the ongoing system-wide issues and capacity constraints within the federal regulatory system for major resource projects. The evaluation directed nine recommendations to Natural Resources Canada and partner departments and agencies. The Agency will work with the Natural Resources Canada to implement the recommendations, where required.

### **Ensuring Delivery of High-Quality Environmental Assessments**

The Agency's Quality Assurance Program published *A Framework for Analysis of the Quality of Screening Reports* in May 2011 before the parliamentary review of the former Act got underway. The main purpose of the study was to develop a framework for analyzing the quality of screening reports and to validate the framework by applying it to a small sample of screening reports. The study raised the question whether a screening under the former Act was the most appropriate environmental management mechanism for certain types of projects. The framework was useful for identifying those types of situations where EA under the former Act might not be the best approach for achieving environmental protection objectives and where changes to the former Act and its regulations might be worth considering.

In 2010, the Government of Canada amended the former Act to streamline the administrative process and to give the Agency responsibility for conducting all comprehensive studies, except in cases where the National Energy Board or the Canadian Nuclear Safety Commission is a responsible authority. During the reporting period, the *Establishing Timelines for Comprehensive Studies Regulations* were introduced to complement the legislative changes by establishing timelines for the completion of comprehensive studies undertaken by the Agency. These regulations increased predictability and accountability by committing the Agency to completing the comprehensive study process within prescribed timelines, and by requiring the Agency to report publicly on the implementation of the regulations.

The Agency conducted an interdepartmental peer review of the new *Comprehensive Study Practitioners Guide* and revised this guide in light of feedback from practitioners and the new *Establishing Timelines for Comprehensive Study Regulations*.

## Working with Other Jurisdictions and International Partners

The Agency met with international partners, such as the United States Environmental Protection Agency, Australian Government and the Quality Assurance and Compliance Unit at the World Bank, to discuss issues of mutual interest and to share information and best practices. The meetings contributed to the understanding of "high quality" in the context of federal environmental assessment.

## Lessons Learned

The parliamentary review presented an opportunity to hear from stakeholders and identify issues and challenges related to the effectiveness and efficiency of the federal environmental assessment process. Recommendations from the Standing Committee confirmed the need for a legislative approach that would address existing challenges and enhance the timeliness, transparency and predictability of federal environmental assessment. Information obtained through the review was used by the Agency to substantiate ongoing work to identify measures to improve the regulatory process for major projects.

## Program Activity: Environmental Assessment Support Program

### Program Activity Description

This program comprises the Public Participation Program, the Training and Guidance Program and the Environmental Assessment Management Program. These programs facilitate the involvement of the public, Aboriginal groups, project proponents and stakeholders in environmental assessments undertaken in accordance with federal environmental assessment legislation. The outcome is the delivery of high-quality environmental assessments of major projects, including the thorough assessment of environmental effects and meaningful public participation and Aboriginal consultation.

### 2011–12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
17,692	19,952	15,333

### 2011–12 Human Resources (full-time equivalents [FTEs])

Planned	Actual	Difference
140	127	-13

### Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
The Agency contributes to a reduction in time to complete the EA of major resource projects.	Percentage of times the Agency meets the timelines for its activities, as established in the Major Projects Management Office Project Agreement.	Agency meets 100% of the timelines for its activities, as established in the Major Projects Management Office Project Agreement.	<ul style="list-style-type: none"> <li>The Agency met the timelines for its activities established in the Major Projects Management Office Project Agreements 76% of the time for 25 milestones associated with 10 projects. This represents a significant</li> </ul>



Expected Results	Performance Indicators	Targets	Actual Results
			<p>improvement in meeting milestones from the previous reporting period.</p> <ul style="list-style-type: none"> <li>Not meeting the intermediary milestones set in project agreements is not necessarily reflective of the ability of the Agency to meet the overall environmental assessment timelines.</li> </ul>
A single environmental assessment report produces the necessary information to support federal and provincial environmental assessment decisions when both jurisdictions require EAs of a project.	Percentage of times a single environmental assessment report produces the necessary information to support federal and provincial environmental assessment decisions.	Eighty percent of cooperative environmental assessments result in a single report that produces the necessary information to support federal and provincial environmental assessment decisions.	<ul style="list-style-type: none"> <li>One hundred percent of cooperative environmental assessments included the report from the project proponent that produced the necessary information to support federal and provincial environmental assessment decisions.</li> <li>The Agency was the environmental assessment manager or federal environmental assessment coordinator for eight projects which received a decision during the fiscal year, all of which had one report that informed both decisions.</li> </ul>
Responsible authorities and proponents understand the Agency's role in implementing the major resource projects process.	Percentage of responsible authorities and proponents who agree that they understand the Agency's role in relation to the EA of projects subject to the major resource projects process.	Eighty-five percent of responsible authorities and proponents agree that they understand the Agency's role in relation to the EA of projects subject to the major resource projects process.	<ul style="list-style-type: none"> <li>One hundred percent of responsible authorities and proponents understood the Agency's role in EA of major resource projects. In the reporting period, 16 project agreements were signed by responsible authorities and are available to the proponents. The project agreements outline the roles and responsibilities of the Agency in implementing the major resource projects process. Project proponents learn of the role of the Agency and various federal departments through project agreements and by attending Agency-led project review team information sessions.</li> </ul>

Expected Results	Performance Indicators	Targets	Actual Results
Interests of Aboriginal groups in relation to EAs managed by the Agency are documented and presented to support decision making.	Percentage of EAs managed by the Agency for which an Aboriginal consultation work plan is developed and implemented by the Agency.	An Aboriginal consultation work plan is developed and implemented for 100% of EAs managed by the Agency.	<ul style="list-style-type: none"> <li>One hundred percent of EAs managed by the Agency had an Aboriginal consultation work plan. Aboriginal interests are documented and presented to support the decision-making process for all major resource projects where the Agency is the environmental assessment manager and there are established or potential Aboriginal and treaty rights.</li> </ul>
The Agency facilitates meaningful public participation in federal environmental assessments by providing funding to support certain activities.	Percentage of funding recipients who agree that the funding provided by the Agency improved their ability to participate meaningfully in the environmental assessment process.	Seventy-five percent of funding recipients agree that the funding provided by the Agency improved their ability to participate meaningfully in the environmental assessment process.	<ul style="list-style-type: none"> <li>The Agency completed a funding recipient satisfaction survey. Seventy-four percent of funding recipients agree that the funding provided by the Agency improved their ability to participate meaningfully in the environmental assessment process.</li> </ul>
The Agency delivers high-quality environmental assessment training courses that are effective in providing practical skills and knowledge.	Percentage of course participants who agree that the training given by the Agency was effective in providing practical skills and knowledge.	Eighty-five percent of course participants agree that the training given by the Agency was effective in providing practical skills and knowledge.	<ul style="list-style-type: none"> <li>The Agency offered 33 training courses during the reporting period and surveyed the participants. Ninety-two percent of course participants agree that the training given by the Agency was effective in providing practical skills and knowledge.</li> </ul>

### Performance Summary and Analysis of Program Activity

The Environmental Assessment Support program activity focused on delivering the Agency's responsibilities under the former Act and its regulations. It aligned with the Agency's operational priorities to deliver high-quality environmental assessments of major projects and build effective relationships with Aboriginal people.

The Agency ensured high-quality environmental assessments of major projects by supporting review panels, delivering comprehensive studies, and managing major resource project screenings. It advised and assisted the Minister of the Environment in establishing review panels and supported these panels in carrying out their mandates. For projects undergoing a comprehensive study, the Agency was responsible for meeting the comprehensive study requirements including preparing a comprehensive study report. The Minister of the Environment considered the comprehensive study report when making his decision. The Agency was not responsible for conducting comprehensive studies of projects regulated by the National Energy Board or the Canadian Nuclear Safety Commission.

For review panels and for the comprehensive studies it conducted, the Agency integrated the Government of Canada's Aboriginal consultation activities into the environmental assessment process to the greatest extent possible. This required determining the nature and extent of consultation that may be required and integrating that consultation into the environmental assessment process. The objectives were to avoid or mitigate adverse effects of the project in question on current land use or on existing or potential Aboriginal and treaty rights, and identify any residual effects for the consideration of federal decision makers.

The Agency played a central role in implementing the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, ensuring the environmental assessment process was administered in a manner that would meet timelines set out in project agreements between federal authorities, and leading the integration of federal Crown consultation activities.

The *James Bay and Northern Quebec Agreement* (JBNQA) is a constitutionally protected comprehensive land claim agreement, signed by the Government of Canada, the Government of Quebec, the Cree and the Northern Quebec Inuit in 1975. The Agency supports its President who, as the Federal Administrator, must review and determine whether projects of a federal nature proposed in the agreement territory should proceed. During the reporting period, the Federal Administrator made a decision to allow a uranium exploration project to proceed after conducting an environmental and social impact assessment under JBNQA and in accordance with terms and conditions to which the proponent was bound. The Agency also leads federal activities regarding the application of the JBNQA environmental and social impact-assessment regimes and the Act in the JBNQA territory.

The Agency facilitated meaningful public participation in comprehensive studies and assessments by review panels through a participant funding program required by the former Act.

## **Managing and Coordinating Environmental Assessments**

Delivery of high-quality environmental assessments requires effective and efficient management of the process, including coordination within the federal government and with provincial, territorial and Aboriginal governance partners. The Agency worked with federal authorities and other jurisdictions to develop work plans to avoid duplication and coordinate environmental assessment activities, including environmental impact statement guidelines, public participation, and Aboriginal consultation.

During the reporting period, the Agency participated in 212 environmental assessments. It undertook a coordination role in the EA of 153 projects; and fulfilled the role of environmental assessment manager for 20 new projects (15 comprehensive studies, 3 review panels, and 2 screenings) and 39 ongoing assessments that carried over from the previous year. The Agency provided support to the Canadian Nuclear Safety Commission and National Energy Board as required. It should be noted that 1 new comprehensive study and 1 new screening changed environmental assessment type during the reporting period. During the reporting period, 6 comprehensive studies and 2 review panels were completed or terminated. The Agency provided support to 13 projects subject to EA by a review panel.

## **Aboriginal Consultation**

The 2007 *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects* and its memorandum of understanding gave the Agency responsibility to integrate, to the greatest extent possible, Aboriginal consultation into the EAs of major resource projects it leads. With the amendments to the former Act in July 2010, the Agency, on a policy basis, also assumed the role of integrating Aboriginal consultation into all comprehensive studies it conducts. As Crown consultation coordinator, the Agency initiated early engagement with Aboriginal groups, developed consultation plans, coordinated consultation activities, and summarized the outcomes of consultation for decision makers.

The Agency integrated into the environmental assessment process consideration of impacts to existing or potential Aboriginal and treaty rights and current use of lands and resources by Aboriginal persons. The Agency applied its integration model to projects for which it was the Crown consultation coordinator.

The key benefits of the Integration Model are:

- a coherent and consistent whole-of-government approach to Aboriginal consultation;



- effective use of environmental assessment process as a means of examining whether a project's environmental effects may affect Aboriginal or treaty rights;
- efficient use of Agency and departmental resources; and
- effective communication and consultation with Aboriginal groups.

Building relationships with Aboriginal people encouraged and facilitated their active participation in these activities and was essential to the successful delivery of the Agency's priorities, including high-quality environmental assessments. In September 2011, the Agency's Atlantic Region gave a presentation on the federal environmental assessment process and integration of Aboriginal consultation into EA to the Assembly of Nova Scotia Mi'kmaq Chiefs during the Mining Consultation Table Meeting. This presentation occurred prior to the commencement of the comprehensive study for the Donkin Coal Mine to provide information that would facilitate the Mi'kmaq participation in the environmental assessment. In Quebec, a Cree representative was included in the federal environmental assessment committee for projects on Cree territory. The Agency also established a relationship with the Nunavik Inuit to understand how the relatively new *Nunavik Inuit Land Claims Agreement* could be harmonized with federal environmental assessment legislation for future projects.

During the reporting period, the Agency pursued outreach activities to encourage Aboriginal groups to participate and to provide information on the conduct of federal environmental assessments and associated consultation activities. In particular, the Agency organized and presented at a workshop in New Brunswick aimed at improving the First Nations understanding of EA and environmental assessment processes. The session was organized jointly with the New Brunswick Department of Aboriginal Affairs and was attended by representatives of the First Nations in New Brunswick. In addition, the Agency gave a presentation on the former Act and associated consultation at the First Nation of Quebec and Labrador Sustainable Development Institute convention. This event brought together representatives from almost every Aboriginal community in Quebec.

The Agency created an external Web page on Aboriginal consultation and other written material to explain to external audiences the steps the Agency takes to integrate Aboriginal consultation into the environmental assessment process.

Through the Aboriginal Funding Envelope of the Participant Funding Program, the Agency awarded \$4.3 million to 140 recipients to support Aboriginal consultation and participation in the EAs of 24 projects. This envelope provides funding specifically to Aboriginal groups to assist them in preparing for and participating in consultation activities and opportunities associated with review panel, joint review panel, and comprehensive study type EAs of major resource projects. The Agency maintains regular contact with Aboriginal groups throughout the life of a project to effectively and efficiently make funds available. Aboriginal groups who may potentially be affected by a project are contacted and notified of opportunities to participate in consultation. Consultation work plans are prepared jointly with potentially affected groups for each applicable project. Based on the opportunities for participation and consultation identified in the consultation work plan, the total funding to be offered in support of consultation activities is determined for each project. These funds, however, are not meant to fully cover costs that may be incurred by the recipients during the environmental assessment process.

### **Operating in a Dynamic Context and Responding to Change**

The Agency introduced the *Establishing Timelines for Comprehensive Studies Regulations* in response to the changing environment and in an effort to improve the efficiency and timeliness of EAs. These regulations established mandatory timelines for the Agency when it was responsible for conducting comprehensive studies, and prescribed the information that was to be included in a project description. The regulations also dictated that:

- the Agency had a maximum of 90 calendar days from the time it received an acceptable project description to decide if the project was to proceed as a comprehensive study; and
- the Agency had a maximum of 365 days of government time to submit a comprehensive study report to the Minister from the date of posting of a Notice of Commencement.

During the reporting period there were 11 projects subject to the regulations, in addition to 10 projects following the 365-day timeline on a policy basis. One of the 21 projects was terminated at the request of the proponent. The environmental assessment process began for 11 projects. The Agency met the 90-day timeline in 10 cases; in 1 case the timeline was exceeded by 1 day. The 365 days of government time did not elapse for any of these environmental assessments during the reporting period. Time taken by the proponent to provide information is not included in this timeline.

The former Act, as amended in July 2010, also specified two timelines:

- A Notice of Commencement had to be posted within 14 days upon deciding an EA was required.
- The first comment period had to take place within 10 days of posting the Notice of Commencement.

For these legislated timelines, 1 out of the 11 projects did not meet the 14-day timeline by one day. All projects met the timeline for the first public comment period. It should be noted that the public comment period started within one day of the posting of the Notice of Commencement for 8 of the 11 projects.

### **Public Participation**

To maximize public participation in EA, the Agency maintained the Canadian Environmental Assessment Registry Internet site, which provided the public with access to information and records about EAs that were being conducted under the former Act. During the reporting period, over 5,000 EAs were entered into the online Registry, the majority of which were screenings undertaken by responsible authorities other than the Agency. Over 100,000 users visited the Registry Internet site. Agency employees regularly responded to public requests via the Registry for information and records.

In an effort to promote public access to records related to EAs conducted under the former Act and increase the number of records available online, the Agency launched an electronic Reading Room for Agency-led comprehensive studies. The Reading Room facilitated convenient public access to additional information and records that would assist in better informing the public about projects and their environmental effects.

Public participation is an integral part of the environmental assessment process. The Agency provides opportunities for the public to comment on projects and EAs, or to participate in EAs at several milestones in the process. During the reporting period, the public participation activities were completed in 24 of the 39 comprehensive studies conducted by the Agency and 2 of the 6 major resource project screenings. For review panels, public hearings were started for the Enbridge Northern Gateway Project.

The Agency awarded \$1.1 million in participant funding to 59 recipients, including individuals, non-profit organizations, and Aboriginal groups not eligible for funding from the Aboriginal Funding Envelope to take part in the EAs of 18 projects. The Participant Funding Program continues to implement a client satisfaction survey to collect quantitative and qualitative information on whether the objectives of the program are being met.

### **Training and Guidance**

During the reporting period, the Agency offered a comprehensive training program to the federal community. It delivered training courses on the Agency's role in delivering comprehensive studies, integrating Aboriginal consultation into the environmental assessment process, consulting Aboriginal groups in EA, interest-based negotiation in EA, an overview of the former Act, and an introduction to screenings as a type of EA under the former Act.

The Agency developed operational policy instruments as required to support its employees and other departments in delivering high-quality environmental assessments of major projects. It developed and delivered an internal technical training course on comprehensive studies to support implementation of the 2010 amendments to the former Act. The Agency also developed guidance to support Agency employees and others in implementing the Agency's integration model, including an internal directive on the scope of consultation as well as guidance on completing issues tracking tables. It also developed and implemented a suite of guided, self-directed and interactive e-learning tools in an effort to provide a cost

-effective and flexible means for individuals to acquire knowledge of Registry requirements and processes.

The Agency rolled out the Environmental Assessment Practitioners Portal as an internal Web platform for one-window access to operational policy instruments, such as guides, research reports and training packages, in support of high-quality environmental assessments. The Agency updated various operational policy instruments available on the Agency website due to the 2010 amendments to the former Act and the new *Establishing Timelines for Comprehensive Study Regulations*.

## Lessons Learned

The screening for the Shell Quest carbon capture and storage project was the first joint environmental assessment between the federal government and the Province of Alberta. Natural Resources Canada was the responsible authority and the EA was a cooperative review with the Province of Alberta under the *Canada-Alberta Agreement for Environmental Assessment Cooperation*. As this was a major resource project, the Agency was the environmental assessment manager and coordinated the project with the province. It also assumed the role of Crown consultation coordinator for the proposed project.

To ensure one project, one assessment, the federal and provincial governments worked collaboratively to develop the terms of reference that clearly identified the roles, responsibilities and interests of each jurisdiction, to determine the timelines for the review of the environmental assessment information, and to request information from the proponent. This provided a streamlined environmental assessment process for the proponent and created certainty in timelines for both jurisdictions and other stakeholders.

## Program Activity: Internal Services

### Program Activity Description

Internal Services groups related activities and resources to support the needs of programs and other corporate obligations of the Agency. This includes Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, the Access to Information and Privacy Office, Real Property Services, Materiel Management Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services includes activities and resources that apply across an organization, not those provided specifically to a program.

### 2011–12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
8,009	10,784	10,701

### 2011–12 Human Resources (full-time equivalents [FTEs])

Planned	Actual	Difference
61	64	3

## Performance Summary and Analysis of Program Activity

Internal Services support the operating programs and activities of the Agency and include many administrative activities performed outside program areas that are not otherwise allocated as program support.

The Agency's Internal Services support core program activities by providing modern, timely, and responsive services that are effective and efficient.



## **Communications Services**

The Communications Division provides advice and support to the Agency and the Minister of the Environment on external communications and issues, internal communications, and language services.

During the reporting period, the Communications Division designed and delivered public information plans in support of the Agency's enhanced public consultation mandate for comprehensive studies. Communications advisors assisted panel managers in delivering information sessions and public hearings, including in-person media relations services for review panels.

The Communications Division provided advice and support on numerous policy initiatives, including on the Government's Responsible Resource Development initiative.

## **Human Resources Management Services**

The Human Resources (HR) Division is responsible for developing strategies, programs, policies, procedures and tools to attract and retain productive and engaged employees, who represent the diversity of the Canadian population.

During the reporting period, the 2011–2014 Integrated HR Plan was revised, and HR authorities and related procedures were reviewed to ensure the Agency was prudent in its HR management practices.

The HR Division implemented strategies to make its services more effective and efficient. This included developing an inventory of candidates for CR-04, CR-05 and AS-01 positions, and creating new generic work descriptions for various occupational groups.

The HR Division also developed the *Agency Code of Values and Ethics* (the Agency Code), which outlines the values and expected behaviours of employees. Mandatory half-day sessions on values and ethics were held across the Agency. These sessions gave employees an opportunity to learn more about values and ethics, and to provide feedback on the Agency Code.

To help employees incorporate the Agency Code into their daily work, the HR Division developed the Values and Ethics Guide.

The Agency took part in the 2011 Public Service Employee Survey with a participation rate of 84 percent. The survey results highlighted the Agency's areas of strength and areas for improvement. A working group was established and an action plan was drafted to develop strategies to address the areas requiring improvement.

## **Information Management and Information Technology Services**

The Information Services Division provides information technology (IT) support, procures all IT equipment, provides information management (IM) support and maintains the Agency's IM platform, and oversees records management and access to information and privacy.

During the reporting period, the Information Services Division continued to deploy the Government of Canada standards-based Electronic Document and Records Management System. This solution is based on the OpenText Content Server (Livelink 9.7.1) and is referred to at the Agency as InfoZONE.

InfoZONE will be the Agency's sole information repository, ensuring records are maintained in accordance with applicable policies in a manner that supports efficient and cost-effective retrieval and disposition. The migration of records and associated systems started in February 2011. At fiscal year end, the project was estimated to be 90 percent complete.

The Agency's Access to Information and Privacy Office maintained a high degree of compliance with the relevant access to information and privacy legislation. The Agency's renewed procedures and ongoing training were key factors in this success.

## Financial, Corporate Planning and Administration Services

The Finance and Administration Division is responsible for preparing various departmental reports, overseeing business planning, managing the internal audit function, and overseeing the Agency's accommodation requirements and procurement activities.

During the reporting period, the Agency continued to develop plans to improve its internal control framework in alignment with Treasury Board policies, including internal control, transfer payments, and financial management governance. This also includes continued capacity building on financial, material and risk management to strengthen financial management stewardship, oversight, transparency, and accountability.

As an integral part of these plans, the Agency reviewed and implemented specific internal service improvements to enhance delivery to program managers. In an effort to reduce a multiplicity of rules, corporate policy instruments were introduced throughout the year.

As required by the 2009 revision of the Treasury Board *Policy on Government Security*, the Agency has completed 90 percent of the work required to develop the Agency's first Departmental Security Plan.

Administration Services established a new acquisition vehicle to assist in delivering Agency programs. This new acquisition vehicle has proven to reduce the cost and delivery timelines for acquiring a particular service. Administration Services also negotiated the relocation of the Agency's Québec City and Edmonton regional offices.

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## Section III: Supplementary Information

### Financial Highlights

#### Condensed Statement of Financial Position (Unaudited)

As at March 31, 2012

(\$)

	Change \$	2011-12	2010-11
Total net liabilities	(25,145)	6,230,874	6,205,729
Total net financial assets	(133,519)	3,477,966	3,611,485
Departmental net debt	(158,664)	2,752,908	2,594,244
Total non-financial assets	(5,471)	164,307	169,778
Departmental net financial position	164,135	2,588,601	2,424,466

#### Condensed Statement of Operations and Departmental Net Financial Position (Unaudited)

For the Year Ended March 31, 2012

(\$)

	Change %	2011-12	2010-11
Total expenses	29.0	37,882,537	36,808,042
Total revenues	-14.4	2,891,867	3,377,821

	Change %	2011-12	2010-11
Net cost of operations before government funding and transfers	4.7	34,990,670	33,430,221
Departmental net financial position	6.8	2,588,601	2,424,466

## Financial Statements

Detailed financial statements can be found on the [Canadian Environmental Assessment Agency website.](#)<sup>ii</sup>

## List of Supplementary Information Tables

Electronic supplementary information tables listed in the *2011-12 Departmental Performance Report* can be found on the [Canadian Environmental Assessment Agency website.](#)<sup>iii</sup>

- Details on Transfer Payment Programs
- Greening Government Operations
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting

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## Section IV: Other Items of Interest

### Organizational Contact Information

#### Director of Communications

Canadian Environmental Assessment Agency

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**E-mail:** [info@ceaa-acee.gc.ca](mailto:info@ceaa-acee.gc.ca)

#### The Canadian Environmental Assessment Agency Website

[www.ceaa-acee.gc.ca](http://www.ceaa-acee.gc.ca)

#### Treasury Board Secretariat Website

[www.tbs-sct.gc.ca](http://www.tbs-sct.gc.ca)



## Additional Information

### Statistical Summary of Environmental Assessments

The table below provides a statistical summary of environmental assessments conducted under the former *Canadian Environmental Assessment Act*. It outlines the total number of projects that underwent an EA during the reporting period.

Fiscal Year 2011–12			Environmental Assessment Decisions Taken This Fiscal Year		
Environmental Assessment Type	Ongoing on April 1, 2011	Initiated this fiscal year	Not likely to cause significant adverse environmental effects	Likely to cause significant adverse environmental effects	Terminated
Screening	2,617	2,807	1,984	0	303
Class Screening	N/A	N/A	183	N/A	N/A
Comprehensive Study	35	15	6	0	4
Review Panel	10	3	1	1	0
Panel Substitution	1	0	0	0	0

**Note:** The Agency, in exercising the powers and performing the duties of a responsible authority according to the amendments to the former Act, was responsible for 24 of the 35 ongoing comprehensive studies. Of these, 3 were completed, 3 were terminated, and 1 was designated as a screening during the reporting period. Eleven comprehensive studies remained within the management of the responsible authorities, including 3 for which an environmental assessment decision was reached. Of the 15 comprehensive studies that were initiated during the year, all were undertaken by the Agency. One EA was initiated as a screening-level assessment and subsequently designated as a comprehensive study during the same reporting period.

In addition, a total of 2,140 screenings were completed by the Business Development Bank of Canada and Farm Credit Canada within the reporting period. Since June 11, 2006, these Crown corporations were required to conduct EAs of their projects under the former *Canadian Environmental Assessment Act*, but with a modified process for reporting on the Registry Internet site.

For further information about the federal environmental assessment process, consult the [Canadian Environmental Assessment Agency website](#).<sup>iv</sup>



## Endnotes

<sup>i</sup> Public Works and Government Services Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html>

<sup>ii</sup> Canadian Environmental Assessment Agency, <http://www.ceaa-acee.gc.ca/default.asp?lang=En&n=D6B8C2E6-1>

<sup>iii</sup> Canadian Environmental Assessment Agency, <http://www.ceaa-acee.gc.ca/default.asp?lang=En&n=7912ECE4-1>

<sup>iv</sup> Canadian Environmental Assessment Agency, <http://www.ceaa-acee.gc.ca/>

Introduction	
<b>2011-12 Departmental Performance Report</b>	
Details of Transfer Payment Programs	
Greening Government Operations (GGO)	
Internal Audits and Evaluations	
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User Fees and Regulatory Charges/External Fees	
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Expenditure Profile - Spending Trend	
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